AG124
AUDIT AND GOVERNANCE COMMITTEE

REPORT TITLE: Q4 GOVERNANCE MONITORING

18 JULY 2024

REPORT OF CABINET MEMBER: CLLR BECKER – CABINET MEMBER FOR COMMUNITY AND ENGAGEMENT

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WARD(S): ALL

PURPOSE

To provide members of the Audit and Governance Committee with a summary overview of the key issues in respect of governance during the fourth quarter of the 2023/24 financial year.

RECOMMENDATIONS

That the Audit and Governance Committee:

1. notes the content of the report including the progress against the internal audit management actions and raises any issues with the cabinet member,

2. notes the code of conduct complaint and resolution as set out in appendix 2.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

This summary document supports the council to be open and transparent by reporting the effectiveness of its governance framework and highlighting areas of weakness or issues of concern.

2 FINANCIAL IMPLICATIONS

There are no financial implications arising from the content of this report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

There are no legal or procurement implications arising from the content of this report.

4 WORKFORCE IMPLICATIONS

There are no workforce implications arising from the content of this report.

5 PROPERTY AND ASSET IMPLICATIONS

There are no property and asset implications arising from the content of this report.

6 CONSULTATION AND COMMUNICATION

Consultation on the content of this report has been undertaken with the Cabinet member for Community and Engagement and with members of the Executive Leadership Board (ELB) and Corporate Heads of Service (CHoS). Owners of actions included in the internal audit reports that are referred to in this report have provided updates on the progress achieved against the agreed management actions.

7 ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations arising from the content of this report.

8 PUBLIC SECTOR EQUALITY DUTY

None arising from the content of the report, although officers will need to consider the council's Public Sector Equality Duty and if required complete an Equality Impact Assessment on any specific recommendations or future decisions to be made. This report is not making any decisions and is for noting and raising issues only.

9 DATA PROTECTION IMPACT ASSESSMENT

There are no data protection impact assessments required.

10 RISK MANAGEMENT

This report presents a summary update on how the council is performing against the governance processes and procedures that are in place and set out in the Risk Management Policy 2024/25 and Local Code of Corporate Governance. Independent assurance provided by the council's internal and external auditors evidence where there are weaknesses in the council's governance arrangements are highlighted in this report and the actions being taken to address them.

11 SUPPORTING INFORMATION

11.1 This report sets out the summary information in respect of the fourth quarter of the 2023/24 financial year concerning governance.

The Governance and Decision-making structure of the Transformation Challenge 2025 (TC25) programme is set out at Appendix 4.

Annual Governance Statement

11.2 Progress against the actions included in the 2022/23 Annual Governance Statement is included in appendix 1 to this report.

11.3 Members should note the related agenda item at this meeting, AG131 - Annual Governance Statement 2023/24.

Declarations of gifts and hospitality

11.4 During the period 1 January 2024 to 31 March 2024 there were three declarations of gifts and hospitality made by officers in accordance with the Employee Code of Conduct.

11.5 Members regularly update their register of interest forms and during the period 1 January 2024 to 31 March 2024 there were no declarations of gifts or hospitality over the value of £50 made by members in accordance with the Members Code of Conduct.

12 *Internal Audit*

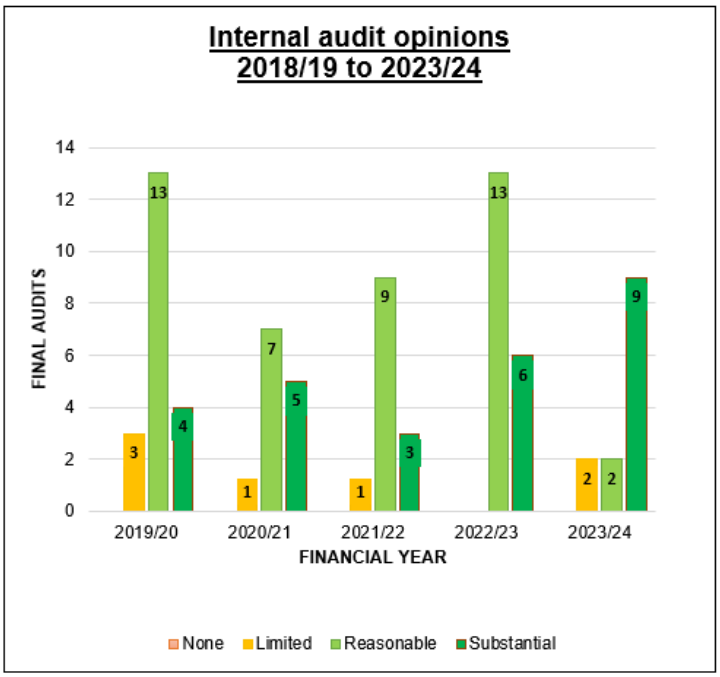
12.1 Internal audit provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal controls operating at the council. The internal audit plan for 2023/24 was approved by this committee on 2 March 2023, report AG101 refers.

12.2 Since 1 April 2023 there have been no audit review reports that concluded with a ‘no assurance’ opinion and two audit review reports that concluded with a ‘limited' assurance opinion. Nine audit reviews concluded with a substantial opinion, and two concluded with a reasonable opinion.

12.3 Where reasonable or substantial audit opinions are offered following an audit review this gives assurance to senior management, external auditors and members of this committee that an appropriate system of governance, risk management and control exists with internal controls and processes operating effectively in the area audited.

12.4 Additional commentary can be found in section 13 of this report, where opinions that are either limited or no assurance are summarised to support members in monitoring the progress of the actions in place to address the identified weaknesses found during the audit review.

12.5 The chart below shows the assurance opinions of the completed internal audits that were included in the audit plans in the years 2019/20 to the current year 2023/24.



12.6 Since the Q3 2023/24 Governance Monitoring report was presented to Audit and Governance Committee on 29 February 2024 there have been seven internal audit reports finalised and issued before the 31 March 2024, four of which concluded with substantial assurance.

- Income Collection Banking – Central Income Collection (substantial)
- Capital Programme and Monitoring (substantial)
- Absence Management (substantial)

- Income Collection, Banking & Stock Control – Visitor Information Centre (Limited)
- Human Resources – Recruitment (Reasonable)
- New Homes Programme (Substantial)
- Income Collection and Banking – Guildhall (Reasonable)

Internal Audit Management Actions Tracking

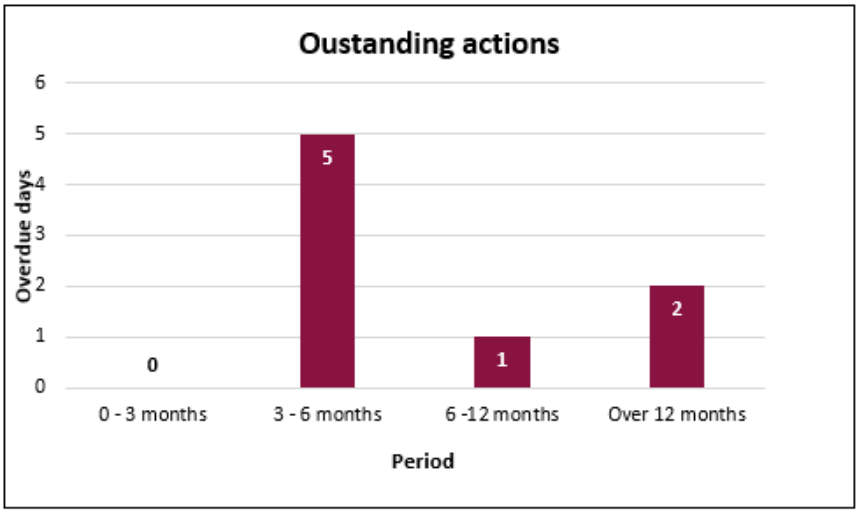
12.7 Corporate heads of service (CHoS), service leads, and Executive Leadership Board (ELB) regularly review the progress against the actions included in the internal audit reports.

12.8 Reported on a quarterly basis is a summary table showing the status of these actions which are kept under regular review to assess progress and consider where actions might become superseded or obsolete due to external or internal factors.

12.9 To assist member's understanding, an additional narrative is included in the table below to provide a brief explanation of the progress being made against the actions that have passed their target date and the reasons for the delay in completion.

12.10 There are currently 8 overdue actions, none of which are high priority. One action has been completed since the last meeting of the committee on 29 February 2024.

12.11 The chart below provides an analysis of the overdue management actions by the length of time that has passed since the target completion date for each of the actions. There are 2 actions that are showing as overdue for more than one year and these relate to the Records Retention and Disposal audit. Progress against these two actions is underway at pace with an update included in paragraph 13.4 of this report.



12.12 Further information relating to the current overdue management actions is shown in the table below:

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Management Actions			LOW	MEDIUM	HIGH
						Pending	Cleared	Overdue			
Information Governance Records Retention	0303/2022	SDR	Limited	14 (4)	0	0	12 (4)	2		**2**	
Progress update: There are two overdue actions. The first overdue action is to implement and apply the retention schedule to document management systems and filing structures. This will be completed by the 30 September 2024. The second overdue action relates to reviewing and updating of the Information Asset Register (IAR). Work will not commence on this until the Data Protection and Digital Information Bill has been through parliament and received Royal Ascent in the House of Lords. Progress of the Bill has now been delayed owing to the calling of the General Election and work will resume once the Bill has been passed.											
IT Asset Management	24/02/2023	SDR	Reasonable	8 (1)	0	0	3 (1)	5	**5**		
Progress update: Approval has now been given to the Asset Management Project, which includes actions that will address the weaknesses identified in the audit review and will commence in June/July. This project is due to be completed by the end of October.											
Human Resources	10/07/2023	SDR	Reasonable	4(2)	0	0	3(2)	1		**1**	
Progress update: There is one medium priority overdue action remaining which is to update the Learning and Development Policy. This policy is currently under review and will be completed in Quarter 2 2024/25.											

Internal Audit Service Resourcing

12.13 The Accounts and Audit (England) Regulations 2015 require local authorities to *undertake an effective internal audit to evaluate the effectiveness of risk management, control and governance processes*. For Winchester, the council's Constitution sets out that it is the responsibility of the Section 151 Officer to *maintain an adequate and effective system of internal audit*. To achieve this, the council has a successful joint working arrangement with (and is a key stakeholder partner in) the Southern Internal Audit Partnership (SIAP).

12.14 The annual audit plan, agreed by the Audit & Governance Committee ahead of each new financial year, is risk based and since 2017/18 resourced to deliver 310 audit days per year.

12.15 In response to a review of internal audit resourcing (and in light of the chief internal auditor's reports on the council's risk management processes; control systems; accounting records; and governance arrangements) the section 151 officer is proposing to give notice to SIAP to reduce the number of audit days to 295 in 12 months' time. This reduction of 15 days is less than 5% of the programme and balances the need to ensure there are adequate controls to mitigate risks with the need to reduce costs to address budget shortfalls in the medium term.

13 ***Internal Audits with Limited Assurance***

13.1 The following section provides background and an update on the progress of management actions where an internal audit concluded with a limited assurance opinion and supports members in monitoring the progress of the actions in place to address the identified weaknesses found during the audit review.

13.2 **Asset Management (Corporate Estate)**

As part of the planned internal audit reviews for 2022/23, a review was undertaken of the council's arrangement for the maintenance and repair of non-housing corporate assets. The final report was issued on 16 October 2023 and offered a limited opinion.

The audit set out to assess the effectiveness of controls in place focusing on those designed to mitigate risk in achieving the following key objectives:

- There are roles and responsibilities in place for the maintenance of corporate occupied properties and community assets, and these are supported by policies and procedures.
- A centrally controlled Asset Register database is in place and linked to maintenance programmes to enable effective monitoring of both planned works and reactive repairs and maintenance.
- Property maintenance is scheduled and actioned in line with statutory requirements and Council policy.

- Performance in respect of planned maintenance and reactive repairs is adequately monitored and reported.
- Appropriate Fire Safety arrangements are in place, in line with lease agreements and insurance arrangements.

There were a number of areas assessed where the current controls were found to be effective and working well. The Asset Management Strategy includes overall arrangements for property maintenance and there are clear roles and responsibilities in place. Risk assessments in relation to Asset Management are available. Statutory maintenance checks have been carried out in 2023 and included in the budget for facilities and maintenance. The edit/delete access to the Uniform platform is restricted to relevant users only.

Central system for logging statutory maintenance and repairs. A centralised monitoring system is now in place.

Procedures for Statutory Checks and Maintenance. A centralised system is now in place.

Condition surveys and visual inspections. Visual inspections are part of the Control Document spreadsheet. Urgent repairs and maintenance are identified but there is insufficient asset management budget to commission regular comprehensive condition surveys on all Council assets.

13.3 **Income Collection, Banking & Stock Control – Visitor Information Centre**

A review of Income Collection, Banking and Stock Control for the Visitor Information Centre (VIC) was undertaken in 2023/24. The audit is in the plan owing to the risks associated with cash and stock handling. The final report was issued on 11 March 2024 and offered a limited assurance opinion.

The audit highlighted several existing procedures and controls that were working well and deemed effective in controlling income collection and banking. All actions required to address the weaknesses identified have been completed.

However, there were gaps in the stock control and reconciliations between the VIC Electronic Point of Service (EPOS) system (till system) and the corporate financial management system. All of the management actions have now been implemented / completed which should mitigate the risks identified. In addition to this the installation of a new EPOS system in July has meant that stock control has been significantly improved. Stock items on the EPOS system have been condensed and all products now have images to avoid mis-selling by staff. The VIC manager now undertakes quarterly stock takes, which allows for any discrepancies to be identified and dealt with quickly and ensures they are not left to year end.

The EPOS system and corporate financial management system are not integrated and must be reconciled. To ensure the financial system correctly records stock orders and payments, further orders were suspended from mid-

February until the new financial year to assist in the reconciliation of figures. The 2023-24-year end stock take resulted in a minimal discrepancy which demonstrates that the actions and procedures introduced are working.

13.4 **Information Governance – Records Management**

During the quarter, colleagues in the Policy team worked with Service Leads across the council to review and validate the retention periods for the documents that are held by their services. This has now been completed and the Retention and Disposal schedule approved by ELB. The roll out of the Policy and Schedule to all staff has taken place and will be completed by 30 September 2024.

Implementation of the schedule across the systems and platforms is now well underway and will see deletion of records and documents that do not need to be retained, including documents deleted from on-premise servers or saved into SharePoint. The exercise will also include purging and deleting legacy files areas, such as those relating to staff who have left the council. This will continue until the end of September.

14 ***Risk Management***

14.1 The council's Risk Management Policy 2024/25 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy). The current Corporate Risk Register is appended at Appendix 3. The most recent formal quarterly review of the Corporate Risk Register by the Executive Leadership Board (ELB) was carried out on 8 May 2024. All risks and their current controls were reviewed.

14.2 As a result of the review there were the following updates:

- CR003 - Challenge of decisions – controls updated to reflect that the next Residents survey has been commissioned and fieldwork will commence in June and also the following control added *'where possible and appropriate digitalisation will be utilised to mitigate against procedural errors'.*

- CR004 – Business Continuity – controls updated to reflect that the Business Continuity plans were approved by ELB on 6 March 24; annual testing of the IT Disaster Recovery Plan took place on 20 March 24; and that there is a workplan in place for 2024.

- CR006 – Partnership Working – controls updated to reflect that the Partnership register was endorsed by ELB on 6 March 24.

- CR010 – Climate Emergency - the HRA associated budget figure updated from £15mil to £45mil in-line with CAB3445.

- CR011 – Climate Change - causes updated and reference removed to 'footpaths and car parks' as causes will be dependent on each adverse weather event.

- CR012 - Nutrient neutrality (Phosphates) - controls have been updated to reflect that a project team has been initiated.

14.3 The original and residual risk ratings of all risks were considered appropriate and tolerable. The causes, consequences and controls for each risk were reviewed and deemed to be current and sufficient at the time of the review (other than those updates set out above).

14.4 ELB reviewed the current status of the public sector and did not determine any further Corporate Risks despite ongoing uncertainty around national politics and funding.

14.5 Of the 72 operational risks managed by Corporate Heads of Service, five of these were presented to ELB for review as the residual risk was rated as ‘red’. For all of these ELB agreed that the current controls were sufficient, that the residual risk score was correct and accepted and escalation to the Corporate Risk Register was not required at this stage. ELB agreed to merge two of the operational risks to avoid duplication.

14.6 In addition, ELB discussed a new Operational Risk related to the Climate Emergency and agreed that this was assigned to the Corporate Head of Economy and Community, reflecting the scope of actions and mitigations already in place.

15 ***Code of Conduct Complaints***

15.1 The Audit and Governance Committee has two sub-committees including the Standards Sub-Committee, whose purpose is to consider investigation reports in respect of Code of Conduct Complaints that have been referred to it by the Monitoring Officer.

15.2 Appendix 2 provides brief details of the Code of Conduct complaints received, in progress and closed and where enquiries have been made to the Office of the Monitoring Officer. In addition to the usual reporting in this appendix there is a report of a breach of the code for noting by this committee in accordance with the process.

16 ***TC25 Governance and Decision-making Structure***

16.1 In response to the challenging financial landscape for local government in general and the specific pressure being forecast in Winchester’s medium term financial strategy, the council has established an organisation wide transformation programme in order to close a £3m budget gap within 3 years. This TC25 programme is critical to ensure a financially sustainable future for the council and is also an opportunity to improve and modernise our interactions with customers.

16.2 Effective governance arrangements are critical for the effective delivery and robust budget forecasting. Decision making for individual TC25 projects is no different to the usual decision-making process, as set out in the constitution.

16.3 As a strategic priority, TC25 is a Tier 1 programme, and from Q1 24/25, progress of TC25 will be reported and monitored by Scrutiny Committee via the quarterly Performance and Finance report.

16.4 Oversight of overall programme delivery is by the Programme and Capital Strategy Board (PAC Board) with responsibility for delivery being with the newly established TC25 Programme Board with the Leader and Cabinet Member for Finance and Performance alongside the Chief Executive, Section 151 Officer and the TC25 Head of Programme.

16.5 The Governance and Decision-making structure of the Transformation Challenge 2025 (TC25) programme is set out at Appendix 4.

17 OTHER OPTIONS CONSIDERED AND REJECTED

17.1 None

BACKGROUND DOCUMENTS: -

Previous Committee Reports: -

AG120 Governance Monitoring Quarterly update Q3 2023/24, 29 February 2024.

Other Background Documents:

None.

APPENDICES:

Appendix 1 – Annual Governance Statement 2022/23 – progress update

Appendix 2 – Code of Conduct complaints

Appendix 3 – Corporate Risk Register

Appendix 4 – TC25 Governance and Decision-Making Structure

Annual Governance Statement 2022/23 – Action Plan update – March 2024

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
1.	**Records Retention and Disposal** Ensuring that the Records Retention and Disposal Policy and Schedule are refreshed and embedded into the organisation so that records are stored in accordance with the agreed schedule.	ELB endorsement of the refreshed Retention Policy and Schedule	Refresh of Retention and Disposal Policy complete and adopted by ELB on	Senior Policy and Programme Manager	September 2023	**Complete**
		Map and align retention schedule to content/ indexing and values in business systems	Officers in the Policy team have met with service leads to review and agree the retention periods for each of the document types for their services. The schedules have been mapped to the business systems used in each team so that they can be applied. Completion of the full schedule has been completed and approved by ELB.	Senior Policy and Programme Manager/ Corporate Heads of Service	June 2024	**Complete**
		Retention schedule implementation and application across business systems completed	Implementation of retention schedule across business systems to commence once the final schedule is in place. Anticipate starting work in	Senior Policy and Programme Manager/ Head of IT	September 2024	In progress

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
			April with an aim to complete by end of the year.			
2.	**Council Constitution** Ensuring that the Council's Constitution is regularly reviewed and updated to take account of changes.	Review and refresh of Constitution before sharing with Working Group.	Completed	Strategic Director & Monitoring Officer	June 2023	**Complete**
		Draft Constitution considered by ELB.	Comments and amendments to feed into final draft.	Strategic Director & Monitoring Officer	June/ July 2023	**Complete**
		Final draft share with Working Group	On schedule to be completed before consideration by Audit & Governance Committee on 9 November.	Strategic Director & Monitoring Officer	September 2023	**Complete**
		Draft Constitution considered by Audit & Governance Committee.	Included on the agenda for Audit & Governance Committee meeting on 9 November.	Strategic Director & Monitoring Officer	September 2023	**Complete**

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		Adoption of updated Constitution by Council.	Updated Constitution adopted at Full Council on 30 November 2023.	Strategic Director & Monitoring Officer	November 2023	**Complete**
3.	**Complaint Handling** Review of performance for dealing with and responding to customer complaints, particularly stage one complaints	Promote across the organisation the standards that the Council has adopted for handling complaints	Internal comms via City Voice staff newsletter with links to the Complaints Procedure Guidance document	Service Lead for Corporate Support	June 2023	**Complete**
		Review current performance and identify areas and services where the council's standard is not being achieved	Each Corporate Head of Service receives a monthly report of complaints within their business areas which includes the % of complaints responded to within 10 working days. From May'23 this has also been shared with the relevant Director.	Senior Policy and Programme Manager	July 2023	**Complete but support ongoing**

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		Ongoing review and reporting of performance	There is a corporate KPI reporting overall % complaints responded to within 10 working days which is reported to PAC Board, Scrutiny Committee and Cabinet. Performance by each Corporate Head of Service area is reviewed and reported as above	Service Lead for Corporate Support	Ongoing	In progress

Code of conduct complaints

Code of Conduct Complaints received by the office of the Monitoring Officer since previous meeting of Audit & Governance Committee and update of those previously reported - as of **20/05/2024**.

Summary of current caseload:

A. Number **Active Individual Complaints**: 4 complaints from 4 individual complainants (see current status/update below).

B. Number Complaints **Not Commenced**: 0

C. Number **individual complaints** relating to a City Councillor: 2

D. Number **individual complaints** relating to a Parish/Town Councillor: 2.

E. Number of complaints received since last report: 4.

F. Number of **complaints closed** since the last report: 4.

G. Number of **Standards Sub Committees** held: 0.

Analysis of active cases:

Date received	Relating to Parish/ Town/ City Councillor	Current status/update	Approx time spent on this complaint since 01/07/23
November 2023	City Councillor	Determined to be a breach of the code of conduct. Further details regarding this complaint are provided within this appendix below.	34 hours
March 2024 and April 2024	Parish Councillor	Response received from subject member for both complaints. There is considerable correspondence ongoing in respect of these complaints. March – Independent Person (IP) consulted prior to Monitoring Officer (MO) consideration and draft decision to be circulated. April – IP to be consulted – likely referral for investigation.	March - 24 hours April - 12 hours
April 2024	City Councillor	Complaint shared with subject member response currently remains outstanding.	4 hours

Breach of the Code of Conduct

In line with paragraph 5.1.1 of the Guidance notes relating to the handling of code of conduct complaints, where a complaint is decided by informal resolution and the subject member accepts that their conduct was unacceptable and offers an apology, the Monitoring Officer will report the matter to the Audit and Governance Committee.

This is the first such case that has fallen within this part of the process and details of the complaint and the determination of the Monitoring Officer is set out below.

On 13 November 2023**,** a complaint was made regarding Councillor Learney's conduct. The complaint was shared with the subject member who made a full response to the points raised. The complaint essentially highlighted a concern that Councillor Learney had not appropriately disclosed her interest with WinACC at the Cabinet meeting of 13 September 2023 before a decision was taken regarding the City Council's Carbon Neutrality Action Plan (CNAP), reference CAB3432.

Councillor Learney was acting in her capacity as a Councillor at the Cabinet meeting in September 2023 and so was subject to the requirements of the Code of Conduct. Councillor Learney had correctly registered her association with WinACC in her register of interests and this had also been recorded in the minutes of a previous Cabinet meeting in May 2023. This interest is regarded as a non-pecuniary interest and in line with paragraph 2.3 of the Code of Conduct should have been declared at the September meeting and it was not. It therefore amounts to a breach of the Code of Conduct.

The Independent Person was consulted and has agreed that there has been a breach of the Code of Conduct.

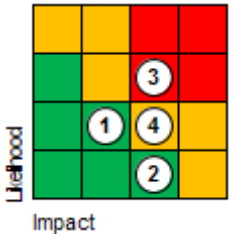
Councillor Learney has been asked to apologise to the complainant for this breach and given the circumstances, to also apologise to her cabinet colleagues, which she has agreed to do. These apologies will be actioned as soon as the process of reporting this breach to the Audit & Governance committee has concluded and is formally noted.

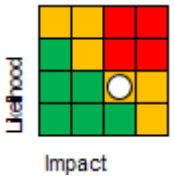
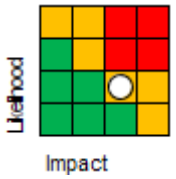
As this is a breach of the code of conduct this decision will also be uploaded onto the code of conduct pages of the website.

Corporate Risk Register 2024/25

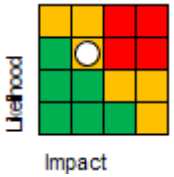
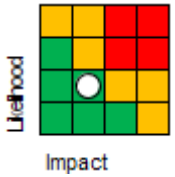
As of 16 May 2024

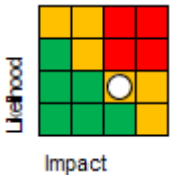
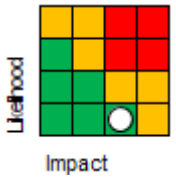
Summary of residual risks:



Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	• Ambitious council plan with multiple strands of activity • Staff resources are lean, and teams are working at capacity to deliver services at current levels of demand. • Outbreak of a pandemic that increases the pressure to continue to provide	• If decision making is slow, delays occur, and potentially available resources are redeployed or become unavailable if they are externally sourced. • Implementation of business continuity plan to target work in critical areas in cases of staff shortage.		• Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place. • Critical activities are reviewed with Cabinet alongside a refreshed Council Plan approved in January'23	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			critical services as well as respond to the needs of residents and businesses affected by the pandemic. • Competition from the private sector for key staff roles e.g. planning, project management. • Decision making can be slow. • Tension between day-to-day and strategic priorities. • Key skills not in the right place	• If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities. • If staff are diverted, then can't deliver on other lower-level priorities or day-to-day work. • Reputation is damaged as the council is not seen to be able to deliver projects. • Local members are not always kept informed of activity in their area. • Unable to deliver key council services		• Proactive approach to communications internal and external • 50/50 hybrid working policy agreed. • Maintaining communication • Annual business planning, with actions and projects aligned to Council Plan priorities. • Regular meetings with relevant cabinet members • Positive use of fixed term contracts to aid flexible resourcing. • Targeted use of external resource • Reallocation of human and financial resources across and within the organisation as required. • PAC Board reviews resources to deliver projects on a regular basis	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors	Monitoring Officer L Kirkman	• Lack of skill and/or time to identify evidence to support decision making. • Lack of consultation with ward members and/ or parish council's over local issues • Procedural error in statutory process • Inconsistent and traditional approach to customer engagement across the council • Lack of awareness of the questions to ask. • Lack of awareness of the 'right time' to engage. • Lack of public awareness of the opportunity to engage. • Council is not aware of the full range of interested stakeholders. • Council may only hear the loudest voices and not the silent majority or	• Lack of a robust and evidence-based approach to customer engagement can lead to: - Reputational damage - Views that the council is too Winchester-centric - Decisions made are Inequitable - A perception that people's views are ignored • Ward members and/or parish council's not being informed. • Legal/ judicial review or challenge against a decision made		• Engagement with ward and parish councillors (on matters within their ward or parish) encouraged. • Risks with regard to significant projects are recognised and addressed separately via robust Project Management and regular reports to the Programme and Capital Strategy Board • Legal and Monitoring Officer consultation on decisions made. • 2024 Residents' survey commissioned and will be undertaken in June'24 and results will be used to evidence decision making. • A proactive open and transparent approach to communication based on Gunning Principles • Use of external specialist advice when appropriate	

Code	Risk Description	Risk Owner	What might go wrong? (Cause)	What will happen? (Consequence)	Original Risk Rating	Current Controls	Residual Risk
			those that do not readily engage.			• Commitment made in the refreshed Council Plan in terms of 'Listening Better.' • Equality, Diversity and Inclusion Action Plan is being embedded across the organisation. • Updated Constitution adopted at Council on 30 November 2023 • Where possible and appropriate, digitalisation will be utilised to mitigate against procedural errors	
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services	Chief Executive	• Not maintaining an effective corporate wide Business Continuity Plan • Not regularly testing the plan and following-up learning • Key staff unavailable • Communication systems ineffective • Lack of awareness of Business Continuity Plan • Failure to assess business critical	• Unacceptable delay and uncertainty in returning to normal working after an emergency. • Adverse publicity and criticism • Reputation damage • Adverse social and/or economic impact		• Business Continuity Plans reviewed and tested in 2023 and approved by ELB on 6 March 2024. • IT Disaster Recovery Plan exercise held on 20 March. • Business critical services identified with individual business continuity plans created, tested and approved. • All staff able to seamlessly work from	

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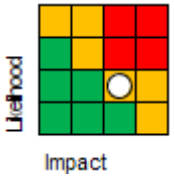
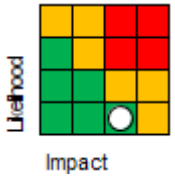
			functions and have plans in place			home, where job allows. • 2023 internal audit review of business continuity offered substantial opinion and no identified weaknesses. • Work programme in place for 2024	
CR006	Breakdown of effective partnership working	Strategic Director D Adey	• Partnerships can falter due to lack of shared vision within partnerships. • Money spent on Partnership working doesn't add value. • Strategic partnerships may falter due to conflicting demands within individual partners. • Incorrect application of the procurement regulations due to a misunderstanding as to how and when they apply to partnership working. • Partnerships may be unsuccessfully commissioned due	• Significant project delivery such as the major projects and the new homes building programme could fail due to failure of strategic partnerships. • Local delivery could fail if local strategic partners are not aligned. • Reputational damage to all partners • Lack of value for money (VfM)		• Annual review by each CHoS of all partnerships undertaken to identify key strategic partners. • Partnership register established and endorsed by ELB on 6 March. • Guidance documents available from Knowledge Hub. • Partnership Governance and Management Framework adopted. • Partnership scoring tool available to assess project tier. • Management checklist available from Knowledge Hub	

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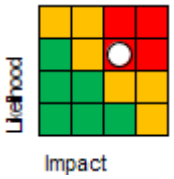
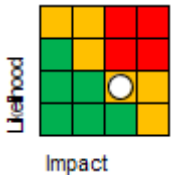
			to lack of skills and poor scoping. • Significant local, regional or national partners may close down, affecting the council				
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget (General Fund and HRA)	Corporate Head of Finance and s151 L Keys	• Reduced Government funding • Reliance on strategic partners to deliver services and projects. • Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income. • Failure to achieve income targets. • Inflation rises. • Penalties are imposed on the Council due to falling standards in services. • Impact of a Pandemic	• Unable to balance the budget. • Increased Council Tax • Public's ability to pay for services. • Reduce services provided. • Demand/cost of services. • Increased construction costs and impact on delivery and viability of key projects • Over borrowing and avoidable cost		• One year funding settlement in place • MTFS approach setting out medium- and longer-term options. • Quarterly finance reporting and monitoring of key income sources • Regular policy review and monitoring • Scenario planning and sensitivity analysis of key risks • Transformation Challenge 2025 (TC25) is now in the process of being implemented. • Maintain General fund reserve of at least £2m. • Regular review of reserves • Annual review of fees and charges	

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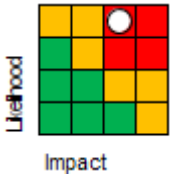
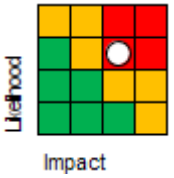
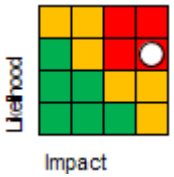
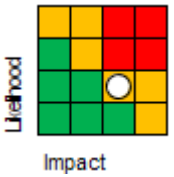
						• Monthly budget monitoring and regular HRA business plan updates	
CR008	Availability of suitable viable sites to meet the strategic need for building new homes (HRA)	Strategic Director S Hendey	• Increasing demand for new houses • High cost of housing, including private rented sector • Unable to identify new sites for new houses. • Increasing infrastructure demands on new sites. • Higher build costs • Increasing inflation and interest rates affecting supply	• Increased housing waiting list numbers. • Increasing homelessness • Difficulty accessing housing markets. • Outward migration of younger residents • Adverse publicity • Government intervention • Ability to meet the business plan target which will have a negative effect on income		• A variety of plans in place to deliver new homes. • Regular monitoring of projects • Revised Housing Strategy and HRA Business Plan • Cost benchmarking	
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss	Corporate Head of Finance and s151 L Keys	• Malicious attack by Hackers for financial gain • Malicious attack by Hackers to disrupt business and ability to deliver services. • Viral code attack in order to data mine information and identities	• Possible complete shutdown of Council IT Systems and Infrastructure • Business\service delivery disruption • Significant Financial loss • Credibility and confidence lost in engaging with digital services and e-payments		• Mandatory Cyber Security awareness training held for all staff. • IT Systems and processes administered to PSN (Public Services Network) standards and protocols. • ITILv3 Methodology adoption for ITSM	

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						• Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies • Operational daily checks and proactive monitoring of Firewalls and pattern updates • Staff qualified in Cyber Scheme Professional standards and within GOV UK CESG guidelines. • Regular system health checks and vulnerability scans • System and software maintained to supported levels. • Email security managed by accredited 3rd party. • Insurance for potential losses of a cyber attack • Third party review jointly with TVBC being undertaken to see what further actions the councils can pro-actively take	

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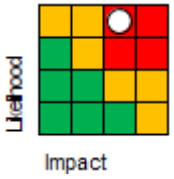
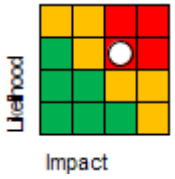
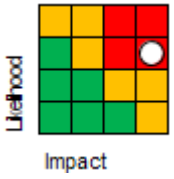
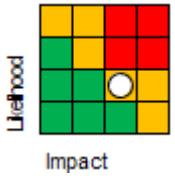
						to mitigate this risk further	
CR010	Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions	Strategic Director D Adey	• Failure to achieve target for the council to be carbon neutral by 2024 and the district by 2030. • Carbon emissions increase • Air quality drops • Insufficient project capacity in-house	• Reputational damage for failing to meet targets. • Increased risk of flooding - damage to property, disruption to business, health and wellbeing of displaced residents • Increased risk of droughts - pressure on river system health, depleted aquifer/reservoir volumes, negative impact upon agriculture, fire risk • Extreme heat and cold - health risk for vulnerable people, pressure on emergency and health services. • Protests by lobby groups • House price volatility		• Revised CNAP plan put in place 13/09/2023. Actions leading towards carbon reduction are clearer in theme and size of reduction needed. • Climate Emergency declared. • Asset Management Strategy • £45mil HRA	
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Strategic Director D Adey	• Failure to prepare for an adverse weather event, for example long period of rain, heavy snow or heatwave.	• Flooding causing damage to property and assets. • Loss of income to the council e.g.		• Multiagency Emergency Response Plan in place, reviewed and updated annually.	

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			• Failure to manage sluice gates and maintain rivers. • Failure to respond to an adverse weather event	closed car parks due to snow • Adverse publicity • Damage to reputation		• Emergency Planning exercise to test the Plan held annually with partners participating. • Completion of flood alleviation schemes • Temporary flood defence barrier purchased and available to be used where there is a need. • The Emerging Local Plan has clear objectives to support the council priority of Tackling the climate emergency and creating a greener district. • Annual review of Flood Action Plan which includes contact details of parish flood coordinators. • Gold and Silver commander training attended or to be by relevant officers at that level. • Cold Weather Plan	

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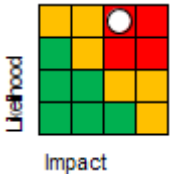
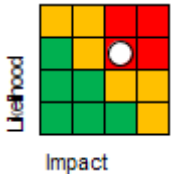
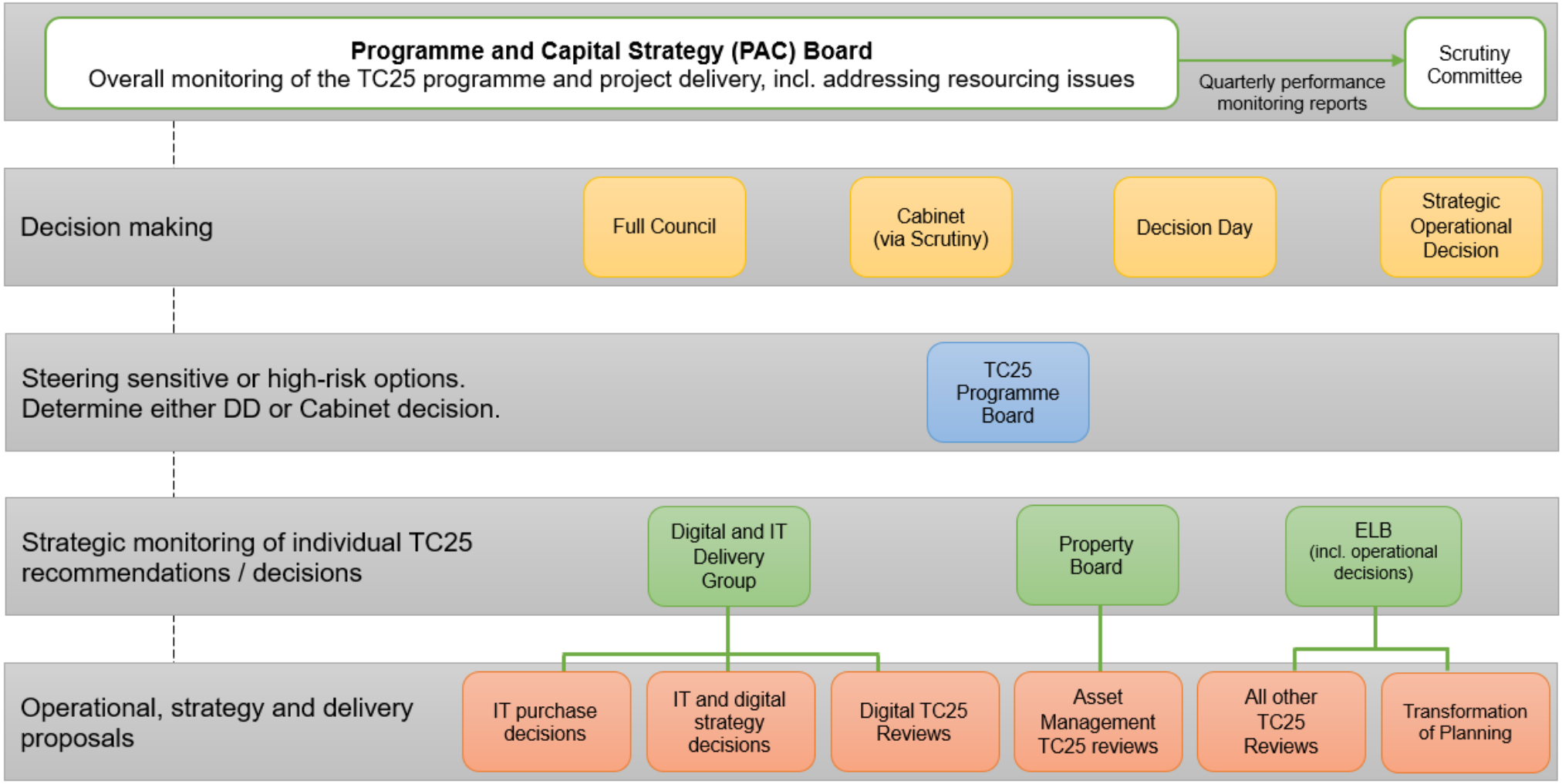
						• HOIW LRF Multi-agency Flood Plan in place	
CR012	Nutrient neutrality - Phosphates	Strategic Director DA and Corporate Head of Planning and Regulatory (JP	• Inability for developers to achieve nutrient neutrality specifically related to phosphates will delay housing and delivery of other forms of residential development within the affected area	• Adverse impact on economy • Reduction in supply of new homes • Inability to maintain a 5-year housing land supply leading to unplanned development being permitted. • Reputational damage		• DLUCH grant funding awarded to PfSH Subject to approval funds allocated for phosphorous mitigation in the Itchen Catchment • Prospect of solution coming forward in next 6 months • Project team initiated	

TC25 Governance and Decision-Making Structure