

REPORT TITLE: GOVERNANCE QUARTERLY UPDATE – QUARTER 1 2019/20

25 JULY 2019

REPORT OF CABINET MEMBER: CLLR CUTLER – CABINET MEMBER FOR  
FINANCE AND RISK

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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 arising during the first quarter of the 2019/20 financial year.

RECOMMENDATIONS:

1. That the Audit and Governance Committee notes the content of the report and the progress against the internal audit management actions.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 This summary document supports the Council's approach to providing efficient public services by managing and highlighting the latest key governance issues requiring action.

2 FINANCIAL IMPLICATIONS

- 2.1 None identified.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None identified.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the Report has been undertaken with the Portfolio Holder for Finance and Risk and the Chairman of the Audit and Governance Committee.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
<i>Reputation – ensuring that an effective governance framework is in place and followed</i>	This report is a summary of the arrangements in place to ensure the Council's governance processes and procedures	By pulling together the latest issues from across governance information this gives the committee more of an opportunity to

	are robust and fit for purpose.	identify any cross-cutting themes that might occur.
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## 11 SUPPORTING INFORMATION:

- 11.1 This report sets out the summary information in respect of the first quarter of the 2019/20 financial year concerning governance.

### ***Annual Governance Statement***

- 11.2 The updated Annual Governance Statement (AGS) is included as a separate report on this Committee's agenda (Report AG011 refers).
- 11.3 A report covering the progress achieved against the actions in the Annual Governance Statement will be brought to this Committee at its meeting on 28 November 2019.

### ***Declarations of gifts and hospitality***

- 11.4 During the period April to June 2019, there was three declaration by members or officers having received gifts or hospitality
- 11.5 The Council's Code of Conduct advises that "each member must register, within 28 days, any gifts or hospitality received in accordance with the instructions issued within the Council by the Monitoring Officer."
- 11.6 Part B of the Register of Members' Interests Form confirms that these are gifts and hospitality received with an estimated value of at least £50.
- 11.7 As set out in the Employee Code of Conduct, staff may only accept a gift it is offered during official authorised hospitality or is of a nominal value (for example an item under £5) and in either case there is no ulterior motive or danger of misinterpretation by the public.

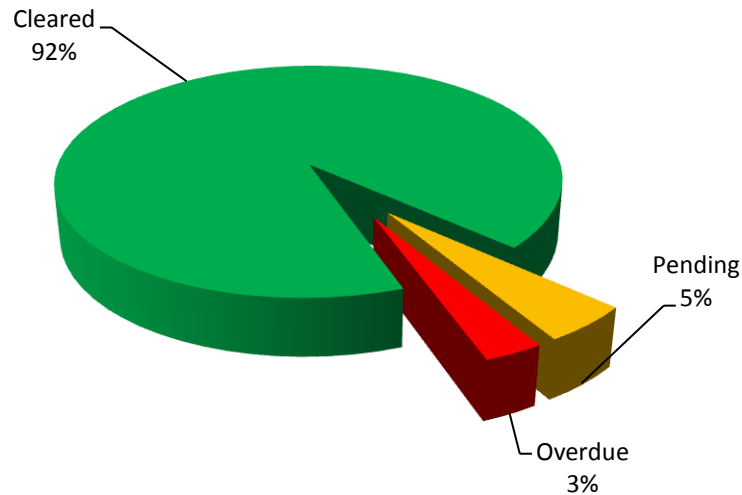
### ***Internal Audit Assurance Reports***

- 11.8 At the last meeting of this Committee an update was given on the completion of the audits that were included in the 2018/19 Internal Audit Programme. At that time there were three audits at draft report stage awaiting final sign-off.
- 11.9 The Main Accounting final audit report has now been issued and the final reports fore the HR – Use of Agency Staff and IT – Mobile Devices are due to be issued before the end of July. This will conclude the programme of audits for 2018/19.
- 11.10 Work by the Southern Internal Audit Partnership has begun on the programme of audits for 2019/20 as set out in report AUD227 of 7 March 2019.
- 11.11 As it is early on in the new financial year, a progress report is not included at this time but will be reported at the next meeting on 28 November 2019.

### ***Internal Audit Management Tracking***

11.12 The chart below shows the current position (since 1 April 2015) of the progress of the management actions arising from internal audit reports.

#### **Summary of audit recommendation responses**



11.13 Progress against the management actions that are included in the Internal Audit reports are reviewed regularly and a summary table showing the status of these actions is reported on a quarterly basis. These recommendations and actions are kept under regular review to assess where some are superseded by external or internal factors.

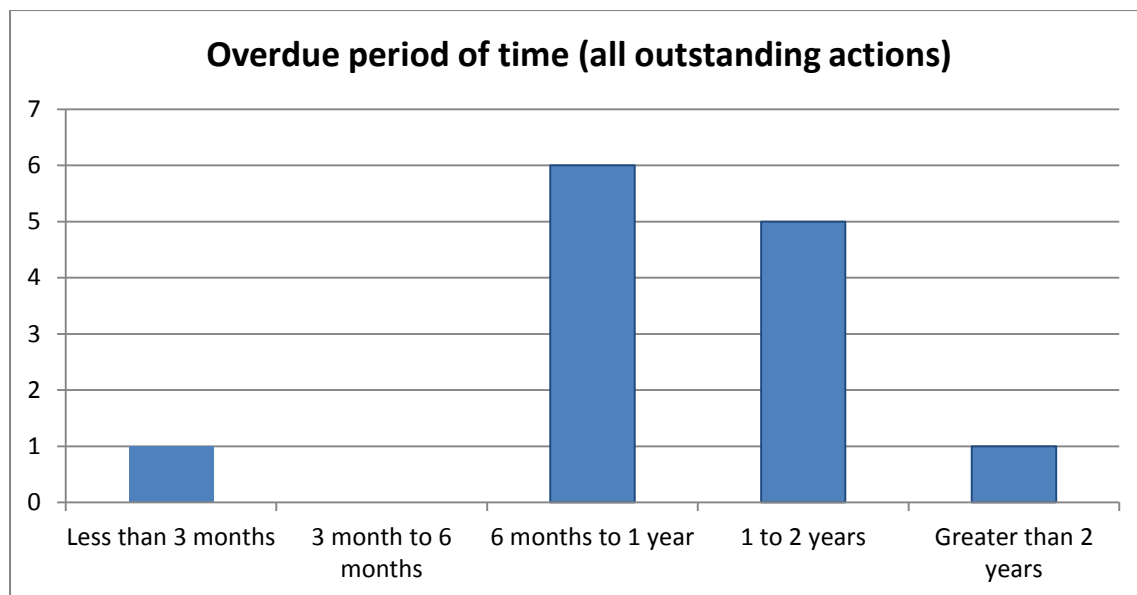
11.14 To support the Committee to quickly identify where there are overdue actions, the progress table on the next page includes only the audits where there are overdue actions. It remains a priority for officers to focus on completing their actions within the agreed timescales and progress continues to be made to reduce the total number of overdue actions.

11.15 There are currently 13 overdue audit actions with no high priority overdue actions.

11.16 There are a number of completed internal audits that have pending but not yet overdue actions, and as such are not included in the table.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')				
				Reported	Not Accepted	Pending	Cleared	Overdue
Hampshire Cultural Trust	24/05/16	SDR	Limited	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)
Information Governance	28/03/17	SDR	Adequate	11 (1)	0 (0)	0 (0)	8 (1)	3 (0)
Development Management	17/05/17	SDS	Substantial	1 (0)	0 (0)	0 (0)	0 (0)	1 (0)
Recruitment	18/05/17	SDR	Limited	6 (0)	0 (0)	0 (0)	4 (0)	2 (0)
Cyber Security	27/09/17	SDR	Limited	5 (1)	0 (0)	0 (0)	4 (1)	1 (0)
IT Software Licensing and IT Asset Management	12/03/18	SDR	Adequate	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)
Housing Planned Maintenance	01/05/18	SDS	Adequate	2 (0)	0 (0)	0 (0)	1 (0)	1 (0)
Income Generation and Collection	11/06/18	SDR	Adequate	8 (0)	0 (0)	0 (0)	6 (0)	2 (0)
Procurement	12/07/18	SDR	Adequate	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)

- 11.17 Committee members previously requested a chart be included in future quarterly governance monitoring reports that show the period of time that the outstanding audit management actions have been overdue.
- 11.18 There are currently 13 overdue actions and the chart below provides details of amount of time that has lapsed since the target date for these actions.



### ***Risk Management***

- 11.19 A risk management workshop was held with Cabinet on 1 July as part of the review of the Council's Risk Management Policy.
- 11.20 The updated Policy was due to be considered at this meeting of the Audit and Governance Committee but has now been deferred to the next meeting on 28 November.

### ***Code of Conduct complaints***

- 11.21 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.
- 11.22 It is important for members of the Audit and Governance Committee to receive regular updates on the numbers of Code of Conduct Complaints that have been received by the Monitoring Officer and their resolution or outcome at the initial assessment stage.
- 11.23 Appendix 1 provides brief details of the Code of Conduct complaints that have been received since 15 May 2019 and where the assessment (or investigation) into the complaint has concluded, a brief update on the outcome.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG001 Governance Quarterly Update Quarter 4 2018/19

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Code of Conduct complaints

**Code of Conduct Complaints received since May 15 2019 (under new Constitution)**

<b>Date Submitted</b>	<b>Complaint against district or parish/town councillor</b>	<b>Outcome</b>
15 May	District Councillor	Deputy Monitoring Officer completed assessment 5 June and complainant advised 20 June - no breach
24 May	Parish/Town Councillor	Deputy Monitoring Officer conducting initial assessment

**Outstanding Code of Complaints (being processed under the old Constitution)**

27 July 2017	District Councillor	Referred for Investigation
16 Sept 2018	District Councillor	Referred for Investigation
7 March 2019	Parish/Town Councillor	Deputy Monitoring Officer conducting initial investigation
1 April 2019	Parish/Town Councillor	Deputy Monitoring Officer completed initial assessment and complainant advised 20 May 2019 - no breach
4 April 2019	District Councillor	Deputy Monitoring Officer conducting initial assessment
12 April 2019	District Councillor	Deputy Monitoring Officer completed assessment and complainant advised 25 April 2019 - no breach
26 April 2019	District Councillor	Deputy Monitoring Officer conducting initial assessment
1 May 2019	Parish/Town Councillor	Deputy Monitoring Officer completed assessment and complainant advised 7 June - no breach



<b>Date Submitted</b>	<b>Complaint against district or parish/town councillor</b>	<b>Outcome</b>
2 May 2019	Parish/Town Councillor	Deputy Monitoring Officer completed assessment and complainant advised 7 June - no breach
3 May 2019	Parish/Town Councillor	Deputy Monitoring Officer completed assessment and complainant advised 7 June - no breach