

REPORT TITLE: GOVERNANCE QUARTERLY UPDATE – Q4 2017/18

31 MAY 2018

REPORT OF PORTFOLIO HOLDER: CLLR ASHTON PORTFOLIO HOLDER FOR FINANCE

Contact Officer: Joseph Holmes Tel No: 01962 848 220 Email: jholmes@winchester.gov.uk

WARD(S): ALL

PURPOSE

To provide members of the Audit Committee with a summary overview of the key issues in respect of governance from the fourth and final quarter of the 2017/18 financial year.

RECOMMENDATIONS:

1. That the Audit Committee notes the content of the report and the progress against the Annual Governance Statement Action Plan in Appendix 1.

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 for 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 the Chairman of the Audit Committee.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 None required

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<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 are robust and fit for purpose.	By pulling together the latest issues from across governance information this gives the committee more of an opportunity to identify any cross-cutting themes that might occur.

11 SUPPORTING INFORMATION:

- 11.1 This report sets out the summary information in respect of the fourth and final quarter of the 2017/18 financial year concerning governance.

Annual Governance Statement

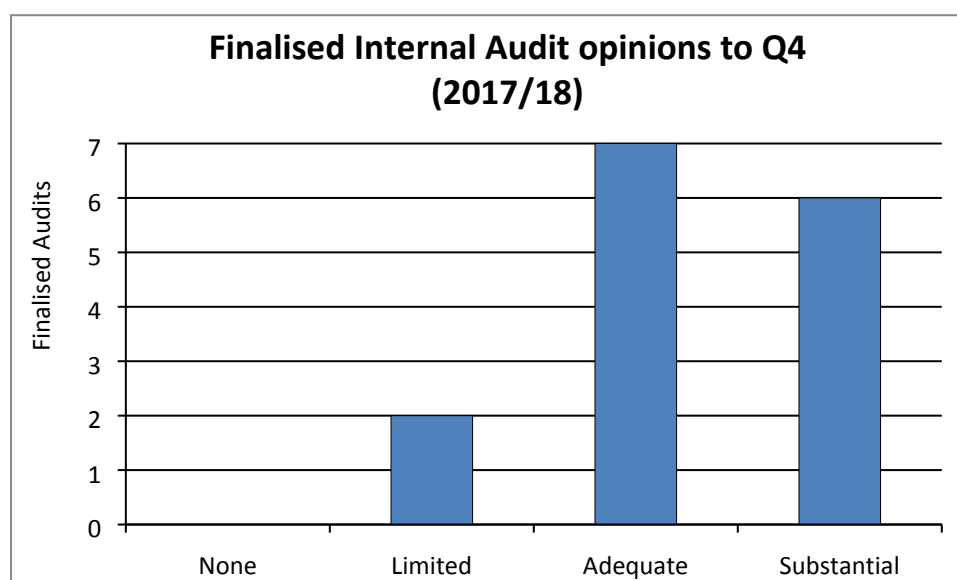
- 11.2 The Committee approved the updated Annual Governance Statement (AGS) at its meeting on 28 September 2017, and was included with the Council's Annual Financial Report 2016/17 (Report [AUD196](#) refers).
- 11.3 Appendix 1 sets out the progress that has been achieved since 1 April 2017 against the actions to manage the issues identified in the AGS.

Gifts and Hospitality

- 11.4 During the period January to March 2018, there was only one declaration of gifts and hospitality having been received by members or officers.
- 11.5 This information will continue to be updated in future quarterly Governance reports.

Internal Audit assurance reports

- 11.6 The graph below shows the assurance levels of internal audits completed in during the first nine months of 2017/18 and relate the 2017/18 Audit Plan.



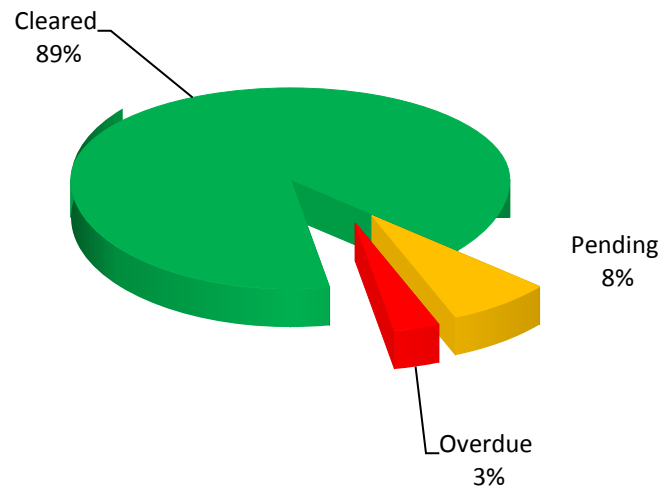
- 11.7 The limited assurance reviews are in respect of two audits completed during the year and these were for Partnership Working and Business Continuity.

There were no audit reports published during 2017/18 that concluded with a “no” assurance opinion.

Internal Audit Management Action Tracking

- 11.8 The chart below shows the current position (since 1 April 2015) of the progress of the management actions arising from internal audit reports. More detailed information is provided in the Internal Audit Progress Report included as Appendix 1.

Summary of audit recommendation responses



- 11.9 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.
- 11.10 To support the Committee 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.
- 11.11 The table below has been updated and includes only the internal audits where there are currently overdue actions.
- 11.12 There are currently 15 overdue audit actions with no high priority overdue actions.
- 11.13 There are a number of recently completed internal audits that have pending but not yet overdue actions, and as such are not included in the table.
- 11.14 The more detailed Internal Audit Progress report provided by the Southern Internal Audit Partnership is included in the Annual Internal Audit Report and Opinion 2017/18 (see report AUD213 elsewhere on this Committee’s agenda)

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)
Procurement and contract management – Street Markets	18/08/16	SDP	Limited	7 (4)	0 (0)	0 (0)	4 (4)	3 (0)
Ethical Governance	25/10/16	SDR	Adequate	12 (1)	0 (0)	0 (0)	10 (1)	2 (0)
Environmental Health	04/11/16	SDS	Adequate	10 (9)	0 (0)	0 (0)	9 (9)	1 (0)
Information Governance	28/03/17	SDR	Adequate	11 (1)	0 (0)	1 (0)	6 (1)	4 (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)
Telecommunications	05/07/17	SDR	Adequate	8 (0)	0 (0)	0 (0)	7 (0)	1 (0)

External Audit

11.15 The Council's external auditor's; Ernst & Young LLP have recently written to the Chief Executive providing details of the indicative fee for the Annual Audit and Certification of Accounts for the 2018/19 financial year. Further details are provided in report AUD212, elsewhere on this Committees agenda.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None, this report is a summary of governance related items.

BACKGROUND DOCUMENTS:-**Previous Committee Reports:-**

AUD202 Governance Summary Report – Quarter 3 (2017/18)

Other Background Documents:-

None.

APPENDICES:

Appendix 1 Annual Governance Statement 2016/17 Progress Update

Annual Governance Statement 2016/17 Action Plan

Progress Report – April 2018

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
1	Asset Management – the need to ensure that the Council has the capacity and skills to deliver the recently approved Asset Management Plan.	Regular monitoring and reporting of the progress against the actions in the Asset Management Action Plan to be undertaken.	Update on progress against the Asset Management Plan given to members of The Overview and Scrutiny Committee meeting on onby Cabinet at its meeting on 26 February 2018.	Corporate Head of Asset Management	Ongoing	Complete
		Internal Audit planned for 2018/19 to review the assurance over effectiveness and delivery of Asset Management Plan including repairs and maintenance to non-housing assets (planned and reactive)	Internal Audit scheduled for later in the year.	Corporate Head of Asset Management	July – September 2018	On Track
2	Partnerships – ensuring that each of the Council’s partnerships are properly constituted and have the appropriate governance arrangements in place.	Working in Partnership internal audit included in Audit Plan and scheduled for 2017/18 which will review assurance over governance, contingency arrangements, exit strategies and hosting arrangements (accountabilities).	Internal Audit Completed and Action Plan agreed.	Head of Policy & Projects/ Internal Audit	December 2017	Complete
		Identify and record a database of all partnerships that the Council is participating in.	Workshop held with heads of teams to identify all partnerships.	Head of Policy & Projects	December 2017	Complete

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
		Review the governance arrangements for each partnership.	Review of governance arrangements for most significant partnerships underway.	Head of Policy & Projects	March 2018 Revised Date June 2018	Amber
3	Capacity – ensuring that the Council has the capacity to deliver the outcomes included in the Council Strategy and Portfolio Plans by recruiting and retaining staff.	Development and approval of Workforce Development Plan for the Council.	Employee Strategy considered by Personnel Committee at its meeting on 23 November (Report PER304 refers)	Head of Human Resources	September 2017	Complete
Quarterly performance monitoring which will identify slippage in delivering the outcomes in the Council Strategy and actions in Portfolio Plans		Quarterly monitoring now in place and reported to O&S and Cabinet regularly. Most recent report, OS193 , 29 January 2018 refers	Strategic Director: Resources	August 2017	Complete	
Internal audit planned for 2017/18 to seek assurance over transformation initiatives including resource management		Internal Audit was deferred from 2017/18 at the request of the Strategic Director: Resources. Now scheduled for Q3 2018/19	Head of Programmes/ Internal Audit	October – December 2018	Green	
Programme and Project Management internal audit also scheduled for 2017/18		Internal Audit rescheduled to take place during second half of 2018/19.	Head of Programmes/ Internal Audit	October – December 2018	Green	
HR internal audit planned for 2017/18 which will review training and development, workforce development and flexible working.		Fieldwork completed, awaiting draft report to be issued.	Head of Human Resources / Internal Audit	March 2018	Green	

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
4	Data Sharing and Data Security – adoption of the new requirements of the General Data Protection Regulations (GDPR).	Agreement that GDPR should be managed as a Council major project	A key project for the Council. Updates to be received and considered at newly created Information Governance Officer Group.	Strategic Director: Resources	September 2017	Complete
		Communicate to staff the changes in the regulations	Presentations given to senior managers and staff who are impacted by the changes	Corporate Head of Resources	October 2017	Complete
		Completion of project plan for the implementation of GDPR	Project plan completed.	Corporate Head of Resources	September 2017	Complete
		Information Governance internal audit planned for 2017/18 which review information governance arrangements incl DPA, FOI, Transparency and preparation for the GDPR in May 2018	Position statement reported at the end of 2017/18. Internal Audit scheduled to carry out a further review in Q2 of 2018/19	Corporate Head of Resources / Internal Audit	July – September 2018	Green
5	Procurement and Contract Management – ensuring that the Council maintains a comprehensive, publicly accessible contract register, following its own contract procedure rules.	Increase staff awareness of the requirement to maintain a contract register	Briefing given to senior managers at the meeting held on 5 December.	Strategic Director: Resources	October 2017	Complete
		Training for staff on how to input contract data onto the public contract register	Guidance and reminder issued to senior managers on the requirement to maintain contract register	Head of Human Resources	November 2017	Complete

No.	Issue	Actions	Progress Update	Lead Officer	Completion Date	Current Status
		Procurement internal audit scheduled for 2017/18 reviewing compliance with contract procedure rules and legislative requirements	Procurement audit completed and given adequate assurance	Strategic Director: Resources/ Internal Audit	Audit start date to be agreed	Complete
6	Corporate Peer Review Action Plan	Completion of the actions included in the 2017 Corporate Peer Challenge Action Plan , including a review of political structures and developing a shared understanding of the financial challenges ahead	Report considered by Audit Committee at its meeting in March 2018 (Report AUD206) gave an update on the progress. Peer Review follow-up scheduled for second half of 2018	Strategic Director: Resources	October 2017	Awaiting LGA Peer Review Follow Up