REPORT TITLE: Q2 GOVERNANCE MONITORING

9 NOVEMBER 2023

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 second quarter of the 2023/24 financial year.

RECOMMENDATIONS

That the Audit and Governance Committee notes the content of the report including the progress against the internal audit management actions and raises any issues with the cabinet member.

IMPLICATIONS:

1   COUNCIL PLAN OUTCOME

1.1   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

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

3   LEGAL AND PROCUREMENT IMPLICATIONS

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

4   WORKFORCE IMPLICATIONS

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

5   PROPERTY AND ASSET IMPLICATIONS

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

6   CONSULTATION AND COMMUNICATION

6.1   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

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

8   PUBLIC SECTOR EQUALITY DUTY

8.1   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

9.1   There are no data protection impact assessments required.

10   RISK MANAGEMENT

10.1   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 2023/24 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 second quarter of the 2023/24 financial year concerning governance.

        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.

        Declarations of gifts and hospitality

11.3   During the period 1 July 2023 to 30 September 2023 there were no declarations of gifts and hospitality made by officers in accordance with the Employee Code of Conduct:

11.4   Members regularly update their register of interest forms and during the period 1 July 2023 to 30 September 2023, there were no declarations of gifts or hospitality over the value of £50 made by members in accordance with the policy.

12   INTERNAL AUDIT ASSURANCE REPORTS

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 were no audit review reports that concluded with a 'no assurance' or 'limited assurance' opinion, meaning all were either substantial or reasonable.

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 is provided in this report where opinions are either limited or no assurance to support members monitor 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.
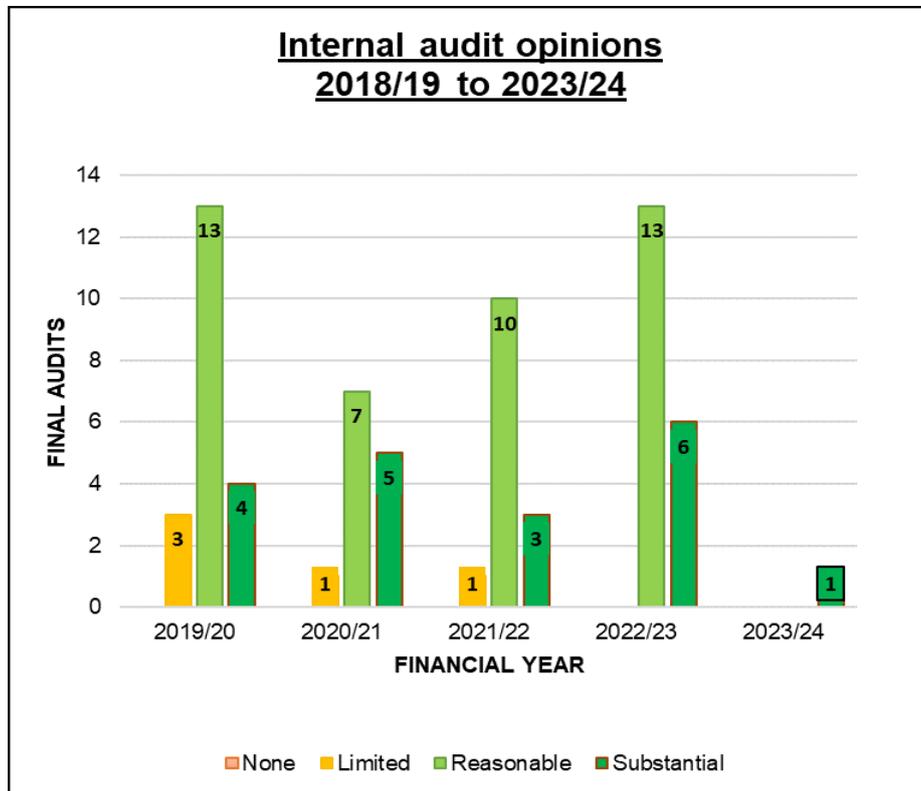
12.6   Since the Q1 2023/24 Governance Monitoring report was presented to Audit and Governance Committee on 20 July 2023 there have been 7 internal audit reports finalised and issued before the 30 September 2023. All the audit reviews concluded with either a reasonable or substantial assurance opinion.

- Climate Change (reasonable assurance)
- Housing Management Allocations (substantial assurance)
- Contract Management (reasonable assurance)
- Licencing (reasonable assurance)
- Business Continuity Planning (substantial assurance)
- Corporate Governance Monitoring (reasonable assurance)
- WCC Open Spaces – Play Parks (reasonable assurance)

12.7   An update on the progress against the Internal Audit Plan 2023/24 is provided in the Internal Audit Progress Report in Appendix 1 to this report.

Internal Audit Management Tracking

12.8 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.

12.9 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.

12.10 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.

12.11 There are currently 13 overdue actions with 3 being high priority. This is 2 more actions than reported as overdue at the last meeting of the committee on 20 July 2023.

12.12 The chart below analyses the overdue management actions by the length of time that has passed since the target completion date for each of the actions. There are 4 actions overdue for between 1 to 2 years and refer to 3 actions relating to the Records Retention audit and 1 relating to IT Business Continuity. An update on these actions can be found in the table in the next section of the report. Members should note that of the 13 overdue actions, 4 actions had a due date of 30 September 2023, which was the last day of the quarter.
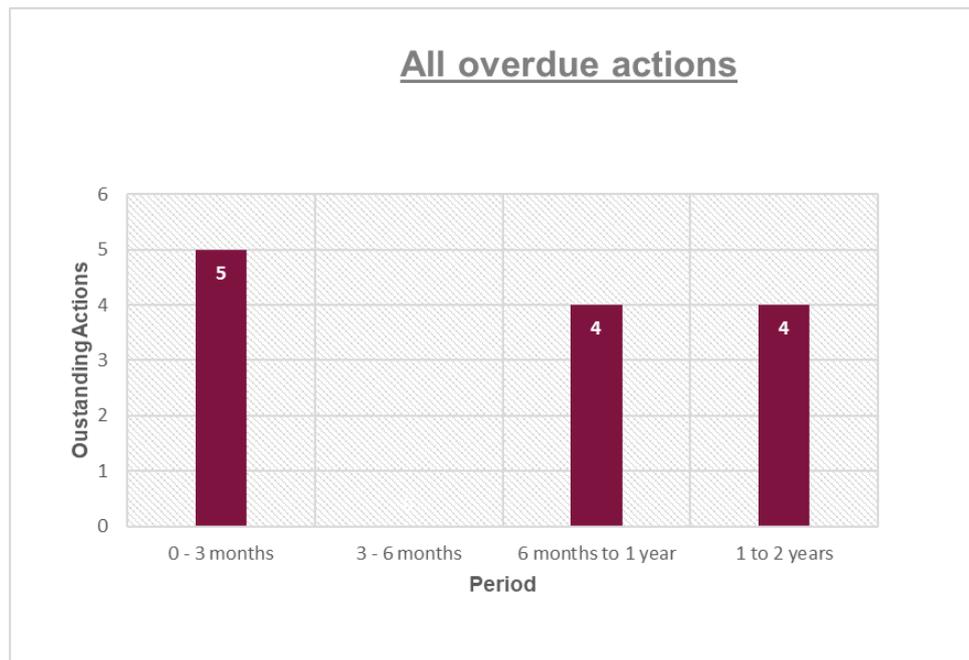
12.13 Further information relating to the current overdue internal management actions is shown in the table below.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Management Actions			LOW	MEDIUM	HIGH
						Pending	Cleared	Overdue			
IT Business Continuity & Disaster Recovery	06/07/2021	SDR	Reasonable	4 (0)	0	0	3	1		**1**	

Progress update: There is one, medium priority overdue action remaining '*Complete IT only test with no user involvement.*'

We have been reviewing the Disaster Recovery plan and worked with an external company to review the way we backup our files and are set up for recovery following a loss of system(s). We have been advised that the council is in a strong position, however needs to consider the way data and files are backed-up, which will in turn have an impact on disaster recovery. Available new cloud technologies provide enhanced security against cyber related attacks. This project is expected to commence in the New Year due competing priorities and staff capacity in the IT Team.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Pending	Cleared	Overdue	LOW	MEDIUM	HIGH
Information Governance Records Retention	0303/2022	SDR	Limited	14 (4)	0	0	7 (2)	7 (2)		**5**	**2**

Progress update: The overdue high priority actions relate to the completion of an updated Records Retention and Disposal Schedule and subsequent implementation across the organisation. Paragraph 13 to this report provides further details.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Pending	Cleared	Overdue	LOW	MEDIUM	HIGH
Climate Change (Carbon Neutrality)	30/07/2023	SDR	Reasonable	8 (2)	0	2	3	2 (2)		**1**	**1**

Progress update: There are currently two overdue actions of which one is high priority.

Review climate risks within the programme dashboard and determine RAG rating for each.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Management Actions			LOW	MEDIUM	HIGH
						Pending	Cleared	Overdue			
This high priority action has been partially completed. The risk register with RAG status has been completed and is awaiting review at the November Carbon Board. *Review actual emissions data and report against CNAP projections in the revised CNAP* – This medium priority action is due to be completed when CF Report received and will form part of report to Carbon Neutrality Board in November - all data collected but waiting on consultants. Expected to be completed by 30 November.											
Housing Management – Responsive Repairs	30/09/2023	SDR	Reasonable	7 (1)	0	1	5	1	**1**		
Progress update: *There is one overdue medium priority action which is to review the process for recharging tenants, as set out in the Tenant Handbook.* Further work is required to verify the cost benefits of a more robust recharge policy; however, this has been delayed owing to more pressing priorities within the team. The deadline for this action was 30 September 2023 and is now expected to be completed in the Spring of 2024.											
IT Asset Management	24/02/2023	SDR	Reasonable	8 (1)	0	4	3	1	**1**		
Progress update: There is one overdue action '*With no KPI's within IT Asset Management, Management is unable to track and promote improvements within this area. - Research Options for new KPI's.* Work on the KPIs has been delayed due to high priority work to update Asset Management systems. The KPI's will be reviewed once this work has been progressed and is scheduled to start in December 2023.											

| Audit Review | Report Date | Audit Sponsor | Assurance Opinion | Reported | Not Accepted | Management Actions | | | LOW | MEDIUM | HIGH |
						Pending	Cleared	Overdue			
Licensing	08/08/2023	SDR	Reasonable	3	0	1	1	1		**1**	

Progress update: The Licensing Audit highlighted 3 management actions of which one is overdue.

1. **Out of Date Procedures (pending)**– Work ongoing to develop a digital Officers Handbook, which can be updated as and when required. This is a 'medium' priority and is expected to be completed by the end of December 2023.

2. **No KPIs (overdue)** – The team have adopted certain realistic KPI's on the time taken to issue licenses once validated. This is a medium priority and had a target completion date of September 2023. This has been delayed due to ongoing work pressures and some staff absence and will be reviewed for adoption in November.

3. **Instalment payments in response to Covid impacts (complete)** – Highlighted as an additional challenge in chasing licensing instalments. This has now been withdrawn for new or renewal applications received since June 2023.

13   The following section provides an update on the progress against the actions included in audit review reports that concluded with a limited assurance opinion.

13.1   **Information Governance – Records Management**

The refreshed Retention and Disposal Policy which covers both digital and paper records, has been considered and authorised for adoption by Executive Leadership Board.

Officers in the Policy Team are now working on updating the schedule that sets out the length of time that the council should retain the different types of documents across all services. This is time consuming as all services need to be considered and reference to specific acts of parliament need to be adhered to where relevant.

The Schedule is expected to be completed by the end of November when the implementation will commence.

13.2   **Working in Partnerships**

The final action included in the Working in Partnership audit has now been completed and this was to ensure the required management documentation is in place for all Tier 4 partnerships.

14   *Risk Management*

14.1   The council's Risk Management Policy 2023/24 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy). The Corporate Risk Register is included at Appendix 4 of this report. The latest formal review of the Corporate Risk Register by Executive Leadership Board (ELB) was carried out on 11 October 2023. All risks and their current controls were reviewed.

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

- CR004 Business Continuity – the current controls were updated to reflect the audit review completed in July of Business Continuity Plans which resulted in a substantial assurance.

- CR008 Availability of suitable sites for building new homes – The risk description was updated to clarify that this risk relates to suitable *viable* sites. The revised Housing Strategy and HRA business plan were added as current controls.

- CR010 Failure to effectively respond to the Climate Change Emergency – The current controls were updated to reflect the revised CNAP plan recently put in place.

- CR012 Nutrient neutrality – Phosphates – the current controls were updated to reflect the uncertainty of the legislation.

14.3 The original and residual risk ratings of all risks were considered appropriate and tolerated. Except for the above amends, the causes, consequences and controls for each risk were reviewed and deemed to be current and sufficient at the time of the review.

14.4 ELB did not identify any new or emerging risks to be added to the Corporate Risk Register.

14.5 Of the 78 Operational Risks managed by Corporate Heads of Service, 4 of these were presented to ELB for review as residual 'red' risks. For 3 of these ELB agreed that the controls were sufficient, that the current residual risk score was correct and accepted and escalation to the Corporate Risk Register was not required at this stage. For the other one red risk reviewed, additional controls were added and the residual risk was reduced to 'amber'.

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.

16 OTHER OPTIONS CONSIDERED AND REJECTED

16.1 None

BACKGROUND DOCUMENTS: -

Previous Committee Reports: -

AG107 Governance Monitoring Quarterly update Q1 2023/24, 20 July 2023.

Other Background Documents:

None.

APPENDICES:

Appendix 1 – Annual Governance Statement 2023/24 – progress update

Appendix 2 – Internal Audit Progress Report

Appendix 3 – Code of Conduct complaints

Appendix 4 – Corporate Risk Register

Annual Governance Statement 2022/23 – Action Plan update – June 2023

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	Retention schedule will be completed by end of November when the mapping an alignment can take place. Expected to be completed by the end of December 2023.	Senior Policy and Programme Manager/ Corporate Heads of Service	December 2023	In progress
		Retention schedule implementation and application across business systems completed	Implementation of retention schedule to commence early in 2024.	Senior Policy and Programme Manager/ Head of IT	March 2024	Not yet started
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 &	September 2023	In progress

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
				Monitoring Officer		
		Adoption of updated Constitution by Council.	To be considered for adoption at Full Council on 30 November 2023.	Strategic Director & Monitoring Officer	November 2023	In progress
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 - Ongoing**
		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 and Performance Panel (Scrutiny) and Cabinet. Performance by each Corporate Head of Service area is reviewed and reported as above	Service Lead for Corporate Support	Ongoing	In progress

Internal Audit Progress Report 2023/24

September 2023

Winchester City Council

Contents:

1.   Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

The standards for 'proper practices' are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisations' operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

Winchester City Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations' objectives.

2.   Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- The status of 'live' internal audit reports;

- an update on progress against the annual audit plan;

- a summary of internal audit performance, planning and resourcing issues; and

- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial   A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable   There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited   Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No   Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

* Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to the adoption of the CIPFA standard definitions, reference is provided at Annex 2.

3. Performance dashboard

% of revised plan delivered to draft report

- 37% Complete
- 30% Work in Progress
- 33% Yet to Commence

Stakeholder Satisfaction Survey Results

Target — Actual
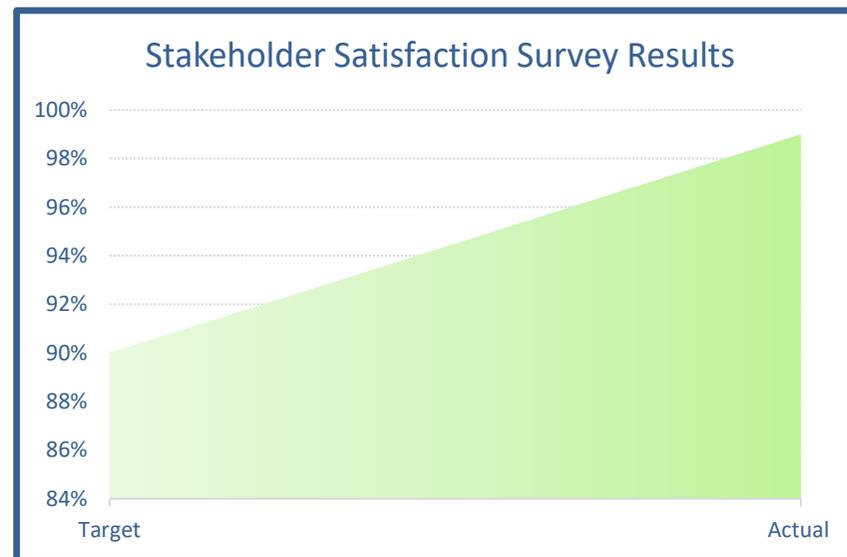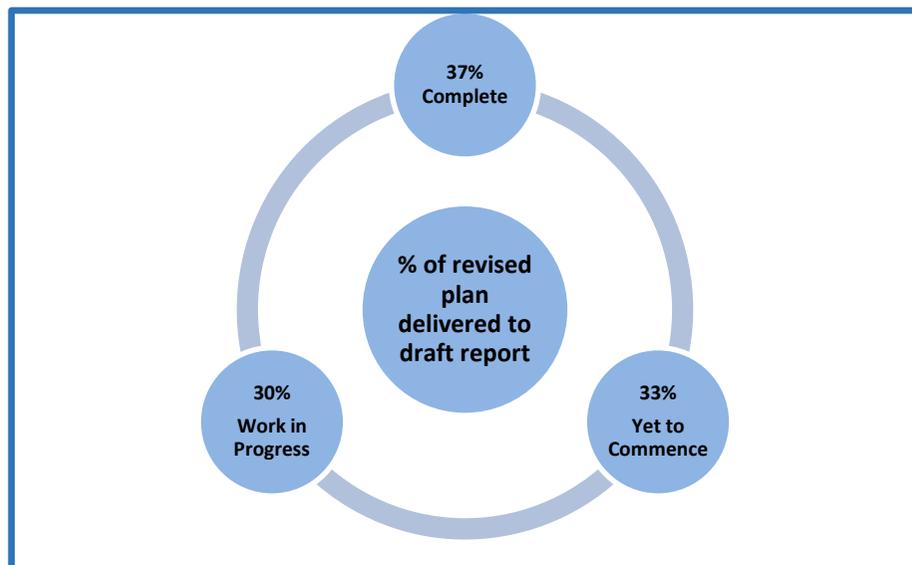
Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the International Professional Practices Framework (IPPF) include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

We are pleased to report that SIAP conform with all relevant, associated elements.'

4. **Analysis of 'Live' audit reviews**

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Yet Due	Complete	Overdue		
							L	M	H
Working in Partnership *	**Sep 20**	**SDR**	**Limited ****	**12**	**0**	**12**			
ICT Business Continuity and Disaster Recovery Planning	Jul 21	SDR	Reasonable	4	0	3		1	
Information Governance – Records Management	Mar 22	SDR	Limited	14	0	7		5	2
Housing - Leaseholder Management *	**Jun 22**	**SDS**	**Reasonable**	**6**	**0**	**6**			
Programme & Project Management *	**Sep 22**	**SDR**	**Reasonable**	**12**	**0**	**12**			
Planning / Development Management *	**Oct 22**	**SDS**	**Reasonable**	**4**	**0**	**4**			
NNDR	Nov 22	SDR	Reasonable	4	1	3			
User Lifecycle & Access Management *	**Feb 23**	**SDR**	**Reasonable**	**5**	**0**	**5**			
IT Asset Management	Feb 23	SDR	Reasonable	8	4	3	1		
Information Governance – FOI/EIR/SAR *	**Feb 23**	**SDR**	**Substantial**	**2**	**0**	**2**			
Main Accounting and Reconciliations *	**Feb 23**	**SDR**	**Reasonable**	**1**	**0**	**1**			
Health & Safety *	**Mar 23**	**SDP**	**Reasonable**	**9**	**0**	**9**			
Accounts Payable *	**Mar 23**	**SDR**	**Reasonable**	**6**	**0**	**6**			
Housing Asset Management – Responsive Repairs	Apr 23	SDS	Reasonable	7	1	5	1		
Corporate Governance Framework & Complaints *	**May 23**	**SDR**	**Reasonable**	**5**	**0**	**5**			
Procurement *	**May 23**	**SDR**	**Reasonable**	**1**	**0**	**1**			
Carbon Neutrality Action Plan	Jul 23	SDP	Reasonable	8	2	3		1	1
Human Resources – Policies and Procedures	Jul 23	SDR	Substantial	4	1	3			

Housing and Homelessness – Housing Allocations *	**Jul 23**	**SDP**	**Substantial**	**3**	**0**	**3**			
Contract Management	Jul 23	SDR	Reasonable	4	2	2			
Licensing	Aug 23	SDS	Reasonable	3	1	1		1	
Open Spaces – Play Areas	Sep 23	SDP	Reasonable	10	10	0			
Total							2	8	3

* Denotes audits where all actions have been completed since the last progress report.

** The reports listed (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to the adoption of the CIPFA standard definitions, reference is provided at Annex 2.

Audit Sponsor (Director)	
Strategic Director - Resources	SDR
Strategic Director - Services	SDS
Strategic Director – Place	SDP

5. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

To date, there have been no audits which have concluded with a 'limited' or 'no' assurance opinion during 2023-24.

6. Planning & Resourcing

The internal audit plan for 2023-24 was agreed by the Council's Management Team and approved by the Audit and Governance Committee in March 2023. The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Brought Forward – Included within 2022-23 annual report and opinion								
Contract Management	SDR	✓	✓	✓	May 23	Jul 23	Reasonable	
Cyber Security – IT Response Planning	SDR	✓	✓	✓	Dec 22		Limited	
Open Spaces – Play Areas	SDP	✓	✓	✓	Jun 23	Sep 23	Reasonable	
Licensing	SDS	✓	✓	✓	May 23	Aug 23	Reasonable	
2023-24								
Strategic / Governance Reviews								
Asset Management (Corporate Estate) *	SDP	✓	✓	✓	Sep 23			
Capital Programme and Monitoring	SDR	✓	✓	✓				
Energy Management / Climate Emergency – Housing Stock Retrofit	SDS							Q3
Green Economic Development Strategy	SDP							Q4
Business Continuity	SDR	✓	✓	✓	Aug 23	Aug 23	Substantial	
Risk Management	SDR	✓	✓	✓	Sep 23			
Information Governance - Records Management and Retention (Follow-up)	SDR							Q4
Decision Making and Accountability	SDR							Q4
Fraud Framework - NFI	SDR	n/a	n/a	✓				On-going
Human Resources - Absence Management	SDR	✓	✓	✓				

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Human Resources - Recruitment	SDR							Q4
Core Financial Systems								
Housing Rents *	SDR	✓	✓	✓				
Accounts Receivable / Debt Management	SDR							Q3
Benefits	SDR	✓	✓	✓				
Income Collection and Banking – Central Offices *	SDR	✓	✓	✓	Sep 23			
Income Collection and Banking - Guildhall *	SDS	✓	✓	✓	Sep 23			
Income Collection, Banking and Stock Control – Visitor Information Centre *	SDP	✓	✓	✓	Sep 23			
Information Technology								
Mobile Device Management	SDR	✓	✓	✓	Aug 23			
O365 - identity management and/or data migration.	SDR							
Virtualisation	SDR	✓	✓	✓	Sept 23			
Service / Operational Reviews								
Housing Management, Enforcement and Homelessness (New Homes scheme)	SDS	✓						Q3
Housing Asset Management	SDS							Q4
Building Control	SDP	✓	✓	✓	Sep 23			
Tree Management	SDP	✓						Q3

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Food Safety Inspections – Recovery Plan	SDS							Q4
Certification Audits								
Bus Service Operator Grant	SDS	✓	n/a	✓	n/a	n/a	n/a	Certification audit.
Mayor's Charity Account	SDS	✓	n/a	✓				Certification audit.

Annex 1 - Adjustments to the plan

Audit reviews added to the plan (included in rolling work programme above)	Comment
Asset Management (Corporate Estate) *	Carried forward from 2022-23 plan as work in progress at the time of the Annual Internal Audit Report and Opinion.
Housing Rents *	Carried forward from 2022-23 plan as work in progress at the time of the Annual Internal Audit Report and Opinion.
Income Collection and Banking *	Split the audit into three separate reports due to slightly different scopes and reporting lines. The three reports will cover Central Offices, the Guildhall and Visitor Information Centre.

Audit reviews removed from the plan (excluded from rolling work programme)	Comment
Housing Company *	Defer the audit due to future years due to limited activity to assess in this area.
Contract Management - BIFFA/ID Verde *	Defer the review pending renegotiation of the contract(s).

* Proposed November 23

Annex 2 - Assurance opinions and definitions used by SIAP prior to adoption of the CIPFA standard definitions

As from April 2020 CIPFA guidance recommends a standard set of assurance opinions and supporting definitions for internal audit service providers across the public sector.

To ensure SIAP continue to conform to the best practice principles, the standard definitions were adopted for our 2020-21 work and moving forwards.

There remain some residual reviews detailed within Section 4 of this report that refer to SIAPs former assurance ratings which are detail below.

Substantial	A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk
No	Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives.

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 31 October 2023**.

Summary of current caseload:

A. Number **Active Individual Complaints**: 2 complaints from 2 individual complainants.

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

C. Number **individual complaints** relating to a City Councillor: 1

D. Number **individual complaints** relating to a Parish/Town Councillor: 1

E. Number of complaints received since last report: 7.

F. Number of **complaints closed** since the last report: 6.

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 (see note below)
August 2023	Parish Councillor	Responses received from subject member and a number of others relevant to the complaint. IP consulted and further evidence gathering stage prior to MO consideration in November 2023.	32 hours
October 2023	City Councillor	Complaint recently received. Response received from subject member. IP consulted and further evidence gathering stage prior to MO consideration in November 2023.	9 hours

Officer Time Recording: Further to item 10 of the minutes of the Audit and Governance Committee on 12 June 2023, the Committee requested that the length of time spent by officers be recorded for future complaints. This process began on the 1 July 2023.

Corporate Risk Register 2023/24

As of 11 October 2023

Residual Risk Summary:

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 critical services as well as respond to the needs of residents and businesses affected by the pandemic • Competition from the private sector for key	• 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. • 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		• 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 • Proactive approach to communications internal and external • 50/50 hybrid working policy agreed • Maintaining communication • Annual Service Planning • Regular meetings with relevant cabinet members	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			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	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		• 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 • CMM review resources on a regular basis	
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	Strategic Director and Monitoring Officer (MO) SE	• 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	• Lack of a robust and evidence-based approach to customer engagement can lead to: - Reputational damage - Views that the council is too Winchester-centric - That decisions made are Inequitable - There is a perception that peoples views are ignored • Ward members and/or parish council's not being informed • Legal/ judicial review or challenge against a decision made		• Consultation with ward and parish councillors (on matters within their ward or parish) • 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 • Residents' survey completed 2022 • A proactive open and transparent approach to communication based on Gunning Principles • Use of external specialist advice when appropriate • Commitment made in the refreshed Council Plan in terms of 'Listening Better' • Equality, Diversity and Inclusion Action Plan is being embedded across the organisation	
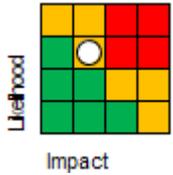
Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			• Council may only hear the loudest voices and not the silent majority or those that do not readily engage				
CR004	Failure to have plans and processes 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	Strategic Director and Monitoring Officer (MO) SE	• 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 functions and have plans in place	• 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 2022 and report considered by ELB on 19 July 2023 • Annual testing of IT Disaster Recovery Plan scheduled • Critical services identified with individual business continuity plans • All staff able to seamlessly work from home, where job allows • 2023 internal audit (Business Continuity) resulting in substantial opinion and no identified weaknesses	
CR006	Breakdown of effective partnership working	Strategic Director DA	• 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	• 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		• Annual review by each CHoS of all partnerships undertaken to identify key strategic partners • Annual performance reporting for significant partnerships by CHoS' • External support to enhance and facilitate partnership working where appropriate	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			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 to lack of skills and poor scoping • Significant local, regional or national partners may close down, affecting the council	• Lack of value for money (VfM)			
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 LK	• 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	• 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		• Strategic Budget review mid-year 22/23 • 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 being implemented • Maintain General fund reserve of at least £2m	
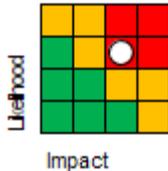
Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			falling standards in services • Impact of a Pandemic			• Regular review of reserves • Annual review of fees and charges • Monthly budget monitoring and regular HRA business plan updates	
CR008	Availability of suitable viable sites to meet the strategic need for building new homes (HRA)	Strategic Director SH	• 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 LK	• 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 • Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• 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 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 DA	• 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		• 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 • £15mil HRA	
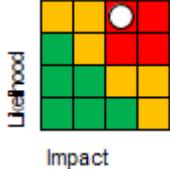
Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
				emergency and health services; • Protests by lobby groups • House price volatility			
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Strategic Director DA	• Failure to prepare for an adverse weather event, for example long period of rain, heavy snow or heatwave • Failure to manage sluice gates and maintain rivers • Failure to respond to an adverse weather event, e.g. making safe city footpaths and car parks after heavy snow fall	• Flooding causing damage to property and assets • Loss of income to the council e.g. closed car parks due to snow • Adverse publicity • Damage to reputation	Likelihood / Impact	• Multiagency Emergency Response Plan in place, reviewed and updated annually • Annual Emergency Planning exercise to test the Plan • 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	Likelihood / Impact
CR012	Nutrient neutrality - Phosphates	Strategic Director DA and Corporate Head of Planning and Regulatory (ME)	• 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	Likelihood / Impact	• £200k grant funding has been awarded by Government across the affected Solent area and we are currently working with PUSH to identify strategic solution • The current uncertainty of the government legislation has made the emerging market for phosphates unstable • Internal and external work is on-going and potential solutions have been identified but the uncertainty of government legislation is impacting the viability solutions.	Likelihood / Impact