

**Supplement to the agenda for**

# **Audit and governance committee**

**Tuesday 19 March 2019**

**2.00 pm**

**Committee Room 1, Shire Hall, St. Peter's Square, Hereford,  
HR1 2HX**

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APPENDIX 1

**PUBLIC QUESTIONS AND ANSWERS TO  
AUDIT AND GOVERNANCE COMMITTEE  
19 MARCH 2019**

Question 1

Mrs E Morawiecka, Breinton

£4.9million has been spent on professional fees in respect of the South Wye Transport Package (SWTP) when only £2.75million has been authorised by councillors to be spent on such fees. The SWAP review of capital spending on the SWTP was expected to come to the Audit & Governance meeting on two previous occasions. This matter has been deferred again, now due to the Strategic Capital Finance Manager saying that the “project was not at a point on its journey where it could be used to test compliance with the actions put in place following Blueschool House” The project is nearly 5 years old and 20% spent out, having already cost £6.9million. At what point in the lifetime of a capital project should compliance testing could be done so as to minimise financial risk?

Response

The council does not normally carry out 100% compliance testing as it places reliance on internal systems and processes. the council adopts a risk based approach to how it decides how best to deploy its internal audit resources so this means that for capital projects that cover a number of years it is likely that a number of elements of a project are examined by internal audit during the life of a project rather than a one off compliance test as mentioned in the question.

The Audit and Governance Committee approves the internal audit plan. On today's agenda the committee is asked to approve next year's plan.

Question 2

Ms J Tonge, Hereford

After a number of years there is still no audit certificate for the Council's accounts for the year 2016/17. As the Council is handing public money when can we the public expect to receive a report as to why the audit certificate has been withheld for so long?

Response

There is an item on today's agenda that deals with the issue of the Councils External auditors issuing the completion certificate.

### Question 3

Mr R Stow, Rowlestone

In Taylor v Honiton Town Council [2016] EWHC 3307 (Admin), Mr Justice Edis considered the intention of Parliament in s 28 of the Localism Act 2011. He held that it was to be inferred from s 28(8) “that Parliament considered that the role of the Independent Person was of real importance” [29]. He also held that the duty to involve Independent Persons in decision-making was an “important safeguard” [33].

With respect to conduct complaints regarding members of Herefordshire Council, Herefordshire Council’s officers are not independent and will not be perceived by the public as impartial.

Given the need to maintain public trust in councillors and local democracy, why does the Audit & Governance Committee allow Herefordshire Council officers to reject conduct complaints against Herefordshire Councillors, acting without any consultation of the Independent Person?

### Response

The council’s arrangements for dealing with code of conduct complaints involves an initial assessment process to decide whether to accept or reject a complaint. This process is undertaken by council officers and it does provide the safeguard that the officer may seek the views of the independent person. This procedure is seen as a reasonable way to triage complaints when they are first received and provides the safeguard of involving the independent person. The Localism Act does not require the independent person to be involved at this stage but this council holds the independent check and balance that the role of the Independent person can provide as invaluable as did Mr Justice Edis in the case quoted and added this additional safeguard into our own arrangements.

When the standards panel met on 13 November 2019, they reviewed all 14 complaints rejected at the initial assessment, without the views of the independent person, and were satisfied that the approach for seeking the independent person’s views was appropriate. Overall the conclusion of the panel was that the arrangements for dealing with code of conduct complaints are appropriate and consistency applied.

APPENDIX 2

**MEMBERS QUESTIONS AND ANSWERS TO  
AUDIT AND GOVERNANCE COMMITTEE  
19 MARCH 2019**

Councillor EPJ Harvey, Ledbury North

Question

Given that the South Wye Transport Package is a capital programme which has been in existence since 2014 and has already spent more than £5m (15%) of its £35m capital budget, please will the Chairman seek clarification for this Committee from the Chief Executive regarding whether the Chief Executive considers it to be acceptable that this project is still judged not to be to be 'at a point on its journey' – whatever that means - when it may be used to test whether its delivery is in compliance with the professional project management practices required by council to which he personally committed himself in July 2018?"

Response

I understand from the Head of Internal Audit's report that the compliance testing was to ascertain the embedding of the new project management software system which has been introduced in response to the Blueschool House recommendations. That can only be tested once an existing project has been migrated to that system, and this is being done in a phased way. Any assumption that because a project hasn't yet been migrated to the new software it is not being managed appropriately would not be an appropriate assumption. The South Wye Transport Package has been and is being project managed and internal audit are scheduled to undertake a full audit of the project in the coming year

