

<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>4 July 2016</b>
<b>Title of report:</b>	<b>Hereford city centre transport package (HCCTP) – link road scheme</b>
<b>Report by:</b>	<b>Head of corporate finance</b>

## **Classification**

Open

## **Key decision**

This is not an executive decision.

## **Wards affected**

Countywide

## **Purpose**

To inform members of the outcome of a review of reported spend in relation to the Hereford city link road project.

## **Recommendation**

That:

- a) the findings of the report are noted.

## **Alternative options**

- 1 None as the report is for information.

## **Reasons for recommendations**

- 2 To provide assurance regarding the council's reporting and accounting processes.

## **Key considerations**

- 3 A councillor had questioned the accuracy of reported spend on the Hereford city link

road project having noted inconsistencies between the spend in prior years reported in the 2015/16 medium term financial strategy (MTFS) approved by Council in February 2015 and that reported in the 2016/17 MTFS approved by Council in February 2016.

- 4 Following a review of the two relevant tables, it was identified that the figures in the 'spend in prior years' column of the table at paragraph 4.13.2 of the 2015/16 MTFS had inadvertently included projected spend as well as spend to date; a corrected table was published on the council's website for clarification. It was noted that the figures provided in the relevant statement of accounts, and the subsequent MTFS approved in February 2016, reflected the correct spend.
- 5 However, to provide additional assurance on this point internal audit were asked to carry out an independent advisory review of the accuracy of spend figures relating to the link road project. The outcome of the review has also been published on the council's website in the interests of transparency and is attached at appendix A.
- 6 In summary, the review has confirmed that the total actual expenditure up to 31st March 2015 was £10,658k which matched the £10,658k reported in the MTFS – February 2016.
- 7 There were sub-total differences found against the reported categories 'fees' and 'archaeology' (i.e. some works had been coded as fees rather than archaeological costs), however these sub-total differences did not alter the figure reported in the MTFS or the total spend reported in the statement of accounts. No material differences were found in the 'land acquisition' and 'construction and demolition' categories reported, which made up 92% of the total reported expenditure.
- 8 The capital programme planned spend (including future years) totals £40.6m as originally reported; however the table in the MTFS lists the Hereford city link road and Hereford city centre transport package as two separate line entries with planned spend as £27m and £13.6m respectively. It is recommended that there is a more clear explanation of the link between the two projects and the overall programme in future reports.

## **Community Impact**

- 9 The council's corporate values and plan include commitments to being open transparent and accountable about its performance. By ensuring robust management responses to identified risks, the council will be better able to meet its corporate plan priority to secure better services, quality of life and value for money.

## **Equality duty**

- 10 The report does not impact on this area.

## **Financial implications**

- 11 None arising from the recommendations.

## **Legal implications**

- 12 None.

## **Risk management**

- 13 The advisory report provided by internal audit provides assurance that the council's accounting processes are robust and makes one recommendation which will improve the clarity of future reporting.

## **Consultees**

- 14 None.

## **Appendices**

Appendix A – Hereford City Centre Transport Package (HCCTP) – Link Road Scheme Report

## **Background papers**

- None identified.