

# AGENDA

## Audit and Governance Committee

Date: **Friday 18 March 2011**

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Time: **2.00 pm**

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Place: **The Council Chamber, Brockington, 35 Hafod Road,  
Hereford, HR1 1SH**

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Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

**Sally Cole, Committee Manager Executive**

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Email: [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk)

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If you would like help to understand this document, or would like it in another format or language, please call Sally Cole, Committee Manager Executive on 01432 260249 or e-mail [scole@herefordshire.gov.uk](mailto:scole@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the Meeting of the Audit and Governance Committee**

## **Membership**

<b>Chairman</b>	<b>Councillor ACR Chappell</b>
<b>Vice-Chairman</b>	<b>Councillor RH Smith</b>
	<b>Councillor MJ Fishley</b>
	<b>Councillor JHR Goodwin</b>
	<b>Councillor AW Johnson</b>
	<b>Councillor PJ McCaull</b>
	<b>Councillor AM Toon</b>

## **GUIDANCE ON DECLARING PERSONAL AND PREJUDICIAL INTERESTS AT MEETINGS**

The Council's Members' Code of Conduct requires Councillors to declare against an Agenda item(s) the nature of an interest and whether the interest is personal or prejudicial. Councillors have to decide first whether or not they have a personal interest in the matter under discussion. They will then have to decide whether that personal interest is also prejudicial.

A personal interest is an interest that affects the Councillor more than most other people in the area. People in the area include those who live, work or have property in the area of the Council. Councillors will also have a personal interest if their partner, relative or a close friend, or an organisation that they or the member works for, is affected more than other people in the area. If they do have a personal interest, they must declare it but can stay and take part and vote in the meeting.

Whether an interest is prejudicial is a matter of judgement for each Councillor. What Councillors have to do is ask themselves whether a member of the public – if he or she knew all the facts – would think that the Councillor's interest was so important that their decision would be affected by it. If a Councillor has a prejudicial interest then they must declare what that interest is. A Councillor who has declared a prejudicial interest at a meeting may nevertheless be able to address that meeting, but only in circumstances where an ordinary member of the public would be also allowed to speak. In such circumstances, the Councillor concerned will have the same opportunity to address the meeting and on the same terms. However, a Councillor exercising their ability to speak in these circumstances must leave the meeting immediately after they have spoken.

**AGENDA**

		Pages
1.	<b>APOLOGIES FOR ABSENCE</b> To receive apologies for absence.	
2.	<b>NAMED SUBSTITUTES (IF ANY)</b> To receive details any details of Members nominated to attend the meeting in place of a Member of the Committee.	
3.	<b>DECLARATIONS OF INTEREST</b> To receive any declarations of interest by Members in respect of items on the Agenda.	
4.	<b>MINUTES</b> To approve and sign the Minutes of the meeting held on 17 January 2011.	1 - 6
5.	<b>INTERIM AUDIT SERVICES ASSURANCE REPORT 2010/11 NO. 4</b> The purpose of the Interim Assurance Report is to update Members on the work status and bring to their attention any key internal control issues.	7 - 20
<b>EXCLUSION OF THE PRESS AND PUBLIC</b>		
In the opinion of the Proper Officer, the following item will not be, or is likely not to be, open to the public and press at the time it is considered.		
<b>RECOMMENDATION:</b>	<b>that under section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</b>	
6.	<b>AUDIT SERVICES AND COUNTER FRAUD TENDER</b> The purpose of this report is to update the Committee on the Audit Services and Counter Fraud tender.  <b>Not for publication, this report discloses information relating to the financial or business affairs of any particular person (including the authority holding that information).</b>	21 - 24



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- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. A list of the background papers to a report is given at the end of each report. A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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# **COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL**

**BROCKINGTON, 35 HAFOD ROAD, HEREFORD.**

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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Audit and Governance Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford, HR1 1SH on Monday 17 January 2011 at 10.00 am**

**Present:** Councillor ACR Chappell (Chairman)  
Councillor RH Smith (Vice Chairman)

Councillors: JHR Goodwin, AW Johnson, PJ McCaull and AM Toon

**In attendance:** Councillors WLS Bowen and PJ Edwards

**35. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**36. NAMED SUBSTITUTES (IF ANY)**

There were no named substitutes.

**37. DECLARATIONS OF INTEREST**

**5. ANNUAL AUDIT LETTER.**

Councillor PJ Edwards, Personal, Member of the Hereford and Worcester Joint Waste Member Group.

**5. ANNUAL AUDIT LETTER.**

Councillor RH Smith, Personal, Member of the Hereford and Worcester Joint Waste Member Group.

**38. MINUTES**

**RESOLVED:** That the Minutes of the meeting held on 12 November 2010 be approved a correct record and signed by the Chairman.

Note: The Chairman welcomed Liz Cave and Terry Tobin from the Audit Commission and also Phillip Ashurst, Non Executive Director of the PCT and Chairman of the Audit and Assurance Committee for the PCT.

**39. ANNUAL AUDIT LETTER**

The Director of Resources introduced the report which captured the key points to the Audit Commission's Annual Audit Letter and informed Members that it was an unqualified opinion on the Council's financial statement and also an unqualified value for money conclusion stating that the Council had satisfactory arrangements. The Director thanked the District Auditor for the work carried out by her team.

Liz Cave, District Auditor stated that the Council had sound financial accounts and made the following points:

The key points made were:

- Welcomed the changes to the planning service and committee as a good example of the Council acting quickly following the comments of the previous audit report. Committee meetings were conducted well and the decision making processes had improved. The Council is now inline with the national average for planning appeals.
- The financial plan is good and is moving in the right direction.
- The waste disposal contract has had a considerable amount of public interest. Once planning permission is granted and the tender process starts an evaluation on value for money should be carried out.
- International Financial Reporting Standards (IFRS) – making good progress, confident the standard will be reached.
- Value for money – summary of work under use of resources is good.
- Good proactive work and follow up carried out on fraud, particularly in relation to benefits with savings of £380k.
- Support for older people, considerable amount has been done to improve the support provided; the benefits should now start to be seen.
- The transformation programme has been redefined to ensure delivery, with a targeted review to obtain cost savings. The aims need to be focused in order to measure the benefits of the programme and review the business case for shared services.
- Regeneration – there has been considerable public interest in the ESG project. The Council needs to set out clearly how it intends to judge the success of the project and to improve communications with the public to gain their confidence and involvement in the project.

Finally, the District Auditor added there would in future be two new value for money criteria: securing financial resilience, and prioritising resources within tighter budgets. It is intended that this would provide a stronger focus on financial risks and resilience.

The Committee noted the comments of the District Auditor and made the following comments:

- The Chairman thanked the District Auditor for such a positive report and that the Standards and Audit and Governance Committees were playing an effective role.
- The comments on waste management were noted and that the authority was moving in the right direction regarding the ESG project (Hereford Futures) with improved communications. Consideration would now need to be given to the strategic review.
- Members noted the reduction in planning appeals, which could be aligned to the reduction in applications, but felt the new procedures worked well with officers. Members discussed the planning procedures in relation to the new localism bill and the concerns of Members and parish councils.

The Chairman invited the Non Executive Director and Chairman of the Audit and Assurance Committee, Phillip Ashurst to speak to the Committee.

Mr Ashurst noted that a number of points raised resonated with the PCT and that financial resilience would have a major impact for both organisations. He commended officers for their work on fraud and the savings that had been made. This was an area that both organisations were working much more closely on and it sent a strong message that fraud would not be tolerated. He added that the growing number of older people was a focus point for both organisations and was a

major part of expenditure for the PCT. The transformation programme, therefore, was key to both organisations as they moved to shared services and making the best use of resources for the residents of Herefordshire.

The District Auditor thanked officers and Members for all their work and the support provided.

**RESOLVED: That the Annual Audit Letter and action plan be noted.**

#### **40. INTERIM AUDIT SERVICES ASSURANCE REPORT 2010/11**

The Chief Internal Auditor drew Members' attention to appendix 1 of the Interim Audit Services Assurance report and Members agreed the following points:

- Page 38 paragraph 19 – a report regarding the tendering of the audit service to be brought to the next meeting of the committee.
- Pages 39 to 40 of the report – item 5.3 risk management to remain open
- Item 5.7 to remain open and reassessed once follow up work has been carried out.
- Item 5.8 to remain open until end of financial year.
- Pages 41 to 46 of report item 40 to close.
- Item 42 – Governance improvement plan, assurance had been given that all election money had been collected to date.
- Pages 43 to 45 of report – items 90 and 91 to remain open.
- Item 113 to close. Items 116 and 117 to remain open.
- There were no comments from the committee with regard to appendix 2.
- Members were reminded that the audits on Earl Mortimer College and on the car park income were rated unsatisfactory and reports were given to the Chairman. The Committee was advised that with regards to the car park income in depth testing was carried out and there was no evidence of fraud. In relation to Earl Mortimer College there were issues around budgetary control. The Chief Internal Auditor will provide a working note to Members on this matter. Following a Member question the Committee was advised that any school that became an academy could use the services of the internal audit team, or could also engage an outside company.

**RESOLVED: That the report be noted.**

#### **41. REVISED AUDIT STRATEGY AND AUDIT CHARTER 2010**

The Chief Internal Auditor informed Members of the amendments which had been made to the Revised Audit Strategy and Audit Charter 2010. Members noted there had been input from directors individually and from the joint management team.

**RESOLVED: That the revised 2010/11 Audit Strategy and Audit Charter be approved.**

#### **42. CREDITOR PAYMENT AUTHORISATION**

The Director of Resources presented the report, which outlined the present position with creditor payments with particular reference to the last quarter. It was noted that due to a change in personnel there had been some creditor vouchers returned. This has now been dealt with through training.

Members agreed that due to increases in the returns for the Children and Young People Directorate and Sustainable Communities Directorate that a report should be tabled at a

future meeting of the Committee. Members were advised that the returns outlined for the Resources directorate were due to tests being carried out on the system.

**RESOLVED: That the information on invoices rejected be noted.**

#### **43. INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Technical Accounting Manager presented the report on International Financial Reporting Standards and informed Members that due to officers working on the Local Government Finance Settlement, there had been some slippage with the work programme, however, it was expected that the programme would be back on line and key elements achieved by the end of March. Members were informed that:

- All Government grants at 31 March 2009 and 31 March 2010 had been restated.
- Reviewed the Council's contract with Fosca and no embedded leases had been found.
- Holiday accruals for 2008/09 and 2009/10 had been calculated for schools based staff.
- Assets requiring re-categorisation had been identified and valuations were being carried out.
- Guidance notes had now been received from CIPFA and all work would be reviewed to ensure compliance.
- It was noted that the PCT was already in compliance with IFRS.

The Committee commended the Technical Accounting Manager and her team for the work carried out.

**RESOLVED: That the report be noted.**

#### **44. AGRASSO PROJECT UPDATE**

The Director of Resources reminded Members that the Committee had requested an update on the Agresso project, which comes into force on the 1 April. Jonathon Riches, who is a lead officer on the project, informed the Committee that:

- The system would manage internal and external resources e.g. financial, material and human resources.
- It would be used across the three organisations of Herefordshire Council, NHS Herefordshire and Herefordshire Hospitals Trust.
- There would be two phases of testing; currently testing was on what had been built and what was expected. This would be followed by user testing by accountants and payroll to ensure it was fit for purpose.

The following points were discussed:

- Members raised the issue of on going system support and were reassured this would be provided by the software company. In addition there would be an internal support team.
- Agresso was chosen as changes to the system could be made internally to move it forward and have continual improvement. Noting that if improvements were not customised the supplier would still continue to provide support.
- Data from 15 systems would be brought into one.
- It was confirmed that all users would be trained and the Chief Internal Auditor advised that as part of the audit plan the controls for Agresso would be examined and reported on.

**RESOLVED: That the report be noted.**

#### **45. RISK RECOMMENDATIONS IMPLEMENTATION - PROGRESS REPORT**

The Deputy Chief Executive presented the report to Committee and reminded Members of the partnership approach that has been adopted for the Council and NHS Herefordshire and which was reflected in the report and recommendations. The review had been extensive and had raised the profile of risk management as an important part of the day to day work of a directorate. Members were advised that some recommendations had been revised as they had been considered ambitious and it was now felt that risk management was on track.

The following points were noted:

- Risk registers would be looked at on a monthly basis by the Joint Management Team.
- Directorates would keep registers up to date with a lead officer for risk in each directorate.
- A new resilience unit to be established, which would cover risk management, emergency planning, business continuity and corporate health and safety.
- Terry Tobin from the Audit Commission agreed that risk management needed to become part of the daily work of the authority and was pleased with the proposals for embedding the process.
- It was confirmed that risk management was now embedded within systems at the PCT and seen as a useful tool.
- Members were concerned that issues of risk were not currently adequately identified or what would happen with an identified risk.
- Members felt that minutes of directorate meetings were not sufficient to show how a risk had been dealt with, and that any amendment should be reflected in the risk register.
- The Deputy Chief Executive agreed that there needed to be a means of demonstrating how a risk had been dealt with and advised the Committee that the matter would be taken back to the Joint Management Team for discussion. He added that the risk register had not been brought to Committee as he felt it was not adequate in its current format.
- The Chief Internal Auditor advised that the audit plan would also outline how effective risk management was.
- Members proposed that scrutiny committees could also examine the risk registers as part of their programme of work.
- As any Council payments over £500 were now available to be seen on the web site, Members were concerned as to the way Amey payments were being reflected, as only the regular monthly payments were replicated without any detail for it to be challenged. The Chairman suggested the new Audit and Governance Committee, following the elections in May, would require a report on this matter and proposed that an Amey representative be asked to attend the meeting.

**RESOLVED: That progress to date be noted.**

The meeting ended at 12.15 pm

**CHAIRMAN**



<b>MEETING:</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
<b>DATE:</b>	<b>18 MARCH 2011</b>
<b>TITLE OF REPORT:</b>	<b>INTERIM AUDIT SERVICES ASSURANCE REPORT 2010/11 NO.4</b>
<b>PORTFOLIO AREA:</b>	<b>RESOURCES</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

The purpose of the Interim Assurance Report is to update Members on the work status and bring to their attention any key internal control issues.

### **Key Decision**

This is not a Key Decision.

### **Recommendation**

**THAT: the report be noted.**

### **Key Points Summary**

- Seven key issues were identified in the Council's Annual Governance Statement five have been closed. (Appendix 1 refers).
- Subject to Committee agreement there are currently five Committee Resolutions that are open (Appendix 2 refers);
- Of the audits completed two were given an unsatisfactory audit opinion and four a marginal opinion ( Appendix 3 refers)

### **Alternative Options**

- 1 This report is for information therefore alternative options are not applicable.

### **Reasons for Recommendations**

- 2 To ensure compliance with good practice as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

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Further information on the subject of this report is available from  
Tony Ford Chief Internal Auditor on (01432) 260425

## **Introduction and Background**

- 3 To ensure that the Committee is informed of progress on the Audit Plan and any key internal control issues identified.

## **Key Considerations**

### **Key Issues Identified in 2009/10**

- 4 The Audit and Governance Committee considered the Annual Assurance report for the year ending 31 March 2010 on 29 June 2009. In addition the Committee reviewed and adopted the Annual Governance Statement. The key issues identified for improvement are set out in Appendix 1 along with the comments of the lead officer regarding the current position. Five key issues have been closed. Of the two currently open one relates to risk management and the other to Good Environmental Management Auditing.

### **Audit and Corporate Governance Committee Resolutions**

- 5 Regarding resolutions made by the Committee to January 2011 (Appendix 2 refers) subject to committee approval there are five open and ongoing following the last meeting held on 17 January 2011. Replies received from relevant officers have been included in the updated version of the appendix.

### **Fundamental Systems**

- 6 The Council's target is that all fundamental systems achieve at least a satisfactory audit opinion. Work in this area is well advanced with nine audits being completed; of the nine four were given a good opinion and four given a satisfactory opinion. Education Transport was given a marginal audit opinion due to the need for improved risk management, improved income control and procedures, improved management checks and improved guidance to staff. As required under the Audit and Governance Code a copy of the report has been sent to the Chairman of the Audit and Governance Committee

### **Non Fundamental Systems**

- 7 The report on Car Park Income has been finalised and an unsatisfactory audit opinion issued, this was due to the need for improved procedures and controls, managers have taken speedy action in relation to the recommendations made. The service Manager has confirmed that all recommendations have been implemented. A follow up audit is in progress to ensure that actions are embedded. As required under the Audit and Governance Code a copy of the report has been sent to the Chairman of the Audit and Governance Committee. Other work is at various stages of progress.
- 8 A marginal audit opinion was given to the Homeless Persons Loan review as there was a need to update current procedures. In addition a marginal opinion was given to the Continuing Health Care review as there was a need for officers to ensure that cases were properly evidenced.

### **Governance and Anti-fraud**

- 9 Preliminary work in relation to the National Fraud Initiative (NFI) 2010 is complete, relevant offices have been requested to submit relevant data to the Audit Commission. All relevant data has been submitted. The NFI Data Protection Compliance Return has been completed and submitted.



- 10 The Annual Governance Statement for 2009/10 was presented to the Audit and Governance Committee on 29 June and now forms part of the Council's Statement of Accounts.

**Other Key Systems**

- 11 Two reviews of Member's allowances and expenses have been completed a satisfactory and a good audit opinion has been given. The third review in this area is in progress.
- 12 CRB consultancy work to provide advice and guidance regarding the robustness of the new CRB system has now been completed.

**ICT Protocols and Control (Council –Wide)**

- 13 Work within this area includes joint reports on Physical Security and Business Continuity covering both the Council and Primary Care Trust. The access controls review was given a good audit opinion.
- 14 Although some good practice was identified the Benefits Realisation Audit was given a marginal audit opinion as it was identified that there was a need to have regular reviews of benefit schedules to ensure that benefits have been realised.

**Establishments**

- 15 Work continues to assess the financial management arrangements for schools in line with the Department for Children, Schools, and Families (DCSF) Standard, currently 23 schools, have met the standard, two reviews were out in draft. One school did not meet the standard.

**Verification and Probity**

- 16 The review of the Good Environmental Management (GEM) has been completed and some minor non-compliances were found. However the Corporate GEM Audit Plan is still behind schedule.

**Recommendations**

- 17 To date 99% of recommendations made have been accepted by officers.
- 18 Overall follow up work on past recommendations made can be summarised as follows

Status	Number	%
No longer relevant	14	7.4
Completed	110	58.2
Mostly Complete	17	9.0
Partly Complete	33	17.5
Not addressed	15	7.9
Total	189	100.0

- 19 As requested by the committee the unannounced follow up visit in relation to the Procurement and Contract Procedures – Resources (Asset Management and Property Services) was carried out in May 2010. The outcome was that of the 16 recommendations six were partly complete and five not addressed
- 20 It should be noted that at the time of the follow up visit Asset Management and Property Services, under the direction of the Head of Service was working to implement the remaining recommendations, it is pleasing to note that I have received confirmation from the Head of Service that all partly and all not completed recommendations have now been implemented. A further audit visit is planned to ensure actions are embedded.

### **Outsourcing update**

- 21 The Invitations to Tender has been sent out and are due to be returned on 11 March 2011, with scoring of tenders taking place after this date.

## **Community Impact**

- 22 n/a

## **Financial Implications**

21. There are no financial Implications.

## **Legal Implications**

- 22 There are no Legal Implications.

## **Risk Management**

23. There is a risk that the level of work required to give an opinion on the Council's systems of Internal Control is not achieved. The Audit Services Management Team monitor the plan on a weekly basis in order to mitigate this risk, the Director of Resources will receive monthly reports on progress.

## **Consultees**

24. Relevant officers have been requested to update action taken on key issues identified in 209/10 and past Audit and Corporate Governance Committee resolutions. Their replies have been included in the relevant appendices.

## **Appendices**

**Appendix 1- Annual Governance Statement 2009/10 Key Issues Identified.**

**Appendix 2 – Open and Ongoing Resolutions as at 17 January 2011**

**Appendix 3 – Status Audit Plan 2010/11**

## **Background Papers**

- Audit Plan 20010/11 previously approved by the Audit and Governance Committee on 29 June 2010.

**ANNUAL GOVERNANCE STATEMENT (AGS) 2009/10  
STATUS OF SIGNIFICANT GOVERNANCE ISSUES**

<b>AGS Reference</b>	<b>Significant Governance Issue</b>	<b>Current Status/Comments</b>	<b>Status</b>
5.2	The review of the Code of Governance to be completed as soon as possible. ( Assistant Chief Executive – Legal and Democratic)	The new Code of Corporate Governance forms part of the preamble to the Constitution.	Closed
5.3	The need to continue to embed Risk Management. ( Deputy Chief Executive)	A risk management awareness brochure has been developed and is now available on the Councils Intranet. In addition Risk Leads have been appointed within Directorates to champion risk management, assist and support all staff in their risk management responsibilities. There now in place a Council Assurance Framework (CAF), this incorporates the Corporate Risk Register. An update on the Risk Management Action Plan was presented to the Audit and Governance Committee on 17 January 2011. Training for Heads of Service has been completed.	Open
5.4	Review and update the Data Quality Policy. ( Deputy Chief Executive)	The Data Quality Annual report and revised policy was approved by Cabinet on 22 July 2010.	Closed
5.5	The formal assessment of the Councils system of internal audit.( Director of Resources)	The outcome of the review was presented to the Audit and Governance Committee meeting on 17 September 2010.	Closed

**ANNUAL GOVERNANCE STATEMENT (AGS) 2009/10  
STATUS OF SIGNIFICANT GOVERNANCE ISSUES**

<b>AGS Reference</b>	<b>Significant Governance Issue</b>	<b>Current Status/Comments</b>	<b>Status</b>
5.6	The Monitoring Officers Statement is completed as soon as possible. (Assistant Chief Executive – Legal and Democratic)	The Monitoring Officers Statement was presented to the Audit and Governance Committee on 17 September 2010.	Closed
5.7	Ensure that improvements are made to the key system given a marginal audit opinion. (Director of Resources)	The follow up showed that of the 14 recommendations made nine were completed, four partly completed and one outstanding.	Closed
5.8	Improve Corporately in relation to the completion of the Good Environmental Management Audit Plan. (Sustainable Communities Director)	The required training took place on 19 to 21 October. Attendees and their managers have been told that they are expected to make 5 days available per year for auditing on an ongoing basis. The ISO 14001 external audit visit on 1 December identified that there was insufficient evidence available to demonstrate that the audit programme was on track for completion, it also commented that new auditors had been trained to rectify this over the coming months. Of the 27 audits planned 13 had been started (4 completed), with the remaining 14 rescheduled.	Open

APPENDIX 2

Audit & Corporate Governance Committee  
 Open and Ongoing Resolutions & Recommendations made as at 17 January 2011

Item	Minute No	Meeting Date	SUBJECT	RESOLUTION/RECOMMENDATION	RESPONSIBLE OFFICER	CURRENT POSITION	PLANNED COMPLETION DATE	STATUS
<b>OPEN AND ONGOING ITEMS</b>								
90	5	19/06/09	Review of Procurement	The Audit and Corporate Governance Committee work plan be amended to make specific provision for procurement investigation and reports.	David Powell	The Committees revised terms of reference which came in to effect on 1 January 2010 states that 'The Committee shall receive assurance from the Chief Internal Auditor that officers are complying with the Council's procurement policy and processes in all respects'. There is a programme of audit work, which covers compliance. However the Director of Resources and Chief Internal Auditor will consult with the Chairman and Deputy Chairman of the Audit and Governance Committee to agree the	12 March 2010	Open

APPENDIX 2

Audit & Corporate Governance Committee  
Open and Ongoing Resolutions & Recommendations made as at 17 January 2011

Item	Minute No	Meeting Date	SUBJECT	RESOLUTION/RECOMMENDATION	RESPONSIBLE OFFICER	CURRENT POSITION	PLANNED COMPLETION DATE	STATUS
91	5	19/06/09	Review of Procurement	The Audit and Corporate Governance Committee work plan to include the oversight and completion of training needs and analysis of in-house procurement expertise throughout the Council Directorates.	Dean Taylor	Committees requirement The interim commercial manager is establishing the extent of posts with procurement activity across the partnership. This will be with a view to creating a corporate approach to procurement and the next audit committee will provide an update on the work completed to date	January 2011	Open
113	47	12/03/10	Audit Strategy and Audit Charter 2010	The committee approves, subject to any comments from the joint management team and to the director of resources informing members by email of those comments, the 2010/11 audit strategy and audit charter	Tony Ford	Following Joint Management Team's comments the Revised Strategy and Audit Charter was approved by the Audit and Governance Committee on 17 January 2011.	January 2011	Closed
116	30	12/11/10	Corporate Risk Register	That the report be noted , noting also some inconsistencies in the report and that a further report be presented to the next meeting	Dean Taylor	The report forms a separate agenda item.	January 2011	Open
117	31	12/11/10	Risk Recommendations Implementation-	That a further report be made to the next meeting providing assurance	Dean Taylor	The report forms a separate agenda item.	January 2011	Open

**APPENDIX 2**

**Audit & Corporate Governance Committee  
Open and Ongoing Resolutions & Recommendations made as at 17 January 2011**

Item	Minute No	Meeting Date	SUBJECT	RESOLUTION/RECOMMENDATION	RESPONSIBLE OFFICER	CURRENT POSITION	PLANNED COMPLETION DATE	STATUS
118	31	12/11/10	Action Plan  Risk Recommendations Implementation- Action Plan	that dynamic risk management is embedded throughout the Council A joint meeting be set up of the Council's Audit and Governance Committee and the PCT Audit and Assurance Committee	Dean Taylor	To be arranged.		Open





**HEREFORDSHIRE COUNCIL  
AUDIT PLAN 2010-11**

<b>AUDIT AREA</b>	<b>STATUS</b>	<b>AUDIT OPINION</b>
<b>a. FUNDAMENTALS</b>		
Debtors	Final	Good
Creditors	Final	Satisfactory
Education Transport	Final	Marginal
Cash and Deposit	Final	Satisfactory
Treasury Management	Final	Satisfactory
Payroll	Final	Good
Bank Reconciliation	Final	Good
FMS General Ledger	Draft with Client	Good
Asset Register	Final	Satisfactory
<b>b. NON -FUNDAMENTALS</b>		
Car park Income	Final	unsatisfactory
Agency Payments	Work In Progress	
Homeless Persons Loans	Final	Marginal
Penalty Charge Notice	Final	Good
Continuing Health Care (Joint)	Final	Marginal
Market Fees and Charges	Work In Progress	
<b>c. GOVERNANCE AND ANTIFRAUD</b>		
Annual Governance Statement 2009/10	Final	Satisfactory
National Fraud Initiative	Work in progress and ongoing	
Procurement and contract procedures-Children Services	Draft with Manger	
<b>d. OTHER KEY SYSTEMS</b>		
Members Allowances and Expenses (December 2009 to March 2010)	Final	Satisfactory
Members Allowances and Expenses (April 2010 to July 2010)	Final	Good
Members Allowances and Expenses( August 2010 – December 2010	Draft with Manager	
Risk Management	Work In Progress	
CRB - Consultancy	Final	N/a
Project Management	Work In Progress	
<b>e. ICT.PROTOCOLS AND CONTROLS(COUNCIL – WIDE)</b>		
ISO 27001 Physical Security (Joint)	Final	Minor Non-compliance
ISO 27001 Third Part Compliance (Joint)	Draft with Client	
ISO 27001 Business Continuity (Joint)	Final	Minor Non-compliance
ISO 27001 Risk Management(Joint)	Work In Progress	
Information Policy Group (IPG) Consultancy	Work In Progress	
Benefits Realisation ( Joint)	Final	Marginal
HomePoint Security	Final	Satisfactory
Agresso Implementation, Access Controls, Control Environment	Draft with Client	
ICT Inventory Check	Draft with Client	
Access Controls, CT, HB, NDR, Payroll, Cash Receipting, Academy	Final	Good

**HEREFORDSHIRE COUNCIL  
AUDIT PLAN 2010-11**

<b>AUDIT AREA</b>	<b>STATUS</b>	<b>AUDIT OPINION</b>
<b>f. ESTABLISHMENTS</b>		
Earl Mortimer College (Minster College)	Final	unsatisfactory
John Masefield High School	Final	Satisfactory
Registration Service	Work In Progress	
<b>Bank Account Schools</b>		
Kingston High ( Reconciliation)	Final	Good
St Mary's R.C. High	Draft with Client	Satisfactory
<b>Schools Establishment Audits (DCSF Standard)</b>		
Aylestone High School	Final	
Bishops of Hereford Bluecoat	Draft with Client	Conditional Pass
Whitecross High School	Final	FMSIS-Met
Ashfield Park Primary School	Final	FMSIS-Met
Bosbury C.E. Primary School	Final	FMSIS-Met
Bridstow C. E. Primary School	Final	FMSIS-Met
Burghill Primary School	Final	FMSIS-Met
Bodenham St. Michaels C.E Primary School	Final	FMSIS-Met
St. Joseph's R.C. Primary School	Final	FMSIS-Met
Colwall C.E. Primary School	Final	FMSIS-Met
Lea C.E. Primary School	Draft with Client	
Llangrove C. E. Primary School	Final	FMSIS-Met
Longtown Primary School	Final	FMSIS-Met
Lord Scudamore Primary School	Final	FMSIS-Met
Michaelchurch Escley Primary School	Final	FMSIS-Met
Much Marcle R. C. Primary School	Final	FMSIS-Met
Our lady's R. C. Primary School	Final	FMSIS-Met
Peterchurch Primary School	Final	FMSIS-Met
Shobdon Primary School	Final	FMSIS-Met
Fownhope St. Marys C. E. Primary School	Final	FMSIS-Met
Mordiford Primary School	Final	FMSIS-Met
St. Peters Primary School, Bromyard	Final	FMSIS-Met
St. Weonards Primary School	Final	FMSIS-Met
Stoke Prior (Leominster) Primary School	Final	FMSIS-Met
Sutton Primary School	Final	FMSIS-Met
Whitchurch C. E. Primary School	Final	FMSIS-Met
<b>g. VERIFICATION AND PROBITY</b>		
ISO 14001 GEM Systems	Final	Minor Non-compliance
Inventory Checks	Ongoing	
Staff Register of Gifts	Work In Progress	
<b>h. RECOMMENDATION FOLLOW UP</b>		
Trade and Domestic Waste	Final	N/a
Travel and Subsistence	Final	N/a
Procurement and Contract Procedures -Resources	Final	N/a
ISIS Payments	Final	N/a
ISO 27001 Quarter 1	Final	N/a
ISO 27001 Quarter 2	Final	N/a
ISO 27001 Quarter 3	Draft with Client	
ISO 14001 (GEM) Quarter 1	Final	N/a
ISO 14001 (GEM) Quarter 2/3	Final	N/a
Herefordshire Music Service	Final	N/a
Supporting People	Work In Progress	

HEREFORDSHIRE COUNCIL  
AUDIT PLAN 2010-11

AUDIT AREA	STATUS	AUDIT OPINION
Car Park income	Work In Progress	
Education FMS	Work In Progress	
NDR/Council Tax	Final	N/a
Minster School	Work In Progress	
<b>i. PERFORMANCE MANAGEMENT</b>		
Performance Indicators	Work In Progress	
Performance Management	Final	Satisfactory



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