

Agenda

Audit and governance committee

Date: **Thursday 30 July 2020**

Time: **10.30 am**

Place: **Online meeting**

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

For any further information please contact:

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Agenda for the meeting of the Audit and governance committee

Membership

Chairperson **Councillor Nigel Shaw**
Vice-Chairperson **Councillor Christy Bolderson**

Councillor Dave Boulter
Councillor Peter Jinman
Councillor Bob Matthews
Councillor Diana Toynbee
Councillor Yolande Watson

Agenda

		Pages
THE PUBLIC RIGHTS TO INFORMATION AND ATTENDANCE AT MEETINGS		
1.	APOLOGIES FOR ABSENCE To receive apologies for absence.	
2.	NAMED SUBSTITUTES (IF ANY) To receive details any details of members nominated to attend the meeting in place of a member of the committee.	
3.	DECLARATIONS OF INTEREST To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.	
4.	MINUTES To approve and sign the minutes of the meeting held on 16 June 2020.	9 - 18
5.	QUESTIONS FROM MEMBERS OF THE PUBLIC To receive questions from members of the public. <i>Deadline for receipt of questions is 5.00 pm on 24 July 2020 (3 clear working days from date of meeting).</i> <i>Accepted questions and answers will be published as a supplement prior to the meeting.</i>	
6.	QUESTIONS FROM COUNCILLORS To receive any questions from councillors. <i>Deadline for receipt of questions is 5.00 pm on 24 July 2020 (3 clear working days from date of meeting).</i> <i>Accepted questions and answers will be published as a supplement prior to the meeting.</i>	
7.	CORPORATE RISK REGISTER To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the Performance, Risk and Opportunity Management framework.	19 - 54
8.	DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20 To seek the views of the committee as to whether the draft annual governance statement 2019/20 properly reflects the risk environment the council is operating in and the appropriateness of any actions required to improve it.	55 - 76
9.	PROGRESS REPORT ON 2020/21 INTERNAL AUDIT PLAN To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal	77 - 104

audit team against the approved plan.

10. NATIONAL MODEL CODE OF CONDUCT CONSULTATION

105 - 148

To consider whether a council response should be submitted in respect of the current national model code of conduct consultation.

11. WORK PROGRAMME UPDATE

149 - 152

To provide an update on the work programme for the committee.

The public's rights to information and attendance at meetings

You have a right to: -

- Attend all council, cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information. This meeting will be broadcast live on the Herefordshire Council's YouTube channel. Link: <https://www.youtube.com/HerefordshireCouncil>
- Inspect agenda and public reports at least five clear days before the date of the meeting via the website.
- Inspect minutes of the council and all committees and sub-committees and written statements of decisions taken by the cabinet or individual cabinet members for up to six years following a meeting.
- 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.
- Access to a public register stating the names, addresses and wards of all councillors with details of the membership of cabinet and of all committees and sub-committees.
- Have access to a list specifying those powers on which the council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage).
- Access to this summary of your rights as members of the public to attend meetings of the council, cabinet, committees and sub-committees and to inspect and copy documents.

Recording of this meeting

Please note that the council will be making an official recording of this public meeting. These recordings form part of the public record of the meeting and are made available for members of the public via the council's website.

To ensure that recording quality is maintained, could members and any attending members of the public speak as clearly as possible and keep background noise to a minimum while recording is in operation.

Please also note that other attendees are permitted to film, photograph and record our public meetings provided that it does not disrupt the business of the meeting.

If you do not wish to be filmed or photographed, please identify yourself so that anyone who intends to record the meeting can be made aware.

Please ensure that your mobile phones and other devices are turned to silent during the meeting.

The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.

Guide to Audit and Governance Committee

The Audit and Governance Committee is a non executive committee of the council. The committee consists of 7 non executive councillors and may include an independent person who is not a councillor.

Councillor Nigel Shaw (Chairman)	Conservative
Councillor Christy Bolderson (Vice Chairman)	Conservative
Councillor Dave Boulter	It's Our County
Councillor Peter Jinman	Herefordshire Independents
Councillor Bob Matthews	True Independents
Councillor Diana Toynbee	Green
Councillor Yolande Watson	Herefordshire Independents

The purpose of the audit and governance committee is to provide independent assurance on the adequacy of the risk management framework together with the internal control of the financial reporting and annual governance processes. The committee do this by:

- (a) ensuring the effective and fully compliant governance of the council and in particular to ensure that all aspects of the financial affairs of the council are properly and efficiently conducted;
- (b) reviewing and approve the council's annual governance statement, annual statements of account, the contract procedure rules and financial procedure rules;
- (c) scrutinise the effectiveness of, and management compliance with, the systems identified in the annual governance statement framework;
- (d) monitor the progress made by management in implementing improvements to elements of that framework identified by external or internal audit review; and.
- (e) reviewing the constitution and recommending any necessary amendments to Council as appropriate.
- (f) reviewing the corporate risk register

Who attends audit and governance committee meetings?

Coloured nameplates are used which indicate their role at the committee:

Pale pink	Members of the committee, including the chairman and vice chairman.
Orange	Officers of the council – attend to present reports and give technical advice to the committee
Green	External advisors - attend to present reports and give technical advice to the committee
White	Other councillors may also attend as observers but are only entitled to speak at the discretion of the chairman.

Minutes of the meeting of Audit and governance committee held at Online meeting on Tuesday 16 June 2020 at 10.30 am

Present: Councillor Nigel Shaw (chairperson)
Councillor Christy Bolderson (vice-chairperson)

Councillors: Dave Boulter, Peter Jinman, Diana Toynbee and Yolande Watson

Officers: Solicitor to the council, Chief finance officer, Deputy solicitor to the council, Head of Corporate Performance and Head of partnerships and integration

435. APOLOGIES FOR ABSENCE

There were apologies for absence from Councillor Bob Matthews.

436. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

437. DECLARATIONS OF INTEREST

There were no declarations of interest.

438. MINUTES

The action tracker attached to the minutes was discussed:

1. It was noted that actions in connection with the corporate risk register were linked to the approval of the performance, risk, opportunity (PROM) framework so the due date would need to be moved to October 2020.
2. Action number 42 (Cross referencing work to be undertaken with the internal audit plan and corporate risk register with regard to the risks not covered in the plan for 2020/21) will be included in the progress update for 2020/21 quarter 1 scheduled for the committee meeting on 30 July 2020.

RESOLVED:

That the minutes of the meeting held on 5 May 2020 be confirmed as a correct record and signed by the chairperson.

439. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

440. QUESTIONS FROM COUNCILLORS (Pages 7 - 8)

Questions received and responses given are attached as appendix 1 to the minutes.

441. PROGRESS REPORT ON 2019/20 INTERNAL AUDIT PLAN

South West Audit Partnership (SWAP) presented the report and highlighted that since the last update to committee 7 audits had been completed, 6 audits were at report stage and 7 audits in progress. For the audits completed 3 audits were assessed as reasonable assurance, one as partial assurance, and three were advisory audit reports.

The savings targets internal audit had resulted in a partial assurance with 2 priority 2 findings. SWAP confirmed that 6 savings targets had been looked at and these were 1 (adults and communities directorate); 1 (children and families directorate), 2 (economy and place), 1 (corporate support centre) and 1 (centrally held budget). The savings target in children and families directorate was not going to be achieved and SWAP could not say what the impact that then had on the corporate risk register.

The biggest challenge for SWAP was trying to balance the continuation of the work outlined within the internal audit plan and supporting the council with Covid-19 activities. The council had paid out significant amounts of money and SWAP looked at the controls in place. SWAP acknowledged that officers had been accommodating so that SWAP could continue their work but there had been some disruption to their activities.

The committee praised the work of the teams in connection with the speed at which the money received from government had been passed to those who qualified. It was acknowledged that there was a risk as there were very sophisticated frauds. The council and SWAP used their access to various databases in order to check for fraudulent activity. These steps were taken in order to minimise the risk but there was some inherent risk that monies may have been paid to fraudulent recipients.

It was noted that the chief finance officer and SWAP would be discussing the internal audit plan for 2020/21 to consider the areas of high risk and which audits will not be completed. The committee would be updated when audits would not be continued.

RESOLVED that:

- (a) performance against the approved plan was reviewed and any areas for improvement identified; and**
- (b) assurances provided were considered and the recommendations which the report makes, and comments were provided as necessary.**

442. EXTERNAL AUDIT PROGRESS UPDATE

Grant Thornton presented the report and highlighted that progress was currently on track.

It had been helpful that the Secretary of State had extended the external audit deadline to end of November 2020. One potential risk was that there may be drift or cost implications with the extension to 30 November.

The Council would want to have its 2019/2020 accounts signed off as soon as possible as this would mean that the council could set its budget on an audited set of statement of accounts.

It was noted that the impact of Covid-19 on the value for money statement was expected to be a factor for the 2020/2021 accounts.

Following a query from a member of the committee, it was confirmed that discussions were still ongoing with government about securing all the funding for, e.g. road flooding repairs. The council did have reserves but would prefer the funding to be provided by

central government. It was hoped that these discussions would be concluded by November 2020 and Grant Thornton would be kept updated.

The chief finance officer confirmed that the draft statement of accounts would be available for inspection by 26 June 2020. The council would be accommodating as much as possible for members of the public who wish to inspect the documents and books.

RESOLVED that

The external audit progress report be noted.

443. CONFIDENTIAL REPORTING CODE (WHISTLEBLOWING)

With the agreement of the committee, the chairperson used his discretion to move this report to the next agenda item.

The solicitor to the council presented the report.

The policy had been revised in 2017 and it was appropriate at this stage to undertake a review of the way the scheme worked and what changes could be made to make it clearer to understand. Internal audit and the solicitor to the council were notified whenever whistleblowing occurred to ensure that there was corporate oversight.

A member of the committee indicated that they had tried to read the policy from the view of a concerned person and whilst the policy may be legally correct, this was an opportunity to make it more user friendly for those desiring to whistle blow. It was noted that other public sector organisations did have a policy which appeared to be more user friendly. There was also a need to consider external involvement. It was also noted that the document was legally correct and that it was good practice to have a whistleblowing policy but it was not a legal requirement. It was noted that the NHS was required to have a whistleblowing policy.

The solicitor to the council explained that prior to 2017 there had been a low number of concerns raised and they were not formally recorded. The policy had increased the numbers and when it is promoted, it is fresh in the minds of members of staff.

It was acknowledged that the policy was not clear as to who could use the policy and Hoople were used as an example. The solicitor to the council confirmed that Hoople could use the policy.

It was agreed to defer this item to the October meeting and that a working group comprising Councillor Nigel Shaw and Councillor Peter Jinman be formed. The purpose of the working group would be to look at the revised draft document prepared by the solicitor to the council.

RESOLVED that:

- (a) the whistleblowing policy be deferred until the audit and governance committee in October 2020;**
- (b) A working group comprising of Councillor Nigel Shaw and Councillor Peter Jinman be set up; and**
- (c) The purpose of the working group would be to review revisions to the policy drafted by the solicitor to the council.**

444. CORPORATE RISK REGISTER

The head of corporate performance presented the report.

The corporate risk register was as at the end of March 2020. In response to members of the committee queries, the head of corporate performance confirmed that there had been capacity issues in updating the risk registers. The committee would prefer to see a more up to date version in order to assure themselves that risks were being appropriately considered in line with the council's risk framework. It was noted that cabinet on 25 June 2020 were also due to see the risk register and they would be receiving the same version. It was further noted that it would be for the Executive to act on the risk register.

Cllr Peter Jinman left the meeting at 11.43 am.

It was noted that the children and families directorate savings had a risk in terms of the medium term financial strategy (MTFS) and there was a specific risk with the children and families directorate being able to balance their budget. There had been no change to the risk score and it was currently the joint second highest risk on the register

The top 6 risks had been on the corporate risk register from between 2014 to 2017 and these long standing risks are listed as further mitigation being required. This indicated that they were above the council's current "risk appetite." The head of corporate performance confirmed that these risks and mitigation would be in the county delivery plan, directorate plans, service plans. There would be some transformational plans, for example getting to good in the children and families directorate.

It was noted that the children and families directorate risk register appeared to be light when compared to the adults and communities directorate and economy and place directorate and given the budget and nature of the directorate.

The committee discussed the possibility of the director of children and families directorate being invited to the meeting to explain the process of mitigation which had applied to the risks in the directorate. This may provide assurance to the committee that the risks were being managed in such a manner as to mitigate them in line with the council's risk appetite. It was agreed that the chairperson would speak to the director to outline the areas which the committee were seeking assurance on and potentially the director attending the meeting on 30 July 2020.

The revised PROM was due for approval by Cabinet in October 2020 and it was anticipated that this may provide assistance in mitigating the risks in the children and young people's directorate. It was agreed that the revised PROM would form part of the corporate risk register report due to be presented at the committee's meeting on 30 July 2020.

The committee requested sight of the Covid-19 risk register.

It was noted that in connection with the CRR37 (corporate risk register), there were references to February 2020 and March 2020 actions and these actions should be updated as the report was up to end of March 2020.

RESOLVED that:

- (a) The committee receive the corporate risk register on a quarterly basis;**
- (b) The chairperson speaks to the director of children and families directorate to outline the areas which the committee were seeking assurance on.**

- (c) **The Covid-19 risk register be included as part of the corporate risk register report scheduled for 30 July 2020.**

445. TRACKING OF AUDIT RECOMMENDATIONS

The head of corporate performance presented the report.

It was noted that the audit action “ICT Access Controls, - Adults Wellbeing Applications and Children's Wellbeing Applications” had been outstanding since 2018. It was queried whether given Covid-19 and the nursery staff being furloughed whether further mitigation would be required or the recommendation revised. This audit action did have inappropriate data sharing implications. The head of corporate performance agreed to provide a written briefing note on this action.

The committee commented that it would be prudent for service areas to consider how Covid-19 might affect their ability to deliver on such actions.

RESOLVED THAT

- (a) A briefing note on the ICT Access Controls, - Adults Wellbeing Applications and Children's Wellbeing Applications be provided as the action had been outstanding since 2018.**
- (b) The report be noted.**

446. HEALTH AND WELLBEING BOARD REVIEW AND SUGGESTED AMENDMENTS TO THE CONSTITUTION

The assistant director, Talk Community programme and the deputy solicitor to the council presented the report.

It was noted that the chief executive of Herefordshire Council was not a member of the Health and Wellbeing Board, although he did routinely attend the meetings. The three directors of Herefordshire Council would be members of the Board. It was requested that the membership of the Board be reviewed in 9 to 12 months.

RESOLVED that

- (a) having regard to the health and wellbeing board review, the amendments to the constitution as set out in appendix 1 be recommended to full Council for adoption, with implementation; and**
- (b) the technical changes to the constitution to be made by the monitoring officer as set out in paragraphs 15 and 16 of this report be noted.**
- (c) The membership of the health and wellbeing board be reviewed in 9 to 12 months.**

447. RE-THINKING GOVERNANCE WORKING GROUP - PROGRESS UPDATE

The solicitor to the council presented the report.

It was noted that due to Covid-19 the all member workshops had not taken place in person but rather via webinar which was not ideal. An all member survey was currently running until the end of June 2020. The working group were currently on track but the timetable will be very tight.

All councillors were encouraged to respond to the survey.

RESOLVED that

The progress report of the re-thinking governance working group be noted.

448. WORK PROGRAMME UPDATE

The work programme was discussed.

It was agreed that the annual internal audit report be moved to the November meeting so that it was considered at the same time as the external audit findings report.

The committee also agreed that a working group consisting of Councillor Nigel Shaw, Councillor Christy Bolderson and Councillor Yolande Watson be formed. The purpose of the working group would be to review the core functions, membership and effectiveness of the committee and review work programme items not currently scheduled. The review will be structured using the CIPFA practical guide for Local Authorities & Police Audit Committees. It was agreed that Councillor Christy Bolderson would be the chairperson of the working group.

RESOLVED that

- (a) The work programme be approved, subject to the:**
 - i. corporate risk register being reported quarterly to the committee,**
 - ii. the annual internal audit report moving to the November 2020 meeting**
 - iii. Confidential Reporting Code (Whistleblowing) going to the October 2020 meeting**
- (b) An audit and governance effectiveness review working group be set up comprising of Councillors Christy Bolderson, Nigel Shaw, and Yolande Watson. Councillor Christy Bolderson to be the chairperson of the working group.**
- (c) The purpose of the working group would be to review the core functions of the committee, membership and effectiveness of the committee and review work programme items not currently scheduled. The review will be structured using the CIPFA practical guide for Local Authorities & Police Audit Committees. and report back to the committee.**

The meeting ended at 12.57 pm

Chairperson

**MEMBERS QUESTIONS AND ANSWERS TO
AUDIT AND GOVERNANCE COMMITTEE
16 JUNE 2020**

Councillor J Harrington, Hampton Ward

Question:

In order to have a good whistleblowing policy and practice, there should be an independent person or body (e.g. HR firm) that receives copies of all complaints for logging and also allows direct access for anyone wishing to whistleblow. The council will never have good practice or policy whilst whistleblowing is dealt with through our own organisation only. Would the committee consider looking into the options for amending the policy to reflect the need for an independent person or body?

Answer:

The need for independence is a point well made. Although whistleblowers can go outside of the council to report wrongdoing, our internal processes have to be effective.

An ideal independent body would be "Protect" the national whistleblowing charity that is already referenced as a source of advice and help in the policy. I have asked the monitoring officer to make enquiries about the services they might be able to offer.

COMPLETED ACTIONS WILL BE MOVED TO THE 'REPORTED COMPLETE' TAB ONCE THEY HAVE BEEN NOTIFIED AT AUDIT AND GOVERNANCE								
Action Number	Meeting Date	Agenda Item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
2	19 November 2019	7	Training on the Redmond Review	Grant Thornton	Corporate Support Centre	Grant Thornton to provide dates.	01 September 2020	
16	28 January 2020	10	Direction of travel arrows on the annual governance statement (AGS)	Chief finance officer	Corporate Support Centre	To be included as part of the AGS report in September 2020	19 September 2020	
17	28 January 2020	10	As part of next year's AGS report, a review of previous three years be included	Chief finance officer	Corporate Support Centre	To be reported on as part of the AGS report in September 2020	19 September 2020	
19	28 January 2020	10	Insert into contracts the ability to audit them, specifically contracts on a framework which had specific costs plus margins.	Chief finance officer	Corporate Support Centre	To be reported on as part of the AGS report in September 2020	19 September 2020	
22	18 January 2020	11	Better articulation as to why red risks are on directorate risk register and not on a corporate risk register	Head of corporate performance	Corporate Support Centre	A&GC have received regular updates on the corporate risk register and directorate risk registers and training on the current framework. The current framework is under review, and is presented alongside July's AGC meeting.	30 July 2020	Yes
24	28 January 2020	11	Details on how risks on decision reports feed into the appropriate risk registers	Head of corporate performance	Corporate Support Centre	Currently, risks should be articulated in risk registers as and when they become relevant. The current framework is under review, and is presented alongside July's A&GC meeting	30 July 2020	Yes
26	18 January 2020	11	Consideration be given to including risks which would jeopardise the achievement of corporate objectives and that there were strategic linkages these be identified	Head of corporate performance	Corporate Support Centre	This is being reviewed as part of the revised Performance Framework, and Risk Management approach. This will be considered by the committee at its July meeting.	30 July 2020	Yes
27	18 January 2020	11	Chief executive to ensure that the corporate risk register was at the top / near the top of senior managers agenda	Chief Executive	Corporate Support Centre	This is being reviewed as part of the revised Performance Framework, and Risk Management approach. This will be considered by the committee at its July meeting.	30 July 2020	Yes
29	28 January 2020	11	Clarification on the escalation and de-escalation process	Head of corporate performance	Corporate Support Centre	A&GC have received regular updates on the corporate risk register and directorate risk registers and training on the current framework. The current framework is under review, and is presented alongside July's AGC meeting.	30 July 2020	Yes
30	28 January 2020	12	Corporate and directorate risk registers amended to reflect the mitigating factors in connection with the changes to the contract and finance procedure rules	Head of corporate performance	Corporate Support Centre	An update will be provided as part of the corporate risk report report due to be presented to the committee in October 2020	31 October 2020	
41	05 May 2020	7	Cross referencing work to be undertaken with the internal audit plan and corporate risk register with regard to the risks not covered in the plan for 2020/21.	SWAP	Corporate Support Centre	To form part of the internal audit plan progress report for July 2020	30 July 2020	Yes
42	16-Jun-20	7	Annual internal audit report to be moved to November 2020 committee meeting	Democratic services officer	Corporate Support C	Work programme amended	30-Jul-20	Yes
43	16-Jun-20	9	Corporate risk register report to be presented to committee on a quarterly basis.	Head of corporate performa	Corporate Support C	Added to work programme	30-Jul-20	Yes
44	16 June 2020	9	Chairperson to speak to Director for children and families with a view to director attending meeting due to be held on 30 July to discuss risk	Chairperson	Corporate Support Centre	Director for children and families will be attending the meeting on 30 July 2020	30 July 2020	Yes

Action Number	Meeting Date	Agenda Item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
45	16 June 2020	10	Briefing note on ICT Controls - Adults wellbeing applications and children's wellbeing applications	Head of corporate performance	Corporate Support Centre	Briefing note circulated on 22 July 2020	30 July 2020	Yes
46	16 June 2020	12	Whistleblowing report to be added to agenda for October committee meeting	Solicitor to the council	Corporate Support Centre	N/A	31 October 2020	Yes



Meeting:	Audit & Governance Committee
Meeting date:	Thursday 30 July 2020
Title of report:	Corporate Risk Register
Report by:	Head of Corporate Performance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the Performance, Risk and Opportunity Management framework.

Recommendation(s)

That:

- (a) the committee determine any recommendations it wishes to make to ensure effective risk management**
- (b) the committee reviews the draft Risk Management Plan at appendix 7 and makes recommendations to strengthen the councils approaches to risk**

Alternative options

1. The committee could choose not to monitor the corporate risk register; however this would not be recommended as regular monitoring provides assurance that risk is being managed effectively within the council.

Key considerations

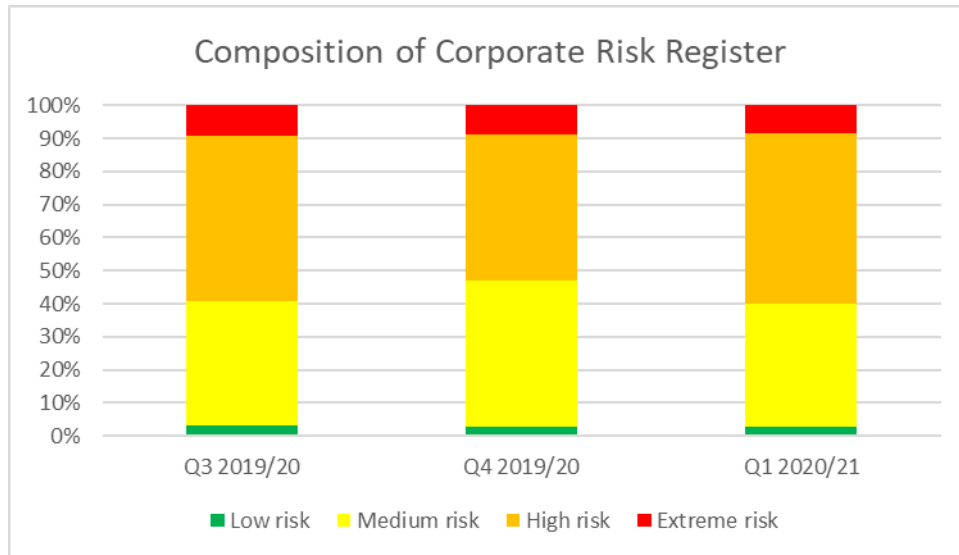
2. In accordance with the Performance, Risk and Opportunity Management (PROM) framework, it is the committee's role to ensure that risk management is effectively managed and in line with the processes set out in the PROM.
3. The PROM requires that a corporate risk register is compiled from high-level, organisation-wide risks which require strategic management and risks identified at an operational level that have been escalated; either where mitigating activity controlled within the directorate is not able to contain the risk, or where additional resources might be required to control the risk.
4. Entries within the corporate risk register reflect risks identified by management board and are endorsed by cabinet, thereby strengthening their strategic perspective, management response and controls, and increasing organisational awareness.
5. The inclusion of risks within any level of risk register indicates that officers are aware of the potential risks and mitigation strategies and controls are in place.
6. Each risk within directorate or corporate risk registers is scored to provide an assessment of the level of risk. All risks are score based on an assessment of the impact and likelihood. Scoring criteria is set out within the PROM. These assessments are made at two points; before actions are put in place (inherent risk); and after identified controls are in place (residual risk).
7. It is the responsibility of risk owners to ensure that risk scores are regularly reviewed and updated where necessary.
8. Whatever level of residual risk remains, it is essential that the controls identified are appropriate, working effectively and kept under review.

Current Risks

9. The risk "heat map" below shows the current risks identified on the corporate risk register at the end of June 2020. This is following a review of risks within directorates. Full details of the risks below are found in Appendix 1.

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					CRR.39
	4 Likely			CRR.11	CRR.01, CRR.02, CRR.04, CRR.09, CRR.36, CRR.45	CRR.03, CRR.31
	3 Possible			CRR.15, CRR.17, CRR.18, CRR.19, CRR.20, CRR.38	CRR.06, CRR.07, CRR.08, CRR.10, CRR.12, CRR.13, CRR.37, CRR.41, CRR.43	CRR.33, CRR.35, CRR.40
	2 Unlikely		CRR.30	CRR.24, CRR.25, CRR.26, CRR.29	CRR.21, CRR.23, CRR.34	
	1 Rare					

10. As shown in the heat map above, there are three risks which are on the corporate risk register which remain as extreme risks (i.e. score more than 20) following the mitigation completed to date. Eighteen risks are rated as high risk (scoring between 10 and 16) following mitigation, thirteen as medium (in the yellow grouping) and one are rated as low following mitigation.
11. The change in composition of risks on the corporate risk register at the end of the first quarter, compared to the end of quarter 4 2019/20 is shown below:



12. In the first quarter of 2020/21, there have been the following changes; two new risks have been identified and entered onto the corporate risk register:
 - Repair of Storm Damage following Storm Dennis; due to the likely shortfall in funding from Government.
 - COVID-19 funding issues; recognising the immediate financial impact of the COVID pandemic
13. Previous committee meetings have requested that the directorate risk registers are also available to evidence escalation / de-escalation of risks in line with the PROM framework. Heat maps of these risk registers are provided at appendices 2 – 5.
14. A separate risk register has been established, specifically considering the impact that COVID-19 is having, many of these risks are focussed on specific operational areas and responses. The risks are monitored and managed weekly with a formal review of the register occurring monthly.

COVID Risk Register

15. Following the committee’s request in June, the COVID Risk Register can be found at appendix 6.
16. In order to provide a responsive approach to managing risk during the COVID emergency response, the council has adopted a project style risk register, meaning that recording of risks could be more agile.

17. Specific risks have been aggregated to wider risks, e.g. risks to our staff, which have then been scored. These scores are regularly reviewed by members of Management Board.
18. At present, the risks identified in this register are split as follows:

Severity of Risk	Number of risks
Low Risk	0
Medium Risk	3
High Risk	3
Extreme Risk	5

19. Four risk scores have reduced in the last month, one risk has increased, and 4 new overarching risks have been identified; risk of non-compliance with advice/guidance by general public, risk of larger outbreaks leading to wider lockdown, missed education for Herefordshire learners and lack of digital inclusion/IT.

Risk Management Plan

20. The council's Performance Risk and Opportunity Management (PROM) framework is being refreshed. As part of the revised Performance Management Framework, a Risk Management Plan has been drafted, establishing a greater focus on risk, with improved organisational guidance on the approach and processes.
21. The draft Risk Management Plan can be found at appendix 7. This document is still in draft, but has been informed from a number of other local authorities best practice frameworks, practice identified by ALARM (Association of Local Authority Risk Managers) as well as recognising the priorities for development in Herefordshire. The plan seeks to strengthen some of the following points;
 - A simple and robust process, easily embedded within all services improving operational understanding and engagement with risk management
 - Clear escalation criteria
 - Associating risk with strategic objectives
 - Internal checks and challenge to ensure consistent application of the plan
 - Clear visibility of the risk appetite, controls in place, and the SMART actions required to mitigate risk, and the impact that these have on the residual over time.
 - All risk identified within the organisation are aligned; corporate, directorate, service, project and programme and decision reports.
22. The new Performance Management Framework is scheduled for sign off by Cabinet in September.

Community impact

23. In accordance with the principles of the council's adopted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective risk management is an important component of this performance management system.

Equality duty

24. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

25. There are no equality duty implications arising from this report.

Resource implications

26. There are no resource implications arising from this report.

Legal implications

27. None.

Risk management

28. There are no risks as a direct result of this report. By reviewing the corporate risk register, greater assurance is given that the council manages its risks appropriately.

Consultees

29. None

Appendices

- Appendix 1 Corporate Risk Register
- Appendix 2 Adults and Communities Risk Register
- Appendix 3 Children and Families Risk Register
- Appendix 4 Economy and Place Risk Register
- Appendix 5 Corporate Services Risk Register
- Appendix 6 COVID Risk Register
- Appendix 7 Risk Management Plan

Background papers

None

Corporate Risk Register - June 2020

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Residual Risk trend (6 months)	Risk Owner
CRR.01	Children's Operational Staffing / Workforce IF/AS: We are unable to recruit and maintain a stable, experienced social care workforce THEN: Caseloads for social workers will be higher than wanted and may affect the quality of casework for children	Oct-17	25 (5x5)	A recruitment and retention plan has been implemented and specific actions taken to reduce turnover and improve the attractiveness of our offer to experienced staff. We have commissioned an agency to undertake a search process under the 'urgent to rural' banner. We are actively engaging with regional colleagues to influence wider work and to reduce reward package escalation. We have engaged a number of agency workers as a result of regional collaboration which has provided additional capacity. Grow our own activity has been agreed and has been progressed during 2019-20	16 (4x4)	Further mitigation required	We have put in place a more effective way to recruit newly qualified social workers and this is ongoing. We will continue to grow our own social workers through the re-tender of the apprenticeship contract. We are currently refreshing our core offer to encourage people to come and work in Herefordshire.		Director Children & Families
CRR.02	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there will be an impact on availability of services - this is particularly true of Registered Managers and Nurses	Mar-17	25 (5x5)	External market workforce project launched - the care heroes campaign to attract and retain more people into care and support providers with recruitment & training costs. Fees have been increased to dom care providers with a steer that front line staff should benefit. Monthly provider forums with commissioning services and close monitoring of market capacity and responses.	16 (4x4)	Further mitigation required	Ensuring that the Adult Social Care agenda is high on priority list for other Directorates and wider system partners. Working with economic partners on master planning to shape the future market.		Director Adults & Communities
CRR.03	Budget and Savings Plans - Children & Families IF/AS: The demand for placements for looked after children and care leavers exceeds that planned for when the budget was set THEN: the spend will be greater than the budget within children and families IF/AS: The savings plans across the directorate are not delivered with support from council services THEN: Resources and the MTFS across the council may be at risk	Apr-17	20 (4x5)	Budget is reviewed monthly DLT/SMT/Management Board and then informing Cabinet. Alternatives to care panel in place on a weekly basis to review cases that may be considered to be moving towards becoming looked after, chaired by the AD safeguarding and family support. Corporate contingency in place as part of 2019/2020 to cover any spend over planned budget. Business case for Edge of Care Service been developed with input from Staffordshire Council; cabinet agreed to use of earmarked reserves in 2019/20 to start the edge of care service. Cabinet gave agreement to use money 2019/20. Business case accepted and recruitment successful. ECHO Service staffed and launched May 2020.	20 (4x5)	Further mitigation required	Further enhancement to ECHO service taking place June/July 2020 to provide domestic abuse, substance misuse support and systemic therapy. Now looking at alternatives to far away residential provision and what local alternatives can be developed		Director Children & Families
CRR.04	Human Rights claims IF: a result of high court decisions regarding children's social care cases THEN: Herefordshire council may face Human Rights claims.	Dec-16	16 (4x4)	Case review work has been undertaken by children's social care and by legal services and submitted to court. Legal services have reviewed current cases to assess for potential human rights claims. Communications briefed on response from council, including training, audit of any cases with similar presenting features and action to address any recommendations from the judgement; communications to cabinet, children's scrutiny and all members; communication to chair of HSCB and also to regional lead for safeguarding with Ofsted. In light of court judgements, cases are reassessed. Practice improvements are identified through this work and steps taken to embed changes in day to day work.	16 (4x4)	Further mitigation required	Children's services and legal services reassess cases in light of court judgements. Practice improvements are identified through this work and steps taken to embed changes in day to day work.		Director Children & Families
CRR.06	Council Redesign/Resources IF: Reducing resources in the form of grant, uncertainty and the requirement to deliver transformation at speed combine THEN: there will be an risk of failure to meet statutory and/or legal duties and powers.	Jun-15	25 (5x5)	Transformation programme within each directorate, corporate plan, refreshed governance and constitution, quarterly performance management reporting and director performance management through appraisal system.	12 (3x4)	Further mitigation required	Benefits realisation and review arrangements through quarterly performance management		Chief Executive
CRR.07	Deprivation of Liberty IF: The authority does not meet the statutory requirements for Deprivation of Liberty Safeguards and individuals are unlawfully deprived of their liberty THEN: The authority faces a risk of being taken to the Court of protection, increasing the risk of Costs and Financial penalties for the Local Authority	Oct-14	20 (4x5)	Additional investment into DoLS has been made and will be maintained. Weekly performance management of waiting list is in place. Regular reporting and review up to Assistant Director Level and to Safeguarding Adults Executive Group. Recruitment of external Best Interest Assessors - although these are limited in availability due to national demand. The DoLS team check all referrals for DoLS against list of open safeguarding referrals to ensure these cases are prioritised. ADASS triage criteria are followed to identify cases where there is a high risk to the individual and a high risk to the Council of litigation. Three full time BIA posts have been created and a specialist MCA DoLS team manager post has been created as part of the adults social care restructure. Further awareness training with staff and providers, additional legal support and constant review and prioritisation of cases waiting for assessment. Programme to train staff as BIAs in place. Independent BIA engagement plan ongoing two additional full time seconded posts created and filled. Multi agency MCA and DoLS policies completed. agency MCA and DoLS policies completed.	12 (3x4)	Further mitigation required	The local approach, including risks have been presented to Adults Scrutiny & Internal management board. The approach will remain under review		Director Adults & Communities
CRR.08	Recruitment Strategy IF: the council is unable to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic THEN: there will be insufficient staff to meet service demands; an inability to progress service development; and a financial implication of using agency staff/contractors.	Aug-18	16 (4x4)	Short term reductions in capacity are accommodated by prioritisation and reallocating work amongst staff. Analysis identifying posts which are hard to recruit to. Involvement in regional workforce development and agency market management. Recruitment and retention initiatives.	12 (3x4)	Accept			Head of HR and Organisational Development
CRR.09	EU exit IF: following the EU exit there is uncertainty or policy decisions that impact the council THEN: there may be an impact on the economic and social programmes of the Council and its partners, including: interest rates and exchange rates impacting on the Affordability of the council's capital programme; and restriction on the free movement of people which could lead to skills gaps and adverse impact on the workforce.	Aug-18	16 (4x4)	Inclusion of an assessment of the risks associated with EU exit in our MTFS and Treasury Management Strategy, and our debt profile is monitored and managed to avoid exposure to interest rate fluctuations. The Capital Programme will include a risk assessment of the cost of borrowing, and it will be reviewed constantly to ensure its continued affordability.	16 (4x4)	Accept	The council is not able to influence the ongoing negotiations dealing with the EU exit and subsequent policy decisions. Due to the ongoing Pandemic there is a risk of that the normal scrutiny processes around the negotiations and policy changes are not followed.		Chief Finance Officer
CRR.10	Failure of council employees to adhere to standing orders and policy IF: officers fail to adhere to standing orders (e.g. contract and finance procedure rules) and policies THEN: the number of internal disciplinary and/or exposure to legal challenge will increase, along with the likelihood of financial and reputational risk, resulting in claims being made and won against the Council with costs and reputational harm incurred.	Sep-17	16 (4x4)	Contract and finance procedure rules have been rewritten and published. Toolkits, guidance and training have been implemented. Schemes of delegation have been written as part of the new constitution. Governance training has been provided. Internal Control Improvement Board to oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.	12 (3x4)	Further mitigation required	Internal Control Improvement Board to oversee development and implementation of an improvement plan to ensure effective internal controls in respect of capital spend, project management and contract management are in place and complied with across the council.		Solicitor to the Council
CRR.11	Emergency events IF: significant events happen (e.g. severe weather, major flooding, terrorism and/or influenza pandemic risks) THEN: there could be a significant cost implication to the Council and it may be necessitate staff redeployment to backfill and maintain critical services. Failing to respond effectively to major emergencies/incidents could result in a loss of public confidence through adverse publicity, loss of life to public or council employees, loss of service, economic damage or environmental impacts. Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should.	Apr 11	16 (4x4)	Council and multi-agency plans reviewed as part of wider WM Local Resilience Forum objectives. Resilience Direct (cabinet officer system) to progress information sharing, planning and response mechanisms and data. Council Business Continuity Management System in place. Rest Centre training and provision for 200 people at Three Elms Unit. Gold and Silver officer training sessions and programme completed. BLP tested new emergency road closure software, which will update the website automatically within the road closure map.	12 (4x3)	Accept			Health Safety and Resilience Manager
CRR.12	Health & Safety IF: Herefordshire Council doesn't comply with Health and Safety legislation THEN: there is an increased risk of: employees injured through work activity; council prosecuted by HSE for breaches of legislation; increased insurance claims and insurance premiums; member of public, contractor or employee killed at work, possible corporate manslaughter, loss of reputation and financial costs to the council; sickness rates increase because of lack of compliance with good health, safety and wellbeing practice; increased employer/employee litigation through inconsistent approach to managing health and safety in the workplace; unable to defend H&S claims or disputes; and, fire damage and financial and reputational costs to the council through fire at a council owned building.	May 11	16 (4x4)	Strategy - Strategy/project plan in place to achieve full compliance with H&S legislation, prioritised by high risk activities; H&S policy current and reviewed each year. Cultural - SharePoint H&S tool box available via front page of intranet; H&S and Fire Safety part of existing mandatory training; some improvement has been made in last period with wider engagement from employees with H&S systems (when things have gone wrong); employees consulted about H&S issues through 'house' meetings. Systems - Accident reporting/investigation and work based ill health in place; mandatory training; first aid/fire warden training in place; some systems updated (focused on high risk areas); employers liability insurance; Directorate H&S reps kept up to date with current risks and good practice control measures. Property Services buildings statutory compliance system in place.	12 (3x4)	Accept			Health and Safety Advisor
CRR.13	Cyber attack IF: we do not protect against a potential cyber attack THEN: we could be at risk of losing data in breach of principle 7 of the Data Protection Act which would lead to potential fines from the Information Commissioner Office and reputational damage.	Apr-17	15 (3x5)	IT Supplier (Hoople Ltd) holders of ISO 27001:2013, and; Cyber Essentials Plus certificated - both in good standing. Implemented 'defence in depth' strategy covering: Administrative, Technical and Physical controls to maintain our security goals: Confidentiality, Integrity and Availability.	12 (3x4)	Further mitigation required	Greater links to disaster recovery and continuity within services.		Assistant Director, Corporate Support
CRR.15	Workplace / Accommodation Programme IF: the Programme is not managed to time and budget and does not include BVoW principles THEN: there will be significant risks to service delivery, savings plans and the life cycle of buildings.	Mar 16	12 (3x4)	Corporate Property Delivery Board. Escalation of high risk items to E&P management team and to members for political consideration of priorities. Undertaking a programme of condition surveys on a cyclical basis will provide detail on scale of backlog maintenance.	9 (3x3)	Further mitigation required	Cabinet decision post COVID-19 being developed.		Strategic Property Services Manager
CRR.17	Demographic Pressures IF: due to increasing financial and demographic pressures, the council is unable to meet it's statutory obligations and assess clients in a timely manner and annually review all long-term packages of care THEN: clients might not receive the timely interventions required and we might miss the opportunity to maximise independence	Oct-14	16 (4x4)	New pathway implemented with evidence of improved outcomes for people and reduced amount of people requiring formal social care support. In addition, implemented a SAS team to focus on re-assessment work, and an external provider to undertake reassessments and reviews allied to cohorts of service users where review is required. Controlled waiting list, proactive front door, proactive Reablement response, proactive community resourcing, regular reporting to monitor any changes. Strengthened commissioning approach to market developments and client need.	9 (3x3)	Further mitigation required	Further embedding the strengths based ethos within the directorate as well as partners. Developing a review dashboard. Pilot scheme being implemented to boost capacity to undertake assessments. Further developments of operational services including ASC Reablement pathway & independent living services. Investment in the Talk Community prevention agenda to maximise independent and wellbeing		Director Adults & Communities
CRR.18	Property Services support to Capital Programme IF: we are unable to implement the strategic corporate and CWB capital programmes within budget and timescale THEN: operating costs will increase, assets will deteriorate, service delivery could be impacted and opportunities to realise value and benefits could be missed. Strategic change will not be implemented.	Feb-18	16 (4x4)	Property Services attend Corporate Programme Delivery Boards to ensure issues are identified and escalated appropriately.	9 (3x3)	Further mitigation required	Support arrangements will be tailored to approved capital programmes for school works in 2020/21. Programme of work being reviewed by Interim Capital Projects Director; feedback awaited.		Strategic Property Services Manager

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Residual Risk trend (6 months)	Risk Owner
CRR.19	NMITE IF: there is a lack of critical infrastructure such as teaching space and student accommodation to meet NMITE's forecast growth THEN: would be unable to reach the critical mass of student numbers to become self-sustaining.	Aug-18	12 (3x4)	The council is working closely with NMITE to plan for the development of critical teaching space and student accommodation. For example, the council has enabled the development of a 178 bedroom purpose built student accommodation at station approach where 50% of rooms will be available for NMITE students for three years from January 2021. The council has agreed to underwrite up to £850,000 of a Local Enterprise Partnership grant funding to develop teaching accommodation at NMITE's Blackfriars Street site. We are commencing feasibility studies to identify opportunities for student accommodation provision at sites such as College Road Campus, and the along the City Link Road, and the council is due to consider a decision to undertake detailed design stage works (including seeking planning approval) for student accommodation to be developed at the football ground (behind the Blackfriars Street Stand) in October 2021. The council and NMITE have also signed a funding agreement to provide LEP funding to establish two new specialist teaching facilities on the HEZ. However, there remains a significant gap between NMITE's growth forecasts and the provision of student accommodation within the city over the next few years.	9 (3x3)	Further mitigation required	NMITE agreed to sign the sub-nominations agreement for the 78 rooms in the Station Approach student accommodation in July 2020 In June 2020 funding agreement for £5.3m of LEP funding signed to develop the CATT and CAM on the HEZ. Discussions on-going with the new NMITE COO regarding a strategic approach to establishing student accommodation in Hereford Annual Governance Statement requires review of governance arrangements in terms of NMITE (to be completed December 2020).		Head of Economic Development
CRR.20	Good decision-making IF: officers and members do not uphold the principles of good decision-making THEN: the Council may make poor decisions which either result in lost opportunities or increased costs.	Apr-17	12 (3x4)	Decision reports are subject to a quality assurance process which includes review by risk, legal, finance, governance, equality, procurement and the lead director. A programme of training and development has been developed to support implementation of the new constitution. This will include report writing and decision making as appropriate. Internal Audit report commissioned to review quality of information in reports; report received and being actioned.	9 (3x3)	Accept			Solicitor to the Council
CRR.21	Economic Masterplan IF: we fail to establish an economic masterplan THEN: there could be unco-ordinated development, we may fail to priorities available resources, miss opportunities to secure external resources which will impact business retention, business rates income, productivity, employment and wage rates, and wider resilience in the local economy.	Jun-15	16 (4x4)	Programme in place to develop a masterplan/ Town Investment Plan for Hereford by January 2021, and wider plan considering the development needs/ opportunities for the market towns by end of July 2021.	8 (2x4)	Accept	Hereford Town Fund Board now in place and private sector Chair appointed (July 2020) Proposals being developed for a programme to establish market town masterplan over the next 12 months.		Head of Economic Development
CRR.23	Good internal controls protect against fraud and error IF: good internal controls aren't in place and followed to protect against the potential of fraud, corruption, financial management, malpractice or error THEN: this produces a heightened risk of fraud, corruption and/or poor value for money with the consequent negative reputational impact.	Nov-17	16 (4x4)	Follow-up on SWAP audit recommendations so that they are all dealt with fully so that systems, processes and compliance are improved. EE code of conduct - should be issued with contract of employment. Recruitment process which ensures appropriate background checks. Induction programme. Fraud, bribery and corruption policies. Whistleblowing Policy. Finance procedure rules. Contract procedure rules. Agresso workflow. Governance processes.	8 (2x4)	Accept			Head of corporate finance
CRR.24	Medium Term Financial Strategy IF: we do not have a sustainable Medium Term Financial Plan THEN: we will not achieve a balanced budget, risk serious service failure	Aug-12	20 (4x5)	MTFS to 19/20 approved by Council in February. All savings RAG rated and reviewed. MTFS linked to Corporate Priorities. Monthly financial reports to Management team and Cabinet; Performance Challenge meetings. Base budget review exercise completed. Prudent levels of reserves in place. Regular reviews by Cabinet of reserves and assumptions around inflation.	6 (2x3)	Accept			Chief Finance Officer
CRR.25	ICT Platforms IF: the ICT application /systems/platforms are not appropriate or used to their full effect THEN: we fail to manage our services and cost the organisation more money	Apr-14	16 (4x4)	Programme Boards for major systems e.g. Mosaic for adults and childrens social care. Measures are in place to ensure that access to systems/tech. is in place and will be progressed through a number of initiatives. SWAP audits and related training.	6 (2x3)	Accept			Assistant Director, Corporate Support
CRR.26	Partnerships IF: the partnerships that the council's involved in are not developed / fail to operate effectively / or fail entirely THEN: the strategic objectives / priorities may not be achieved.	Aug-18	12 (3x4)	Partnership governance protocol. Updated process for review and publication of partnership. Contractual and partnering agreements.	6 (2x3)	Accept			Head of Corporate Governance
CRR.29	Information governance IF: staff do not treat the information they access appropriately THEN: this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	Feb-14	16 (4x4)	A series of mandatory online training modules have been introduced (including Data Protection, Environmental Information Regulations, Freedom of Information, Information Security). All employees must also complete a staff confidentiality agreement in order to acknowledge that they agree to abide by the council's information governance policies. DSP Toolkit completed for 2020.	6 (2x3)	Accept			Assistant Director, Corporate Support
CRR.30	Litigation IF: disputes with contractors arise there is potential exposure to litigation THEN: the Council may lose and be liable for costs in excess of £M (affecting budget position) and incurring reputational harm.	Jun-13	16 (4x4)	In house and external legal teams in place dealing with adjudications and litigation. I respect of the current contract dispute, formal mediation has been undertaken and matters resolved through dispute resolution procedures. A Counter claim raised by former provider and response provided by the council.	4 (2x2)	Further mitigation required	The Council will escalate matters through formal dispute resolution processes as required. The timing of these next steps will be set in response to circumstances.		Solicitor to the Council
CRR.31	South Wye Transport Package IF: scheme costs increase as a result of changes to programme THEN: they will exceed current approved budget and it will significantly affect ability to drawdown grant funding within funding window.	Jun-19	20 (4x5)	Scheme currently on hold. Continue to review cost forecasts and estimates as programme is revised. Report forecasts each month at MIBD to support decision making. Following the LEP decision to withdraw funding, alternative sources of funding will be required if review concludes that scheme should progress, noting that costs will have increased as a result of the delay to the programme.	20 (4x5)	Further Mitigation Required	Review scheme costs and funding opportunities as required following outcome of review.		Director Economy & Place
CRR.33	South Wye Transport Package IF: The Marches LEP requires existing growth funding to be repaid based on any change in approach to the SWTP THEN: Funding will need to be allocated for repayment of the growth funding, impacting on other budgets.	Nov-19	25 (5x5)	Legal advice has been sought regarding the likelihood of clawback. Ongoing discussions with Marches LEP regarding existing funding. DIT have confirmed to the LEP that they do not require the payback of funding. Submissions made for Marches LEP further funding for alternative projects; being a package of works associated with HEZ including two of the three preferred SWTP ATMs.	15 (3x5)	Further Mitigation Required	Subject to further correspondence with the Marches LEP, further legal advice will be sought.		Director Economy & Place
CRR.34	Response to police investigation IF: there is an uncoordinated response THEN: there may be disruptions to casework, unsettled staff and service users and the council may not respond effectively to the outcome of the investigation.	Dec-19	16 (4x4)	Interim senior management was put in place to provide additional capacity during the investigation which has now concluded. Staff communicated with and support was put in place. Outcome of police investigation still to be concluded. Risks to current service delivery assessed to be low.	8 (2x4)	Accept			Director Children & Families
CRR.35	Phosphate Pollution in Lugg Catchment IF/AS: A way forward cannot be found in relation to the moratorium on housing development in the River Lugg catchment arising from elevated phosphate levels THEN: the 5 Year Housing Land Supply figure will fall further which will have a severe impact upon the weight of Neighbourhood Development Plans and the outcome of planning appeals, leading to an increased potential for unplanned development in areas of the county not affected by the phosphate issue.	Dec-19	25 (5x5)	A Nutrient Management Board (NMB) oversees the protection of the Rivers Wye and Lugg and a Nutrient Management Plan (NMP) has been adopted jointly with the Environment Agency and Natural England (NE), with the aim of enhancing the water quality within these catchments. Because of the recent action by Natural England to resist development in the Lugg catchment, the Board is seeking to strengthen the NMP with a view to providing certainty to NE so that they will no longer resist development.	15 (3x5)	Further mitigation required	The Board will be meeting more frequently and has tasked a Technical Advisory Group to explore how the river catchments can be better protected. This is likely to include physical measures that will either reduce phosphate pollution from sewage treatment works or by from diffuse agricultural sources. Once specific proposals have been identified the council will need to consider how these are delivered now that £2m from the New Homes Bonus has been allocated to fund this.		Director Economy & Place
CRR.37	5 year Housing Land Supply/Housing delivery test IF: We do not actively address the current lack of five year land supply and the under delivery of housing (according to the national Housing Delivery Test) THEN: it will continue to be difficult to resist applications for planning permission for housing on sites not currently identified in the Local Plan which would undermine the plan led approach, lead to development of sites which are locally considered inappropriate and potentially affect the deliverability of identified strategic sites and associated infrastructure. Should the level of housing supply fall below 3 years then the housing supply policies will also be considered out-of-date in areas where an NDP containing housing allocations and made within the preceding two years.	Mar-16	16 (4x4)	Regular Housing Land Assessment and monitoring to update the extent of the housing supply and delivery of new housing in accordance with National Policy Framework. Develop Housing Delivery Test Action plan to set out operational set of actions to help increase housing delivery in the County. A range of measures are being put in place to have a positive impact upon the housing land supply in the County, including: 1. The inclusion within the County Plan and Corporate Delivery Plan ambitions to increase the level of affordable housing in the County 2. Preparation of the housing delivery action plan, which will look to set out measures to increase housing delivery in the County; 3. Progressing, in collaboration, with a range of with partner organisations innovative measures to address the moratorium on planning approvals for housing in the catchment of the River Lugg due to the level of phosphates; and 4. Ongoing work to prepare an update to the Core Strategy, including the commissioning of a housing market and needs assessment due to be complete in the Autumn, which will set out the quantity and type of housing required for the next 20 years and a new strategic housing land assessment likely to start shortly which will include a "call for sites" from landowners, developers and other stakeholders. 5. Re-instatement of a Major Sites Delivery Board established to drive a programme of activity to address this issue. Housing Delivery Action plan includes working proactively with developers to bring forward the strategic sites. 6. Cabinet Member approval to commence a study into the options available for the delivery of Council-owned housing.	12 (3x4)	Further mitigation required	Commencing update of Core Strategy and completion of Transport Review.		Programme Director, Housing and Growth (maintained by Strategic Planning Manager)
CRR.38	Dispute with major contractors IF: there is not adequate work to meet the expectations of the council's major contract providers (such as Engle, Keepmoat, Balfour Beatty Living Partnerships) THEN: there may be a dispute of these contract(s) and the council will not realise the benefits of the relationship.	Feb-20	12 (3x4)	An Annual Delivery Plan is agreed at the start of the financial year for each major contractor programme. Governance processes are in place to manage relationships with key strategic partners such as quarterly Programme Boards. Senior manager relationship managers are identified to lead engagement. Each contract specifies roles, responsibilities, and a range of service deliverables which are manage on a case by case basis.	9 (3x3)	Further mitigation required	Delivery Plans for 2020/21 to be finalised. Cabinet reviewing capital priorities as part of Covid 19 response.		Director for Economy and Place

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Residual Risk trend (6 months)	Risk Owner
CRR.39	COVID 19 AS: the global COVID 19 pandemic reaches Herefordshire Then: This will have a significant impact on council activities and the strategic priorities of the county. Staff will be redeployed and might be unable to work resulting in impact on front line services, delivery of care to vulnerable people will be compromised, non-urgent member decisions may be postponed, local businesses will be effected in turn impacting Business Rates & Council Tax. The impact on the health system will also cause additional strain on social care teams to respond.	Mar-20	25 (5x5)	Tracking advice from PHE. Tactical Group and Corporate Groups planning appropriate responses. Planning by services to establish critical services and help maintain service provision. Talk Community response in place supporting and connecting potentially vulnerable people in communities. Staff redeployed to support the response.	25 (5x5)	Further mitigation required	Continue to re-assess the required response and ascertain how the COVID response transfers into business as usual .		Chief Executive
CRR.40	Ofsted Outcomes IF/AS: We are unable to assure the Ofsted Inspectors of sustained improvements of childrens operational safeguarding Then: This may result in a re-alignment of council activity in order to ensure effective delivery of services and have a significant financial and reputational impact on the authority.	Mar-20	20 (4x5)	Ofsted improvement plan is in place and is monitored on a regular basis, regular member oversight at performance challenge sessions; performance management approach in place and being refreshed to include greater regular review by assistant director and director.	15 (3x5)	Further mitigation required	Evidence of delivery leading to sustained improvement		Director Children & Families
CRR.41	Ability to deliver County Wide Net Zero Carbon Target by 2030 IF the target is not delivered THEN the county will not benefit from the resulting improvements in air quality, public health and local ecological improvements from the required actions to reduce carbon emissions; this will increase the risk of local climatic changes which will have countywide economic, social and environmental impacts; there is risk of reputational damage from not delivering on the targets associated with our declaration of a climate emergency.	Mar-20	16 (4x4)	Herefordshire has been a lead authority on local action on climate change and activity builds on a strong track record and a previous countywide carbon reduction strategy "Re-energising Herefordshire" which sought to achieved an 80% reduction by 2050. The council is showing strong leadership through its new Carbon Management Plan (CMP) 2020-2026, due to be adopted on the 28th of May. A cross party task and finish group has been set up to ensure all future council decisions pay due regard to the 2030 carbon neutral target. A £200k climate reserve has been allocated in the 2020/21 budget. Carbon Management included in corporate performance management process.	12 (3x4)	Further mitigation required	The countywide carbon reduction strategy is in development with partners seeking countywide commitment to carbon neutrality. A key part of the current Herefordshire Transport Strategy Review is consideration of the climate emergency A sustainable economic recovery plan is in development in order to help support a low carbon recovery after the effects of Covid-19.		Director for Economy and Place
CRR.43 NEW	Repair of Storm Damage following Storm Dennis IF: Government does not provide funding for the repair of the county's infrastructure, as required following Storm Dennis in February 2020 THEN: The council will have to halt or curtail projects and programmes across its capital programme, resulting in the benefits of those projects and programmes not being realised for the people of Herefordshire.	Jul-20	25 (5x5)	The leader of the council, supported by officers, is lobbying the PM, Ministers and MPs setting out the clear case for funding for these works that have become necessary following unprecedented winter storms, the impact of which is beyond all reasonable contingency for a council to hold. Decisions are being taken forward in respect to the impact of this necessary repair work on the capital programme in the event that Government does not provide timely funding support.	12 (3x4)	Further mitigation required	Cabinet decision on 23 July 2020, with possible recommendations to Council to follow. Further lobbying of Ministers, MP and consideration of options for escalation in the event that Government funds are not forthcoming.		Director for Economy and Place
CRR.45 NEW	Covid 19 funding issues IF: Government does not fully fund the financial implications of responding to the Covid 19 pandemic THEN: we will overspend our revenue budget, placing pressure on revenue reserves and ultimately the financial failure of the council	Jun 20	25 (5x5)	Government have issued £11m of grant to date for Covid 19 issues Prudent levels of reserves in place. Regular engagement with MHCLG - delta returns, CCN and LGA Government have announced further support for expenditure - details yet to be released. Government have announced partial support for some lost income, details yet to be released	16 (4x4)	Further mitigation required	Continue to engage MHCLG and Government Close monitoring of all Covid 19 expenditure and non Covid income and expenditure		Chief Finance Officer

Adults & Communities Risk Register – June 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain				AC.20	AC.22, AC.23
	4 Likely		AC.06	AC.32, AC.35	AC.01, AC.11, AC.21, AC.30	
	3 Possible		AC.18	AC.03, AC.15, AC.26, AC.27, AC.33	AC.02, AC.04, AC.08, AC.12, AC.13, AC.19	AC.31
	2 Unlikely		AC.09, AC.10	AC.05, AC.14		
	1 Rare					

Ref	Risk Description	Corporate Risk
AC.01	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there will be an impact on availability of services - this is particularly true of Registered Managers and Nurses	Yes (CRR.02)
AC.02	Deprivation of Liberty IF: The authority does not meet the statutory requirements for Deprivation of Liberty Safeguards and individuals are unlawfully deprived of their liberty THEN: The authority faces a risk of being taken to the Court of protection, increasing the risk of Costs and Financial penalties for the Local Authority	Yes (CRR.07)
AC.03	Demographic Pressures IF: due to increasing financial and demographic pressures, the council is unable to meet it's statutory obligations and assess clients in a timely manner and annually review all long-term packages of care THEN: clients might not receive the timely interventions required and we might miss the opportunity to maximise independence	Yes (CRR.17)
AC.04	Market viability IF: Provider services fail, THEN: we will need to manage the transfer of a (large) number of service users in very short timescales, in an already difficult market, with limited capacity.	
AC.05	Supported Housing for Care leavers with complex needs. If the accommodation and support options are not increased, with improved quality and pricing, Then; young people will continue to become homeless, at risk and vulnerable to exploitation and the council will continue to pay too much for support placements with inconsistent outcomes for individuals	
AC.06	Staffing & Recruitment IF: we are unable to recruit to crucial roles THEN there will be a risk to our services	

AC.08	Use of Temporary Accommodation IF: the constraints on the supply of temporary accommodation continues at the same rate THEN this may mean that we are unable to meet our statutory duties under the Housing Act 1986 and Homelessness Reduction Act 2017	
AC.09	Market Capacity IF: providers withdraw or fail due to increased costs, reduced packages due to reablement through Home First, changes to CQC inspections and increase in quality concerns THEN: package costs are likely to increase for our clients and there will be further pressure on capacity in the market	
AC.10	Nursing Capacity IF: the current trends of difficulty in placing in nursing beds due to increased complexity continue THEN there will be a further increase in the spend in this area in order to make placements	
AC.11	NHS Re-organisation IF: there is a major NHS re-organisation THEN this might hinder effective joint working with social care	
AC.12	Care Home Ratings IF: the increasing trend of care homes with reduced ratings by CQC (to either Inadequate or RI) THEN placing people will be more challenging and these homes will require additional support from our staff	
AC.13	Continuing budget pressures and future of ASC funding IF: There continues to be uncertainty around the future and sustainability of adult social care funding, THEN the risk of not meeting statutory functions increases as does the risk of failure within the reliant social care economy in the county, such as care homes. In addition, the opportunity to re-model the way we provide services is limited	
AC.14	SHYPP: IF: The service improvements agreed and managed through the joint project with WM Housing and C&F do not address concerns about referrals, quality and property condition, THEN the SHYPP service will fail, leaving questions about demand among care leavers and delivery models, along with reputational risk.	
AC.15	ICES: IF prescriber engagement and budget mitigation measures do not continue to be effective and also when the re-procurement of ICES is launched THEN there could be a significant overspend of the budget of £1.5m (council share of £525k) and/or also there is significant risk of procurement challenge and associated litigation.	
AC.18	Suicide Prevention Strategy IF the new strategy does not seem to be associated with a reduction in local suicides THEN the council and its partners may be challenged by the public and by the media as failing in their objectives	
AC.19	Integrated Sexual Health Service The appointment of the new provider - Solutions for Health - as a non NHS provider and new to sexual health services has created a tremendous amount of interest and challenge from professional bodies. IF this challenge continues THEN it has a potential to discredit the service and cause poor press which is a risk service performance.	

AC.20	Community Hospital IF the proposed redesign of community hospitals leads to beds reductions or closures THEN this could impact the Local Authority financially and on assessment and care capacity.	
AC.21	Better Care Fund the 19/20 guidance was issued in July 2019 which is significantly late for budget planning. Therefore the LA is spending BCF money without formal approval. IF the plan is not approved THEN the BCF Funding could be at risk to the LA	
AC.22	Access to Health funding (CHC and joint funding) Herefordshire remains in the bottom quartile of cases fully funded meeting CHC eligibility. IF CCG continue to not accept that there are any process or decision making irregularities influencing this trend THEN it remains the fact that ASC are funding above other Local Authorities per 1000 population. Meaning ultimately Herefordshire citizens and the Local Authority potentially are funding Healthcare which should be free to the individual at the point of delivery. Currently the CCG is disputing the Local Authority peer challenge feedback.	
AC.23	Herefordshire and Worcestershire CCG merger. Herefordshire and Worcestershire CCGs are expected to merge from April 2020. Primarily for back office functions only. However, IF services and budgets are merged with Worcestershire THEN the Herefordshire place provision could reduce, key decisions could be made from Worcester which could have a direct impact on Herefordshire population, Local Authority and services provided.	
AC.26	Rising cost of buprenorphine IF the cost of buprenorphine continues to rise THEN this will impact on Addaction's prescribing budget.	
AC.27	NHS Health checks There are performance concerns and concerns about targeting invites. IF these are not resolved THEN there is the potential of high risk individuals not accessing prevention and support at an early stage to reduce or resolve potential long term health issues	
AC.30	Discretionary Housing Payment If the council continues to underspend Discretionary Housing Payment (DHP) by more than 30% annually, then ; housing solutions for the most vulnerable people (homeless, care leavers etc) will continue to be limited, pressure on council budgets will increase whilst government grant reduces and scrutiny will increase on the council's homelessness performance and use of resources.	
AC.31	Social housing providers: If social housing providers continue to be uncertain about whether supported housing schemes will attract housing benefit funding then ; some stockholding providers will withdraw from existing or proposed new schemes and some providers will decline to bid for procurements of supported housing, leading to loss of accommodation and services to care leavers, ex-offenders and disabled people, and reputational, financial and regulatory damage to the council.	
AC.32	Care Home sales: IF there is an Increase number of care homes up for sale due to retirement of ageing local providers. THEN Due to size and other pressures such as workforce within the sector selling as a care home could be very problematic and therefore bed capacity could reduce over the coming year.	
AC.33	Citizen Young People restructure - IF the recruitment process currently underway fails then the reduced staff team will continue to offer core support within the foyers for an extended period of time from 6th January 2020 to beyond early February 2020.	

AC.35	Housing under "everyone In" arrangements: AS part of the Central Government response to the coronavirus the Minister for Local Government and Homelessness required on 26 March that rough sleepers and other vulnerable homeless people were supported into appropriate accommodation with immediate effect. Herefordshire Council have been housing between 66 and 72 people under these arrangements. Much of the cost of this accommodation can and will be recouped by Housing Benefit claims, but current analysis suggest that a shortfall of around £15,000 per week remains where housing benefit cannot be recouped	
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Children & Families Risk Register – June 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					
	4 Likely			CF.06	CF.01, CF.03, CF.08	CF.02
	3 Possible			CF.07	CF.05	CF.09
	2 Unlikely				CF.04	
	1 Rare					

Ref	Risk Description	Corporate Risk
CF.01	Childrens Operational Staffing / Workforce IF/AS: We are unable to recruit and maintain a stable, experienced social care workforce THEN: Caseloads for social workers will be higher than wanted and may affect the quality of casework for children	Yes (CRR.01)
CF.02	Budget and Savings Plans - Children & Families IF/AS: The demand for placements for looked after children and care leavers exceeds that planned for when the budget was set THEN: the spend will be greater than the budget within children and families	Yes (CRR.03)
CF.03	Human Rights claims IF: a result of high court decisions regarding children's social care cases THEN: Herefordshire council may face Human Rights claims.	Yes (CRR.04)
CF.04	Response to police investigation IF: there is an uncoordinated response THEN: there may be disruptions to casework, unsettled staff and service users and the council may not respond effectively to the outcome of the	Yes (CRR.34)
CF.09	Ofsted Outcomes IF/AS: We are unable to assure the Ofsted Inspectors of sustained improvements of childrens operational safeguarding Then: This may result in a re-alignment of council activity in order to	Yes (CRR.40)
CF.05	Ofsted Readiness IF/AS: Preparations are not made for Ofsted focused visit or Joint Targetted Area Inspection THEN: Service areas and leadership may be judged poorly and positive outcomes for children not reflected in Ofsted judgements. This could lead to reputational damage, requirements for improvements including significant budget implications for the council and partners	
CF.06	ICT Systems IF/AS: The technology ICT systems/ platforms are not appropriate or used to their full effect THEN: We fail to manage our services effectively and this can lead to poor practice and inefficient use of staff time	
CF.07	School Assets IF/AS: Insufficient condition oversight of school assets is not in place THEN: There may be an increase in costs due to unplanned significant spend	
CF.08	Whitecross PFI IF/AS: There is an increase in the roll at Whitecross school THEN: The PFI provider may impose a financial charge as 'soft service' charges	

Economy & Place Risk Register – June 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					
	4 Likely				EP.13	EP.07
	3 Possible		EP.19	EP.02, EP.03, EP.04, EP.21, EP.27	EP.14, EP.16. EP.18, EP.25, EP.26	EP.09, EP.20
	2 Unlikely				EP.05, EP.12	EP.11, EP.17
	1 Rare					

Ref	Risk Description	Corporate Risk
EP.02	Workplace / Accommodation Programme IF: the Programme is not managed to time and budget and does not include BWoW principles THEN: there will be significant risks to service delivery, savings plans and the life cycle of buildings.	Yes (CRR.15)
EP.03	Property Services to support Capital Programme IF: we are unable to implement the strategic corporate and CWB capital programmes within budget and timescale THEN: operating costs will increase, assets will deteriorate, service delivery could be impacted and opportunities to realise value and benefits could be missed. Strategic change will not be implemented.	Yes (CRR.18)
EP.04	NMITE University IF: there is a lack of critical infrastructure such as teaching space and student accommodation to meet NMITE's forecast growth THEN: would be unable to reach the critical mass of student numbers to become self-sustaining.	Yes (CRR.19)
EP.05	Economic Masterplan IF: the Invest Herefordshire Economic Vision is not supported by key stakeholders and does not deliver initiatives which address economic growth prospects and local economic concerns and meet local need THEN: there will be a fall in indigenous and new business investment within Herefordshire engagement with the council which could affect large business retention, business rates income, productivity, employment and wage rates, and wider resilience in the local economy.	Yes (CRR.21)
EP.07	South Wye Transport Package IF: scheme costs increase as a result of changes to programme THEN: they will exceed current approved budget and it will significantly affect ability to drawdown grant funding within funding window.	Yes (CRR.31)
EP.09	South Wye Transport Package IF: The Marches LEP require existing growth funding to be repaid based on any change in approach to the SWTP THEN: Funding will need to be allocated for repayment of the growth funding, impacting on other budgets.	Yes (CRR.33)

EP.20	<p>Phosphate Pollution in Lugg Catchment IF/AS: A way forward cannot be found in relation to the moratorium on housing development in the River Lugg catchment arising from elevated phosphate levels THEN: the 5 Year Housing Land Supply figure will fall further which will have a severe impact upon the weight of Neighbourhood Development Plans and the outcome of planning appeals, leading to an increased potential for unplanned development in areas of the county not affected by the phosphate issue.</p>	Yes (CRR.035)
EP.18	<p>5 year Housing Land Supply/Housing delivery test IF: We do not actively address the current lack of five year land supply and the under delivery of housing (according to the national Housing Delivery Test) THEN: it will continue to be difficult to resist applications for planning permission for housing on sites not currently identified in the Local Plan which would undermine the plan led approach, lead to development of sites which are locally considered inappropriate and potentially affect the deliverability of identified strategic sites and associated infrastructure. Should the level of housing supply fall below 3 years then the housing supply policies will also be considered out-of-date in areas where an NDP containing housing allocations and made within the preceding two years.</p>	Yes (CRR.037)
EP.21	<p>Dispute with major contractors IF: there is not adequate work to meet the expectations of the council's major contract providers (such as Engie, Keepmoat, Balfour Beatty Living Partnerships) THEN: there may be a dispute of these contract(s) and the council will not realise the benefits of the relationship.</p>	Yes (CRR.038)
EP.25	<p>Ability to deliver County Wide Net Zero Carbon Target by 2030 IF the target is not delivered THEN the county will not benefit from the resulting improvements in air quality, public health and local ecological improvements from the required actions to reduce carbon emissions; this will increase the risk of local climatic changes which will have countywide economic, social and environmental impacts; there is risk of reputational damage from not delivering on the targets associated with our declaration of a climate emergency.</p>	Yes (CRR.041)
EP.26	<p>Repair of Storm Damage following Storm Dennis IF: Government does not provide funding for the repair of the county's infrastructure, as required following Storm Dennis in February 2020 THEN: The council will have to halt or curtail projects and programmes across its capital programme, resulting in the benefits of those projects and programmes not being realised for the people of Herefordshire.</p>	Yes (CRR.43)
EP.11	<p>Litigation IF: ongoing contract changes and budget savings increase the level of exposure to litigation/dispute THEN: the Council may lose and be liable for costs in excess of £M (affecting budget position) and incurring reputational harm</p>	
EP.12	<p>Bridge Condition IF: a robust asset management approach is not taken, and an appropriate level of investment is not made available THEN: the condition of the County asset stock will deteriorate with potential failure of structures, resulting in network closures thus affecting communities and the economic viability of growth areas.</p>	

EP.13	<p>Cost increase in providing special transport IF/AS: there is increasing demand for special transport (SEN/LAC/PRU) THEN: there will be significant budget pressures to the transport service.</p>	
EP.14	<p>HEREFORD CITY CENTRE TRANSPORT PACKAGE IF/AS: There is a significant change in scope of the transport hub and public realm project THEN: Programme will be impacted and costs could increase and exceed available budget.</p>	
EP.16	<p>Road Infrastructure IF: we fail to deliver the necessary infrastructure to deliver core strategy growth THEN: there will be an impact on the delivery of planned homes and jobs.</p>	
EP.17	<p>Waste management services contract IF: we fail to make best decision in regard to WMSC extension THEN: value for money to the council will not be delivered.</p>	
EP.19	<p>Station Approach IF: the 89 rooms for which the council has nomination rights for three years are not filled THEN: the council will be liable to pay the management company's costs (approximately £5k per room)</p>	
EP.27	<p>Hereford Transport Strategy Review IF: The Hereford Transport Strategy review is not concluded to provide a clear basis for decisions on future strategy THEN: The council may not be able to effectively take forward the land use and transport policy development and implementation of measures to address the problems identified and this could have significant policy, financial and reputational implications</p>	

Corporate Service Risk Register – June 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					
	4 Likely				CS.03, CS.05, CS.15, CS.16	
	3 Possible			CS.08	CS.01, CS.02, CS.04, CS.06, CS.07	
	2 Unlikely		CS.14	CS.10, CS.11, CS.12, CS.13	CS.09	
	1 Rare					

Ref	Risk Description	Corporate Risk
CS.01	Council Redesign/Resources IF: Reducing resources in the form of grant, uncertainty and the requirement to deliver transformation at speed combine THEN: there will be an risk of failure to meet statutory and/or legal duties and powers.	Yes (CRR.06)
CS.02	Recruitment Strategy IF: the council is unable to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic THEN: there will be insufficient staff to meet service demands; an inability to progress service development; and a financial implication of using agency staff/contractors.	Yes (CRR.08)
CS.03	EU exit IF: following the EU exit there is uncertainty or policy decisions that impact the council THEN: there may be an impact on the economic and social programmes of the Council and its partners, including: interest rates and exchange rates impacting on the Affordability of the council's capital programme; and restriction on the free movement of people which could lead to skills gaps and adverse impact on the workforce.	Yes (CRR.09)
CS.04	Failure of council employees to adhere to standing orders and policy IF: officers fail to adhere to standing orders (e.g. contract and finance procedure rules) and policies THEN: the number of internal disciplinary and/or exposure to legal challenge will increase, along with the likelihood of financial and reputational risk, resulting in claims being made and won against the Council with costs and reputational harm incurred.	Yes (CRR.10)
CS.05	Emergency events IF: significant events happen (e.g. severe weather, major flooding, terrorism and/or influenza pandemic risks) THEN: there could be a significant cost implication to the Council and it may be necessitate staff redeployment to backfill and maintain critical services. Failing to respond effectively to major emergencies/incidents could result in in a loss of public confidence through adverse publicity, loss of life to public or council employees, loss of service, economic damage or environmental impacts.	Yes (CRR.11)

	Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should.	
CS.06	Health & Safety IF: Herefordshire Council doesn't comply with Health and Safety legislation THEN: there is an increased risk of: employees injured through work activity; council prosecuted by HSE for breaches of legislation; increased insurance claims and insurance premiums; member of public, contractor or employee killed at work, possible corporate manslaughter, loss of reputation and financial costs to the council; sickness rates increase because of lack of compliance with good health, safety and wellbeing practice; increased employer/employee litigation through inconsistent approach to managing health and safety in the workplace; unable to defend H&S claims or disputes; and, fire damage and financial and reputational costs to the council through fire at a council owned building.	Yes (CRR.12)
CS.07	Cyber attack IF: we do not protect against a potential cyber attack THEN: we could be at risk of losing data in breach of principle 7 of the Data Protection Act which would lead to potential fines from the Information Commissioner Office and reputational damage.	Yes (CRR.13)
CS.08	Good decision-making IF: officers and members do not uphold the principles of good decision-making THEN: the Council may make poor decisions which either result in lost opportunities or increased costs.	Yes (CRR.20)
CS.09	Good internal controls protect against fraud and error IF: good internal controls aren't in place and followed to protect against the potential of fraud, corruption, financial management, malpractice or error THEN: this produces a heightened risk of fraud, corruption and/or poor value for money with the consequent negative reputational impact.	Yes (CRR.23)
CS.10	Medium Term Financial Strategy IF: we do not have a sustainable Medium Term Financial Plan THEN: we will not achieve a balanced budget, risk serious service failure	Yes (CRR.24)
CS.11	ICT Platforms IF: the ICT application /systems/platforms are not appropriate or used to their full effect THEN: we fail to manage our services and cost the organisation more money	Yes (CRR.25)
CS.12	Partnerships IF: the partnerships that the council's involved in are not developed / fail to operate effectively / or fail entirely THEN: the strategic objectives / priorities may not be achieved.	Yes (CRR.26)
CS.13	Information governance IF: staff do not treat the information they access appropriately THEN: this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	Yes (CRR.29)

CS.14	<p>Litigation IF: ongoing contract changes and budget savings increase the level of exposure to litigation/dispute THEN: the Council may lose and be liable for costs in excess of £M (effecting budget position) and incurring reputational harm.</p>	Yes (CRR.30)
CS.16	<p>Covid 19 funding issues IF: Government does not fully fund the financial implications of responding to the Covid 19 pandemic THEN: we will overspend our revenue budget, placing pressure on revenue reserves and ultimately the financial failure of the council</p>	Yes (CRR.45)
CS.15	<p>Legal establishment: IF: legal are unable to recruit to key planning, highways, commercial and commercial property posts THEN: alternative provision to an in-house team will need to be made effecting budget provision and access to legal advice.</p>	

Ref	Overarching risks	Specific Risks	Corporate Ambition			Opened	17/06/2020			15/07/2020			3 Month Trend	Comments
			Environ-ment	Comm-unity	Economy		Likelihood	Impact	Score	Likelihood	Impact	Score		
CV1	Risk to the vulnerable people in Herefordshire (children not in education, not in social care)	Ability to carry out business as usual to support vulnerable people in the community National focus is largely on protecting the NHS, which might result in poor practices generating increased (long term) pressures on social care Residents impacted by the recent flooding are unlikely to be able to repair properties and will remain in temporary accommodation Assurance that Care Home are effectively managing the COVID risks and contamination control within their settings Adequacy of Infection Protection control	x	x		Apr-20 Apr-20 Apr-20 Apr-20 May-20	3	3	9					
CV2	Risk to our staff	Availability of PPE Staffing levels will make BAU, and COVID responses under pressure Risk of infection/death to frontline staff working in the community Working from home H&S and well being Risk to BAME workforce Covid secure workplaces	x			Apr-20 Apr-20 Apr-20 Apr-20 May-20 May-20	3	4	12					
CV3	Risk to the council's finances	A reduction in council tax income A reduction in business rate income A reduction in income for other sources, such as car parking Additional unbudgeted spend including PPE @ significant cost Uncertainty over central government support and unavoidable costs Timing deadline for central government support	x	x		Apr-20 Apr-20 Apr-20 Apr-20 May-20 Jun-20	5	5	25					
CV4	Risk to the local economy	Local economy will suffer as a result of the COVID measures Increased likelihood of businesses failing Delays in progressing some of the key council developments which will increase the capacity to Market failures for LA services Impact for market towns not covered by specific grants Increased unemployment Ability for transport services to provide covid secure service and still be viable difficulty in recruiting in some areas ie agriculture Uncertainty of pandemic on top of flooding this year	x	x		Apr-20 Apr-20 Apr-20 Jun-20 Jun-20 Jun-20 Jun-20 Jun-20	5	5	25					
CV5	Risk to the Talk Community COVID response	Fragile processes have been developed to support immediate resolution, which rely too heavily on individuals and single points of failure.	x			Apr-20 Apr-20	Closed	Closed						
CV6	Risk to the Shield, BRAVE and other vulnerable groups COVID response	Due to numerous lists being issued from health, there is a risk that some people are missed and not contacted Fragile processes have been developed to support immediate resolution, which rely too heavily on individuals and single points of failure. sufficiency of foster care places availability of volunteers and shelf bodies as normal duties resume impact of public realm changes for the visually impaired	x			Apr-20 Apr-20 Apr-20 Jun-20 Jun-20 Jun-20	3	3	9					
CV7	Risks to Communications and national messaging	Herefordshire council might not agree with the national messaging The requirement to respond to the national governments decisions quickly poses a risk to the council Messages not understood due to unclear messaging and different counties/welsh border. inaccessible communications not reaching audience	x	x		Apr-20 Apr-20 May-20 May-20 Jun-20	3	3	9					
CV8	Risk to delivery of Strategic Objectives	non compliance by members of public Transformational projects stalling due to inability to build/develop/transform services HE ability/pressures	x	x	x	Apr-20 Apr-20 May-20 Jun-20	4	5	20					
CV9	Risk of non compliance with advice/guidance by general public	Pressure on council enforcement resources	x			Jun-20 Jun-20	5	5	25					
CV10	Risk of larger outbreaks leading to wider lockdown	LA not have powers for wider lockdown Community tensions rising Local authority and local system capacity being overwhelmed if multiple large outbreaks occur simultaneously	x	x		Jun-20 Jun-20 Jun-20 Jul-20	5	5	25					
CV11	Missed education for herefordshire learners	Impact of lack of learning /virtual learning capability Parental and school tensions	x	x		Jun-20 Jun-20	5	5	25					
CV12	Lack of digital inclusion /IT	Superfast broadband not accessible to all digital inclusion - feeling more excluded Cyber security risk increasing given increase of matter online			x	Jun-20 Jun-20 Jun-20	4	3	12					

Risk Management Plan



This plan has been developed to provide guidance on the council's approach to ensuring risk is appropriately managed as required under regulation 4 of the Accounts and Audit Regulations 2015. This was adopted on XXX and will be reviewed annually

Introduction

Herefordshire Council, like all organisations, faces a wide range of risks. The aim of this framework is to communicate why Risk Management is important and to provide the detail on the approach that is taken.

Risk is an uncertain event, or set of events, that if occur will have an effect on performance and therefore the ability to achieve the council's objectives.

Risk Management identifies, evaluates, controls and monitors at regular intervals the council's risk. It is about managing resources wisely, evaluating courses of action to support decision-making and protect the council from harm.

Embedding risk management throughout the Council is not just about legal requirements. Effective risk management will lead to:

- experiencing fewer shocks and unwelcome surprises allowing greater focus on planned activity;
- more efficient use of our resources;
- improved business planning due to awareness of uncertain events and integrated planning of risk mitigation
- better, more informed decision-making

The risk management process forms part of the council's performance framework. Embedding and effectively managing risk supports increased performance and delivery.

Risk process

As officers become aware of risks that could affect the council achieving its objectives, they must report their concerns to their manager. Their manager is responsible for considering whether the risk is of sufficient impact that it needs to be recorded in the service risk register and managed through this process.

Step 1: Identifying the risk

Risks can emerge at any point, however they should be given particular attention as part of business planning. As part of business planning processes, services are required to self-assess their services; this should consider the risks of delivery and the circumstances which have either, or might impact delivery and performance. The mechanism used to undertake this may vary within the Service Business Plan template, but might include SWOT analysis, or PESTLE analysis. It is vitally important that the risk clearly identifies the impact it will have on achieving the council objectives, either at delivery and or county plan level.

Risks are often identified as a result of audit activity, at this stage mitigating activity is often agreed.

Risks are also identified as part of decision reports. Where appropriate the risks taken when the decision is made should be recorded in the service, directorate or corporate risk register.

Risk should be a standing item on every head of service team meeting. Risks emerging from decision reports and audits should be discussed and an assessment undertaken as to whether they should be included in the risk register.

Step 2: Assessment of Risk

Every risk should be assessed to help determine how much attention is given to it. The council uses a 5x5 point scale to multiply the likelihood and impact of the risk which produces an inherent risk score.

Risk Appetite

The council recognises that it cannot reduce all risks to nothing. As such, it sets a level at which it accepts risk – it's risk appetite. These levels are contained in the impact descriptions.

Risk Assessment: Likelihood

Score	Likelihood	Description
1	Rare	It is unlikely that the event will occur
2	Possible	It is likely that this event will occur but not within the next year
3	Likely	There is a fair chance (50:50) that this event will occur within the next year
4	Almost certain	The event will almost certainly occur within the next six months
5	Certain	The event has occurred or will almost certainly occur within the next three months

Risk assessment: Impact

Score	Impact	Description
1	Negligible	Day to day operational problems
2	Minor	Budgetary issues that can be resolved within Service Manageable disruption to services Noticeable internal impact, but the Service would remain on course to achieve priorities Budgetary issues that can be resolved within Service Management Team and financial procedure rules Localised reputational damage
3	Significant	Significant loss, delay or interruption to services Disruption to one critical Council Service for more than 48hrs Non-delivery of corporate and service plan objectives during a quarter Significant stakeholder concern Attracting short term media attention and potential for litigation/ prosecution from legislative or regulatory bodies Long term regional damage to reputation Budgetary issues that can be resolved at Directorate level in accordance with financial procedure rules Serious Injury to employees or those in the Council's care Significant complaints
4	Major	Widespread medium to long term impact on operational efficiency, performance and reputation. Major disruption to Council's critical services for more than 48hrs (e.g. major ICT failure) Breach of legal or contractual obligation attracting medium-term attention of legislative or regulatory bodies. Adverse coverage in National Press/Front page news locally Budgetary issues that can only be resolved by Section 151 Officer / Chief Executive / Members Serious Injury to employees or those in the Council's care

5	Critical	Potential to threaten the existence of a service/s Death of employees or those in the Council's care Inability to function effectively, Council-wide Service delivery has to be taken over by Central Government
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The likelihood and impact scores are multiplied to give a risk score as shown in the grid below.

Likelihood	Consequence				
	1 Negligable	2 Minor	3 Significant	4 Major	5 Critical
5 Certain	5	10	15	20	25
4 Almost Certain	4	8	12	16	20
3 Likely	3	6	9	12	15
2 Possible	2	4	6	8	10
1 Rare	1	2	3	4	5

This inherent risk score is used to provide some indication as to what amount of resources and action should be taken to address the risk.

Step 3: Addressing risk - taking practical steps to manage and control it

Consideration should then be given to whether the council needs to do something to manage the risk in order to reduce the exposure, or whether accepting the risk is acceptable. The colour and score does not categorise this, but should give some indication.

Simply, the council would take one of approaches to identified risks;

- **Reduce:** Steps that are required to reduce either the likelihood or the impact, or both, to contain the risk to acceptable levels, e.g. mitigation action, contingency planning and more. This might also include transferring the risk; examples include additional insurance, or outsourcing services.
- **Accept and monitor:** An informed decision to accept the likelihood and or impact of a particular risk without additional controls but subject to active monitoring of the impact and likelihood to see if requires different management.
- **Accept:** An informed decision to accept the likelihood and or impact of a particular risk without additional controls. Where for example, the ability to do anything about a risk may be limited, or the cost of taking any action may be disproportionate to the potential benefit.

The action taken to control the risk must be documented in the risk register, and significant programmes of work would be expected to link back to a Service Business Plan.

The risk is then scored again to provide a residual risk score. This residual score is used to determine how the risk should be escalated and reviewed.

Step 4: Monitor and Review

Once risks have been identified and appropriate controls and action plans put in place to manage and mitigate them, it is essential to routinely monitor their status on the risk register.

Based on the risk score colour determines the review period as set out in the table below. Of course, if there is a change in circumstances, **every** risk is required to be reviewed.

Risk colour	Review period
red and amber	Monthly
yellow	Monthly
green	Quarterly

It is expected that directorates will review their risk registers regularly to ensure that the content is accurate and risks are being managed appropriately.

The Corporate Centre Team Meeting will also review and moderate Directorate Risk Registers, with a view to ensuring that scores have been applied consistently across the council and to verify or challenge directorates on escalation of risks to the Corporate Risk Register. Risk will be considered at this meeting each month.

Step 5: Reporting Risks

The council operates 3 tiers of risk registers in relation to its business as usual activities; a corporate risk register, directorate risk register and service risk register. In addition, the council also maintains project and programme risk registers to record risks in relation to projects.

Risks move between registers in order to allow effective management and visibility of risk.

Escalation & De-escalation

The council uses one set of scores to evaluate risks in service, directorate and corporate risk registers. It is therefore very important for all risks to be accurately assessed using the scoring criteria above. Taking this approach, rather than using different scoring templates to demonstrate various levels of materiality, helps to ensure that risk processes are as simple for staff as possible.

Service Risk Registers - > Directorate Risk Registers - > Service Risk Registers

Heads of Service should ensure that risks from their service level registers which score over 9 are escalated to the Directorate risk register because there is a fair chance significant impact will occur.

Directors should ensure that risks from their service levels which score over 16 are escalated to the Directorate risk register because there is a fair chance major impact will occur.

Risks can be de-escalated from the corporate and directorate risk register but will remain in the service risk register until such time as the Head of service accepts the risk and the risk is moved to the accepted risk list for the service.

Project & Programme Risks

Project and programme risks have separate guidance, available from the programme team. Significant project and programme risks are escalated in to the Corporate Services directorate risk register.

Closing Risks

Whilst some risks will be ever-present, as work is done to mitigate risks some risks will reach a point where they no longer need to be reported. Heads of Service accept these risks by moving them into the list of accepted risks in the risk register.

The following summarises the attributes of each tier of risk register.

Corporate Risk Register	<p>This register flows out from the directorates risk registers and is owned by Management Board.</p> <p>These risks are reviewed by the Corporate Centre Management Team monthly and by Management Board as an overview each month, but in depth every quarter.</p> <p>Risks which are escalated here are with a risk score of 16.</p>
Directorate risk register	<p>This register flows out from the Service risk registers and is owned by the Directorate Management Teams (DMT's).</p> <p>These risk registers are challenged by CCMT on a quarterly basis to ensure consistent application of the risk plan and scoring criteria.</p> <p>Risks which are escalated here are those with a risk score of 9 or above.</p>
Service risk register	<p>This register flows out from the Service area/Team (risk registers) and is regularly reviewed at Service Team Meetings (ST's).</p> <p>This is the master risk register and controls the escalation and closure of risks.</p>
Programme and Project risk registers	<p>Where it is considered appropriate, major partnerships, programmes and projects will produce and maintain their own risk registers. Risk to the programme/project should be recorded within Verto and managed through the corporate Project framework. If the risk is more than 9 it should be escalated to the Corporate Centre Risk Register via the programme team</p>

Roles and Responsibilities

Risk management is an intrinsic part of corporate governance. For this to be effective it is vital that everybody within the council understands the role they play in effective management of risk.

Tier	Responsibility and reporting framework
Audit and Governance Committee	Responsible for ensuring that the council's risk management process is carried out effectively. It is not a function of the committee to examine specific risks in detail, but satisfy itself that risk management in the council is operating effectively. Should the committee have a concern about the scoring or detail of the risk, it might refer back to officers attending the committee, or scrutiny.
Cabinet	Oversee risk management as part of the quarterly performance monitoring on the Budget & Performance Report. Cabinet might be required to drive active steps to manage certain risks, particularly risks to strategic objectives, through decision making. Individual Cabinet members should also regularly review risks within their portfolio as part of Cabinet Member Briefings; this should
Management Board	Own the council's Corporate Risk Register. Monitor and review risks on the corporate risk register ensuring adequate response. As part of this review, Management Board should challenge one another in their delivery of activity which effectively mitigates identified risks.
Internal Audit	Responsible for considering the risk registers when proposing the annual plan.
Corporate Centre Management Team	<p>Assess risks for inclusion on corporate risk register when escalated from Directorates.</p> <p>Consider risks which appear high on Directorate Risk Registers which have not been escalated to the Corporate Risk Register.</p> <p>Challenge of the application of scoring on Directorate risk registers to ensure comparability across the council.</p> <p>Consider any risks identified in internal and or external audit reports and challenge directorates on their inclusion.</p> <p>Undertake an annual review of national risks, considering local implications of emerging national risks.</p>
Solicitor to the council	<p>Responsible for promoting the consistent use of risk management, developing the risk management plan and facilitation of the council's corporate risk register.</p> <p>Will review the Risk Management Plan annually in order to ensure effective management.</p>

Directors	<p>Accountable for effective risk management within their directorate, escalating risks to the corporate register as appropriate. This requires directors to ensure that staff are continually identifying emerging risks and monitoring and reviewing their risks in line with guidance. In addition, it is necessary that directors ensure that risks which are an unacceptable levels are managed to reduce the risk/impact to the council, and that these risks are an integral part of business planning processes.</p> <p>Responsible for providing cabinet members of the oversight of significant risks within their portfolios.</p>
Heads of Service	<p>Accountable for effective risk management within their service, escalating risks to the directorate register as appropriate. This requires them to ensure that staff are continually identifying emerging risks and monitoring and reviewing their risks in line with guidance. In addition, it is necessary that they ensure that risks that have been managed can be accepted and transferred to the accepted risks section of the register.</p>
Risk Owners	<p>Risks owners are responsible for recording risks, updating risks, managing actions and ensuring that risk registers are up to date.</p>
Performance Leads	<p>Will support directorates to update risk registers and act as an intermediary with the Corporate Centre. Directorate & Service Risk Registers are owned by operational staff though, not performance leads.</p> <p>They should provide challenge to directorates on their risk recording and support directors to embed risk within their directorates.</p>
All Staff	<p>Responsibility to be risk aware; to assess and manage risk effectively in their job and report potential hazards or risks to their managers, work to mitigate risks and to work within the appropriate risk management guidelines.</p>



Meeting:	Audit and governance committee
Meeting date:	Thursday 30 July 2020
Title of report:	Draft Annual Governance Statement 2019/20
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To seek the views of the committee as to whether the draft annual governance statement 2019/20 properly reflects the risk environment the council is operating in and the appropriateness of any actions required to improve it.

The council is required to publish a statement annually which explains to the community, service users, tax payers and other stakeholders our governance arrangements and how the controls we have in place manage risks of failure in delivering our outcomes and reflecting our particular features and challenges. The draft statement is attached at appendix 1 and sets out the arrangements we have in place, the outcome of an initial review of their effectiveness, and actions we are taking to make improvements.

The draft was be published with our draft statement of accounts in June 2020.

Recommendation(s)

That:

- (a) the committee determines whether the draft annual governance statement at appendix 1 properly reflects the risk environment the council is operating in and that actions identified are an appropriate response.**

Alternative options

1. There are no alternatives to publishing an annual governance statement, which is a requirement of the Accounts and Audit Regulations 2015.
2. It is open to the committee to propose amendments to the draft statement to ensure it accurately reflects the council's governance arrangements and their effectiveness, and to ensure that proposed actions are appropriate.

Key considerations

4. The council is required to publish a statement annually which explains to the community, service users, tax payers and other stakeholders our governance arrangements and how the controls we have in place manage risks of failure in delivering our outcomes and reflecting our particular features and challenges.
5. The preparation and publication of the annual governance statement has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance and Accountancy: 'Delivering Good Governance in Local Government'.
6. The guidance advises that statements should be meaningful but brief, high level, strategic and written in an open and readable style, and should include:
 - an acknowledgement of responsibility for ensuring that there is a sound system of governance (incorporating the system of internal control) and reference to the authority's code of governance
 - reference to and assessment of the effectiveness of key elements of the governance framework (set out in the code of corporate governance) and the role of those responsible for the development and maintenance of the governance environment, such as the council, the executive, the audit committee, internal audit and others as appropriate
 - an opinion on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework
 - an agreed action plan showing actions taken, or proposed, to deal with significant governance issues
 - a commitment to monitoring implementation as part of the next annual review
6. Reference should also be made to the issues raised in the previous year's annual governance statement and how they have been resolved. To that end attached is the outturn of actions for last financial year. Where actions have not been completed or delayed these have been included in forthcoming annual governance statement.
7. The timetable for production and publication of the statement is was agreed at Audit and Governance committee on 28 January 2020. However, the Covid-19 emergency disrupted the timetable which has been followed within the national guidance. The draft was published with the annual accounts on 26 June 2020, and a final draft will be brought to this by November 2020.
8. There are a number of additional items that will influence the final draft:

- Director’s assurance based review of manager’s checklist and strategic partnerships - this will be in the form of a statement by each director
 - View of external auditor, head of internal audit and independent persons
 - View of Audit and Governance Committee
 - View of Herefordshire Council cabinet.
7. The format of the statement changed to be more “user friendly” and utilised use of hyperlinks for any committee member or member of the public wishes further information. The links also prove a form of evidence.
8. The key changes during the year cover:
- Use of emergency powers for flooding which had a devastating effect on property and people’s lives, along with use high level of emergency powers toward the end of the financial year in questions relating to Covid-19.
 - A new County Plan was produced and agreed (formally the Corporate Plan) outlining intension for the next four years.
 - Policy changes included Financial and Contractual procedural, Anti-Fraud, Bribery and Corruption Policy, Medium Term Financial Strategy, along with publication of the Modern Slavery Statement with outline commitment from cabinet.
 - Ofsted conducted two reviews of social care with the service producing improvement plans in response.
 - Full council agreed a review of governance that will take place during 2020/21.
 - A focus was on improving the delivery of the capital programme including pace and decision making.
 - Restructure of the commercial team to provide additional support for contract management advice and monitoring, and establish a pipeline of procurements.
9. Areas of improvement at outlined in summary and continuous improvement and within the action plan at the end of the document.

Community impact

9. Corporate governance is the term used to describe the systems, processes, culture and values the council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny with a view to improving performance and managing risk.
10. The annual review ensures that our arrangements are effective in supporting achievement of the council’s vision and corporate plan priorities

Equality duty

11. Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
12. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a factual report on improvement action progress, we do not believe that it will have an impact on our equality duty.

Resource implications

13. None associated with the recommendations. If the committee proposes further actions, the resource implications of implementing those actions will need to be considered.

Legal implications

14. The Accounts and Audit Regulations 2015 include a requirement for all councils to produce an annual governance statement, and set out the timescales by which they must be published. The draft statement ensures that the council will comply with these requirements.

Risk management

15. The statement itself identifies any high level or strategic governance risks and the action plan provides mitigation to those risks.

Consultees

17. The draft statement has been informed by the views of the statutory officer assurance and reflections of audit findings during the year. The final draft brought back to this committee will also reflect the view of external auditor, head of internal audit and independent persons.

18. Appendices

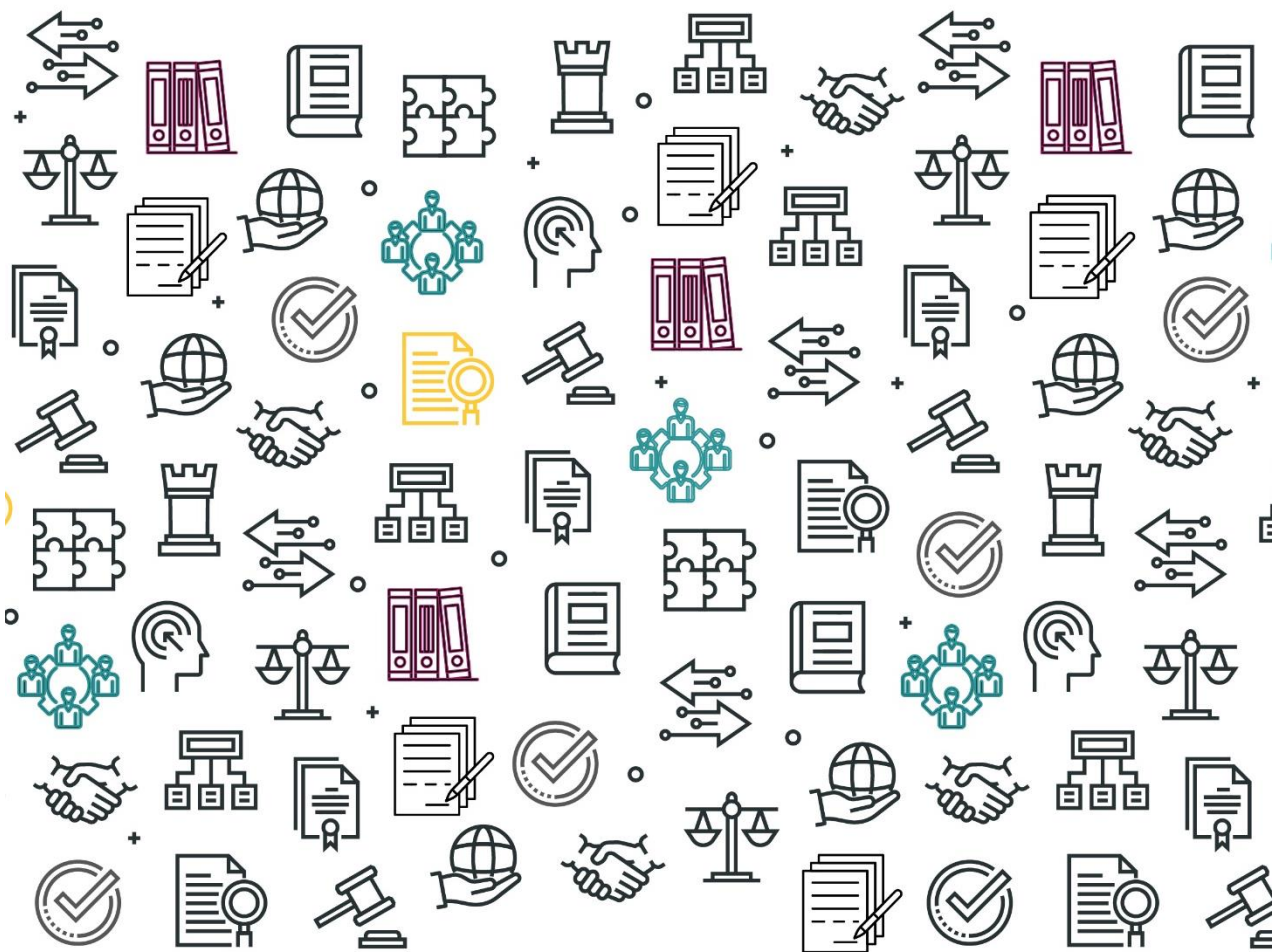
Appendix 1 – Draft Annual Governance Statement 2019/20

Appendix 2 – Annual Governance Statement 2018/19 Action Plan

Background papers

None identified.

Draft Annual Governance Statement 2019-20



1. The Annual Governance Statement 2019/20

The council is required by the Accounts and Audit Regulations 2015 to prepare and publish an annual governance statement. This statement has been informed by an annual review of the effectiveness of the council's governance framework and systems of internal control as set out in the [code of corporate governance](#). This statement demonstrates the degree of compliance and planned improvements in the coming year.

2019/20 was extraordinary as the Covid-19 pandemic affected nations across the world impacting on the latter part of the financial year covering the governance statement, whilst Herefordshire felt the devastating effects of flooding on homes and businesses. Herefordshire Council has needed to take a range of decisions to address the emergencies using the powers outlined in the council's constitution (points 3.7.9) whilst "business as usual" activity has been impacted as staff and resources were and continue to be redeployed. The 2019/20 Annual Governance Statement (AGS) has not taken the planned and usual path in its production and previous actions outlined in 2018/19 AGS have been affected to some degree.

2. Corporate Governance and the Annual Statement

Corporate governance generally refers to the processes by which an organisation is directed, controlled and held to account. Governance will determine who has authority to make the decisions to achieve the intended outcomes whilst acting in the public interest at all times. It is how the council ensures it provides the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny with a view to improving performance and managing risk.

Effective governance leads to:

- ✓ Making the right decisions for the right reasons through leadership and management.
- ✓ Continuous improvement through understanding and managing risk and performance.
- ✓ Safeguarding public funds, ensuring spend is made in the right time and the right way.
- ✓ Public engagement and the right outcomes for residents and businesses of the county.

This annual statement incorporates:

- **Scope of responsibility and governance framework:** acknowledges responsibility for ensuring that there is a sound system of governance, summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- **The statement:** describes how the council has monitored and evaluated the effectiveness of its governance arrangements in the year, and outlines how the council has responded to any issue(s) identified in last year's governance statement; and
- **Improving governance:** reports on any key governance matters identified from this review and provides a commitment to addressing them.

It should be noted that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk or failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance.

3. Scope of responsibility and governance framework

Herefordshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for whilst used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to continually review and improve the way it works. Key is the [constitution](#) as a published document that details how the council makes its decisions, who has responsibility and the procedures it follows.



The council has adopted a code of corporate governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (“CIPFA”)/Society of Local Authority Chief Executives (“SOLACE”) framework for delivering good governance in local government (2016).

The governance framework comprises of the systems, processes, culture and values by which the council is controlled, and sets out how the council accounts to, engages with and takes a leadership role in community. The framework enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

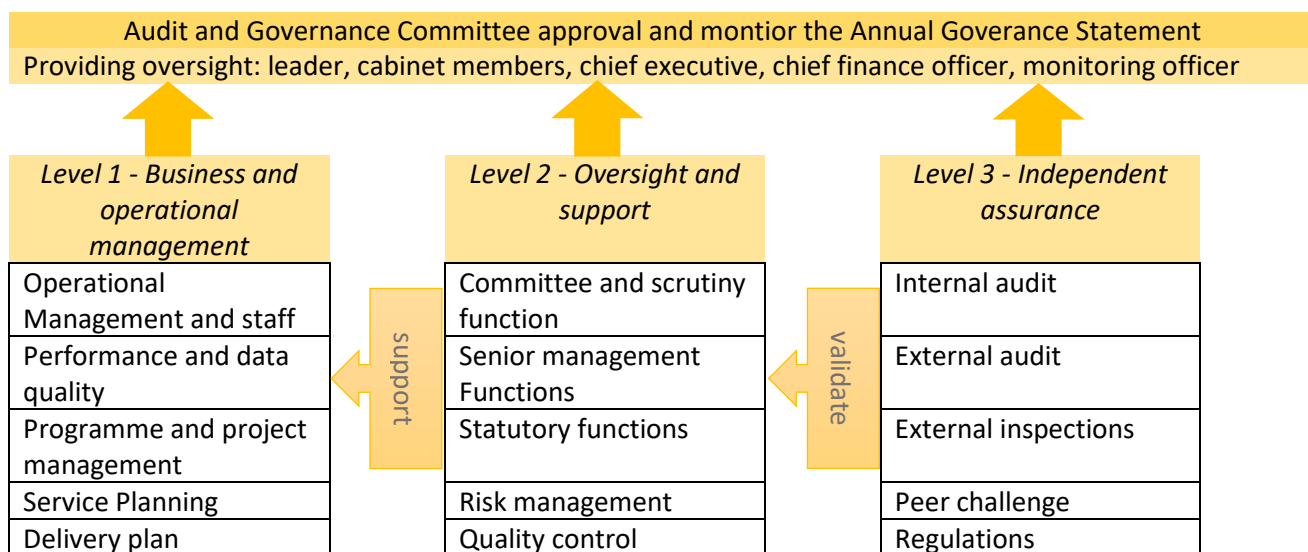
The framework operates at three levels, often referred to as the “three lines of defence” based on three opportunities to address risk and weaknesses in governance:

Level 1 - Business and operational management. Operational management and staff delivering objectives, identifying risks and improvement actions, implementing controls, reporting progress, providing management assurance, and ensuring compliance. This level is supported by...

Level 2 - Oversight and support. Portfolio holders, scrutiny and audit and governance committee, senior managers and statutory officers provide strategic, policy and direction setting, decision-making, and assurance oversight. This level is validated by....

Level 3 - Independent assurance. Internal and external audit, inspection and review agencies, and regulators provide independent challenge and audit, reporting assurance, and audit opinion in relation to assurance levels.

How these levels interact and operate across the organisation is illustrated below:



4. Preparing the Statement

The AGS has been prepared jointly led by the Chief Finance Officer who is the council’s section 151 officer (a statutory role responsible for the proper administration of the council’s financial affairs), and the Solicitor to the Council who is the council’s monitoring officer (a statutory role responsible for maintaining the constitution, ensuring decision-making is fair and lawful, and for dealing with complaints that councillors have breached the councillor code of conduct).

In preparing the AGS the council has:

- a) reviewed our existing governance arrangements against the guidance included in CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework - 2016;
- b) reviewed our code of corporate governance to ensure it reflects this guidance and includes the recommended seven principles of good governance; and
- c) assessed the effectiveness of our governance arrangements against the code of corporate governance.

The key sources of assurance that inform this review are as below:

- Review compliance with laws and regulations, corporate strategies, policies, plans and arrangements e.g. constitution, financial and performance monitoring and reporting, and risk management.
- Statutory officers' declarations.
- Significant partnerships' governance risk assessments.
- Internal audit reports and opinions.
- Findings from Audit & Governance Committee and scrutiny committees.
- External bodies and inspectorates reports.
- Views of the council's appointed Independent Person(s).

The Statement sets these sources of information against the 7 Principles of Corporate Governance (A to G) as set out in the Herefordshire Council's [Code of Corporate Governance](#).

5. The Statement

The following information is a summary of actions and behaviours taken by the council in relation to each of the core principles (based on "Delivering Good Governance in Local Government" framework – 2016").

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

- The [constitution](#) is a published document providing comprehensive account of how the council operates. Elements of the constitution are reviewed through the decision making process including in 2019/20 update of the Financial and Contractual Procedure Rules on [28 January 2020](#). The monitoring officer has delegated authority to make technical changes (grammatical, formatting, and consistency) or those required by law and a log of the changes made are available on the council [website](#).
- In addition a new [annex](#) to the constitution was devised to enable public meetings to take place remotely.
- During the Covid-19 pandemic the council has needed to make rapid decisions to address the emergency (with decisions published on the [council website](#)) using the powers outlined in section 3.7.9 of the constitution. This gives the chief executive powers to make decisions in an emergency when there is a risk of damage to property, a threat to the health or wellbeing of an individual, or that the interests of the council may be compromised.
- The council has a group of independent persons to provide views on code of conduct complaints against councillors. A conference is held twice a year with the group to provide training and share best practice.
- The Annual Code of Conduct report was presented to audit and governance committee on [24 September 2019](#). The Committee on Standards Life had produced best practice recommendations and accepted the standards recommendations. Following a sample review of complaints between October 2018 to September 2019 it was considered that each complaint had been handled appropriately: in a timely manner, consistently and with appropriate outcomes.
- The council has in place systems for members to register and declare interests which are published on the website (under the profile of each member), and a centralised system established for officers to register declaration of interests.



- [Modern Slavery statement](#) was published covering the year 2019/20 and since updated annually. Cabinet also agreed a series of commitments which are published as part of the statement and promoted to raise awareness of the modern slavery and ways of reporting if there are suspected cases.
- Anti-Fraud, Bribery and Corruption Policy was agreed by audit and governance committee on [19 November 2019](#) committee.
- The council has processes in place to make a [complaint](#), and to ensure complaints are investigated appropriately. Between April 2019 and March 2020 the council dealt internally with 600 complaints, of which the council upheld or partially upheld 21%. In addition, 30 complaints were processed under the children's complaints procedure for children's social care. For the period April 2018 - March 2019 as latest figures from Government and Social Care Ombudsman (LGSCO) of all complaints received by the council, 8 were upheld which is 1% of all complaints for the period.
- The council has a [Whistleblowing Policy](#) in place which is continuously reviewed based on lessons learnt and in the process of being updated. Also in the process of being updated is the [council's equality policy](#) to be agreed by the cabinet member later in 2020.
- Policies are published on the [website](#) which acts as the register, however the registration process relies on services to edit the register (update, delete, remove) and this is not always consistently done.
- The council has committed to a [pledge](#) designed by looked after children as a way of outlining what can be expected from the council has a corporate parent.

Summary and continuous improvement - the council have a range of measures in place, embedded in practices and processes with actions for improvement including:

- ✓ Rethinking Governance working group to consider governance models and recommendations to be presented to Council.
- ✓ Review the administration of handling complaints and convening standards hearing focussing on outcomes.
- ✓ Produce strategy on writing and publishing council plans, policies and procedures which would include the method of effectively creating a "pipeline" of plans and polices due for renewal.
- ✓ Communication and awareness of the current anti-fraud, bribery and corruption policy all staff.
- ✓ Learn from the standards hearing reviews where improvements could be made with input from independent persons.
- ✓ Finalise and published the council's equality policy.

Principle B: Ensuring openness and comprehensive stakeholder engagement

- Local Government Associations conducted a Peer Challenge in 2018 and was invited to revisit the council to provide an independent review of progress against recommendations. This took place in October 2019 with findings published on the council [website](#). The revisit found the council had made good progress recognising the change in administration since their first visit - highlighted was the need to address a USP (unique selling point) with partners, enhance communications and strengthen elements of governance.
- A new [County Plan](#) (formerly known as The Corporate Plan) was adopted in January 2020 based on a range of consultation methods reaching in the region of 2,000 participants.
- [Understanding Herefordshire](#) website shares information the council holds on the county as part of its open data approach. This site was improved during the year to support navigation and accessing information.
- As part of the constitution the council has a guide to public participation and extended the opportunities for members of the public to ask questions at meetings.
- As recognised as part of the LGA peer challenge the council has a strong approach to partnerships in collaborating to achieve outcomes. The council has adopted a [partnerships' governance framework](#) which sets out how governance standards within partnerships - the framework is due for review in



2021; and whilst details of the strategic partnership is published on the council [website](#) not all entries are up-to-date – the process to populate the register will be addressed in 2020.

- The council is due to update its [communication strategy](#) and this has been supported by an LGA healthcheck that took place in February 2020.
- The council is in partnership with Hoople providing a range of services, the governance of this arrangement needs to be reviewed and updated.

Summary and continuous improvement - the council's approach is to work in partnership with stakeholders though could always be improved including documenting those partnerships. Based on this the following improvements are planned:

- ✓ Establish an Advisory Panel to partners and stakeholders led by the leader of the council.
- ✓ Design a Citizen Panel to gauge views of individuals within the community in the planning and design of services.
- ✓ Communications strategy renewal in 2020 to be in line with the County Plan and the effects on the community due to Covid-19.
- ✓ Strategic partnerships framework due for review in 2021 and up-to-date register published on the council website.
- ✓ Establish a board to manage the council's relationship with Hoople.
- ✓ The appointment and training programme for any co-optees on the council to be reviewed.

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

- Herefordshire Council agreed a [County Plan](#) based on key themes of Economy, Community and Environment. A delivery plan is being reviewed in light of the impact of the Covid-19 pandemic.
- A key element of the new cabinet's intention is concerned with environmental sustainability with a [commitment](#) to work towards carbon neutrality by 2030 with a [Carbon Management Plan](#) prepared for cabinet.
- The council has a [Procurement and Commissioning Strategy](#) that is due to be refreshed in 2021. However, the council is keen to strengthen the commitment to local social value and this will be developed in 2020.
- The work of strategic delivery partners is focused upon supporting the council in achieving the outcomes identified in the County Plan and will have an important role in strengthening the commitments to delivering local social value.
- The council works with strategic partners locally (e.g. Wye Valley NHS Trust) and regionally (e.g. Marches Local Enterprise Partnership) to ensure that the County Plan priorities are reflected in wider local and regional policy and delivery.
- Performance targets and outcomes across the organisation are reviewed by management board to provide challenge and cross organisation support in achieving key deliverables.

Summary and continuous improvement - the council produced a County Plan outlining intended outcomes. The delivery of the outcomes will be supported by the following:

- ✓ Produce and promote the delivery plan outlining the action to meet the County Plan taking into consideration changes and challenges brought about by Covid-19.
- ✓ Refresh the Performance, Risk and Opportunity Management Framework during 2020.
- ✓ Present local social value appendix to commissioning and procurement strategy outlining methods and indicators of retaining local economy and community benefit.



Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- Full Council agreed a new County Plan in January 2020 which outlines the intentions of the council over the next 4 years. To be published is the delivery plan, which will also see changes due to the Covid-19 pandemic and its impact on communities, the economy, services and financial stability of the council.
- The children's safeguarding services received Ofsted focused visits in January 2019 and December 2019. Both provided letters recognising good practice and areas for development. These are included in the council's [Safeguarding and Family Support Improvement Plan](#) which is regularly reviewed by the Children and Young People's Scrutiny Committee, as well as the children and families performance challenge sessions that take place on a regular basis with the chief executive, leader, lead cabinet member, chair and vice-chair of children and young people's scrutiny, and group leaders. Performance on this area is also regularly reported on in the cabinet's performance and budget report.
- The council invited an Adults Social Care Peer Challenge on 18-20 September 2019. The feedback letter highlighted that there was very visible commitment, both politically and within the executive leadership team to firstly protect and secondly to promote and develop this community asset based approach and a council wide commitment to Talk Communities. Areas of opportunity included supporting the local care market, commissioning alternative methods of care, carers role in Talk Communities, further develop of the strengths based practice.
- The medium term financial strategy and annual budget demonstrate how the council's financial resources will be deployed to deliver the intended outcomes including capital programmes. These were agreed at council on [14 February 2020](#).
- The council's decision making processes, including input from the scrutiny committees, ensure that decision makers receive objective and robust analysis of a variety of options indicating how intended outcomes will be achieved. These decisions are published on the council's [website](#).
- The council's [framework for partnerships' governance](#) prompts consideration of the added value to be gained from working in partnership. This to be reviewed in 2021 and to also ensure the details of partnerships are up-to-date on the website as this is not the case for all entries.
- A system of support for elected members subject to a code of conduct complaint has been devised and implemented by the council's independent persons.

Summary and continuous improvement – the council has in place plans and improvement programmes to meet intended outcome, to support that further the follow actions are relevant:

- ✓ Delivery Plan to be produced in light of impact of Covid-19 on the finances of the council and new activity as a result.
- ✓ Framework for partnerships reviewed in 2021 and information up-to-date on the council's website.
- ✓ Regularly reviewed by Children and Young People's Scrutiny and reported on through cabinet budget and performance reporting Ofsted action and delivery plan.
- ✓ Deliver on opportunities with the Adults Social Care Peer Challenge.
- ✓ Cabinet to agree the strategic and delivery programme for Talk Communities.

Principle E: Developing the organisation's capacity including the capability of its leadership and the individuals within it

- The council undertook ward member elections in May 2019 resulting in a new administration forming. All members undertook their mandatory and role specific training. A member development strategy has been developed and a programme of member development is in the process of being adopted.
- Staff are required to complete mandatory training each year. The following modules were in place and percentage completed:
 - Health and Safety - 97.2%



- Information Governance - 94.4%
- Information Security - 97.6%
- Manager training programme involved 120 staff during 2019/20 supporting skills and development within the organisation.
- [Covid-19](#) has meant that a number of resourcing issues have needed to be addressed. HR instigated a major re-deployment programme to address the emergency with c200 staff redeployed and more balanced their workload to address the need created as a result of the pandemic; sites were closed or adapted to contain the spread; services had to transform, be on hold or new functions initiated to support the community; emergency powers were used in line with changing Government guidance; procurement and governance processes altered to address the emergency and legal providing up-to-date guidance. The majority of staff moved to home working with significant reliance on IT including new digital skills for staff. The council made the [decision](#) to use Zoom for cabinet and other meetings complying with the requirement to be open to the public.
- The commercial team that deals with procurement and guidance on commissioning was restructured during the year to address the resource issue outlined in the 2018/19 annual governance statement.
- A motion at Full Council on 12 October 2019 to review governance arrangements was presented to audit and governance committee on [19 November 2019](#)
- The council has in place a guidance for officers on decision making and report writing, although requires a refresh to ensure understanding of governance decisions.
- The Workforce and Organisational Development Strategy was in plan for 2019/20 and is in preparation for a decision in 2020.

Summary and continuous improvement - like many organisations the council has had to significantly adapt to meet the challenges presented by Covid-19 addressing the immediate requirements of the community – particularly the most vulnerable people. The workforce adapted well and instigated new functions in a short amount of time. Improvements for 2020/21 include:

- ✓ Agreement on the Workforce and Organisational Development Strategy
- ✓ Finalise the Member Development Strategy and Programme
- ✓ Undertaking a review of the governance models
- ✓ Revised training and guidance for officers on decision making.

Principle F: Managing risks and performance through robust internal control and strong public financial management

- Flooding impacted Herefordshire significantly in November 2019 and February 2020 needing to use its emergency powers to support the community including creating rest centres, distributing business and residential grants and on-going support for people in [high risk areas](#).
- The council has needed to update its continuity plans in light of the Covid-19 pandemic and change its work practices starting in the last quarter of the financial year.
- The decision was made to move responsibility for risk to the Monitoring Officer with oversight by the corporate centre. The council will be moving to the new method of recognising and recording risk from September 2020.
- The council is due to update its Performance, Risk and Opportunity Management (PROM) Framework in 2020 which relates to the number of elements including service planning guidance and the process for performance challenges at senior management level and with members.
- During 2019/20 a review was undertaken on quality and pace of decision making within some of the major capital projects. This will lead to a change in governance structure for projects and use of the support resources (finance, commercial and communications) more effectively. In addition the council appointed a new post of Contracts Monitoring Officer as part of the redesign of the Commercial Team to advice on quality of contracts at procurement and address weaknesses in current contracts.



- The [Contract's Register](#) is published on the council's website to be integrated to the council's internal finance system.
- The council has appointed a senior information risk owner (SIRO) within the role of the Assistant Director Corporate Support, who is responsible for ensuring arrangements are in place to maintain security of the council's information assets. 3 reports were made to the Information Commissioners Office due to breach posing a risk to the rights and freedoms of an individual or individuals. All breaches are investigated and recommendations to mitigate against risks are made by the Information Governance Team. Training is provided to teams or more significant action depending on the incident.

Summary and continuous improvement - a risk remains in that there are some instances of policies and procedures either not being followed or being applied inconsistently and needs to be addressed / supported. This will be addressed by the following along with other areas of improving internal controls:

- ✓ Updated the framework for Performance, Risk and Opportunity Management
- ✓ New process for reporting on and identifying risk
- ✓ New governance arrangements in place for capital projects through programme boards
- ✓ Updated continuity planning in light of Covid-19 and lessons learnt from flooding emergencies
- ✓ Updated guidance and assurance for the delivery of capital projects
- ✓ Ensure programme and project board terms of reference are accurate and appropriate
- ✓ Review partnership governance arrangements between the council and higher education bodies
- ✓ Implement training in relation to the Employee Code of Conduct.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The council is committed to transparency with the following items published:

- Data related to the finances of the council including financial transactions exceeding £500 on our [open data pages](#) and the pay of our staff on our [senior management team page](#).
- The research and statistics available on our [Facts and Figures website](#)
- [Meetings and decisions](#) are published on the council's website
- Details of the [strategic partnerships](#) (though not all up-to-date)
- [Plans, policies and procedures](#) published (though search needs improving)
- The council appointed an Interim Strategic Capital Finance Manager to address improvements in delivery of capital programmes, with findings towards an improved governance and decision making process due for later in 2020.
- The council has a [Procurement and Commission Strategy](#) which includes social value. However, the element of social value is due to be strengthened to ensure maximising value with contracts and purchasing with proposals presented to cabinet later in 2020.
- Where there is a justification for withholding information or excluding the public from a meeting of the council in accordance with the Access to Information Rules, the reason for doing this is explained. During 2019/20 there were no meetings of cabinet from which the public were excluded.
- A Strategic Assurance Group linked to the Information Governance Group was established during the year. This is comprised of representatives from across the council to support shared learning from audits and to provide input into the annual audit plan. The work of the group was interrupted due to Covid-19 as staff were redeployed and will re-affirm its role in supporting input into annual audit planning.
- The council received 1,404 FOI (Freedom of Information) and EIR (Environment Information Requests) exceeding the Information Commissioners Office threshold of 90% requests handle within timescale. The council also exceeded its target of 95% of requests handled under SAR met on time - this was based on 143 subject access requests.



- The council has a recruitment policy in place based on “the appointment process must be rigorous to ensure the right person is appointed into the role” and although process has been followed, rigor needs emphasising along with review of market forces supplement to ensure remains relevant. In addition measures can also be put in place to address the gender pay gap in both recruitment and retention.
- The council’s ex-offender policy will be published in 2020/21.

Summary and continuous improvement - the council is committed to transparency and accountability.

Improvements planned for 2020/21 include:

Ensure details of strategic partnership profiles are up-to-date on the council’s website

- ✓ To include in the revised PROM the performance challenge process by members
- ✓ Published the council’s delivery plan and service planning in place across the organisations
- ✓ Commissioned a best value review of the public realm partnership
- ✓ Re-affirm the role of Strategic Assurance Group in audit planning including input into the annual plan before finalised.
- ✓ Revised recruitment policy to ensure the process matches the council’s intentions and review the market forces supplement remains relevant, along with actions that address the gender pay gap, and publication of the ex-offenders policy.

6. Improving Governance actions for 2020/21

Outcome of improvement required	Action	Responsible officer
Review on governance models	Working group established working to the rethinking governance model toolkit by CPfS.	Monitoring Officer
Managing Risks	Create a new risk management plan Advise all officers on new procedure Monitor implementation.	Monitoring Officer
Learning from Performance	Revised PROM including review of member challenge process.	Assistant Director Transformation
Improving Outcomes for children and young people	Delivering the Herefordshire Children and Young People’s Plan 2019-2024 (partnership responsibility) Delivery of Safeguarding and Family Support Improvement Plan.	Director Children’s and Families
Decision Making	Produce new toolkits and provide remote training for members and staff.	Monitoring Officer
Adult Social Care Challenge	Deliver on opportunities with the Adults Social Care Peer Challenge.	Director Adults and Communities
Talk Community Governance	For cabinet to agree the Talk Community strategic approach and programme.	Director Adults and Communities
Partner advisory group	Establish an Advisory Panel to partners and stakeholders lead by the leader of the council.	Democratic services Manager
Plans, Policies and Strategies	To produce guidance on productions of Plans, Policies and Strategies and improve the registration and publication of documents; finalise and publish the equality policy and communication strategy.	Assistant Director Corporate Support
Citizen Panel	Design a citizens panel to engage with residents to shape the work of the council.	Assistant Director Corporate Support
Programme Management	New governance arrangement in place for capital projects through programme boards.	151 Officer



Relationship with Hoople	A project board established to manage the council's relationship with Hoople.	Solicitor to the Council
Social Value for Money	Strengthen local value for money element of the Commissioning and Procurement Strategy.	Assistant Director Corporate Support
Best Value Review	Commissioned a best value review of the public realm partnership.	151 Office
HR Policy and Recruitment	Finalise Workforce and organisation development strategy; revised recruitment policy; enhance actions to addressing the gender pay gap; and publication of the ex-offenders policy; review market forces guidance to ensure fit for purpose; implement training re Employee Code of Conduct.	Assistant Director People
Updated continuity planning	Reviewed and updated continuity planning and process in light of emergencies.	Assistant Director People
Audit Planning	Re-affirm the role of Strategic Assurance Group in audit planning including input into the annual plan before finalised.	Assistant Director Corporate Support
Partnership framework	Review effectiveness of current arrangements with the framework.	Solicitor to the Council
Complaints and convening standards	Review the administration of handling complaints and convening standards hearing focussing on outcomes.	Solicitor to the Council
Continuing support for members	Adopt a member's development strategy.	Democratic services manager
Co-optees training	Review appointment and training for co-optees.	Democratic services manager
Terms of reference	Ensure programme and project board terms of reference are accurate and appropriate.	Assistant Director Transformation
Awareness of Anti-fraud, bribery and corruption policy	Communication and raise awareness of the anti-fraud, bribery and corruption policy to all staff.	151 Officer
Higher Education Bodies	Review partnership governance arrangements between the council and higher education bodies.	Director Economy and Place



Appendix 2 Annual Governance Statement Action Plan 2018/19 (actions for 2019/2020 financial year)

	Improvement required	Action planned	By when	Owner	Progress	Status	Evidence
71	1. Support the maintenance of high ethical standards.	Provide member induction training on roles responsibilities, code of conduct and decision making.	July 2019	Solicitor to the Council	Completed. Similar induction training will be provided for any new members joining the council.		Attendance lists from training provided. Presentations on training available on the councillors intranet site.
		Implement training re Employee Code of Conduct	March 2020	Assistant Director People	The eLearning module has been written and will be launched to all staff between during 2020/21.	Progressed future years actions	
		Develop options for implementation of the good practice recommended in the "Local Government Ethical Standards" report	September 2019	Solicitor to the Council	Completed. Review undertaken and actions agreed by Audit and Governance committee on 24 September		Link to AGC minute 388 AGC 24/9/19 Link to revised arrangements on website
2.	The level of awareness of fraud risk and potential mitigation is low in areas outside of financial transaction service areas.	Communication and awareness of the current Anti-fraud, bribery and corruption policy will be delivered to all staff	August 2019	Head of Corporate Finance	Amendment to financial procedural rules for January 2020. Additional programme on counter fraud and corruption instigated with proactive approach. Communications to be included in 2020/21.	Progressed future years action	Financial procedure rules to be reviewed by Audit and Governance Committee 28 January 2020
3.	Further develop the capacity of the organisation and individuals within it	Adopt and implement a member development strategy and programme	January 2020	Democratic Services Manager	Draft strategy completed to be tested with member-led working group to be convened in January 2020. With Work completed by the end of July.	Progressed future years action	
		Adopt and implement a corporate workforce strategy	December 2019	Assistant Director People	Draft strategy held to reflect the new administration's corporate priorities and new implementation date in 2020/21.	Progressed future years action	

Appendix 2 Annual Governance Statement Action Plan 2018/19 (actions for 2019/2020 financial year)

	Improvement required	Action planned	By when	Owner	Progress	Status	Evidence
72		Improve the approach to training for decision report authors	October 2019	Solicitor to the Council	New guidance and training materials ready for March 2020, given CV19 implementation delayed and new ways of delivering training has to be considered. Now going to tie into re thinking governance review so re set for an October 2020 relaunch.	Progressed future years actions	
		Review manager training to ensure a mandatory induction and refresher element regarding governance and accountability	August 2019	Assistant Director People	Complete. The induction process for all new managers now also includes a section called 'Governance and decision making'. There is also a manager training programme with a face to face module called 'working in a political environment'		
		Strengthen specialist legal, finance, property and commercial support capacity, with particular reference to major procurements and arms length delivery arrangements.	January 2020	Chief Executive	Commercial Services: completed a service redesign with implementation on 13 January 2020. Legal: Interim head of legal services recruited and agency staff appointed. Though service redesign on hold. Property: New Design and Construction project managers appointed in property services plus generic project managers assigned to schemes. Finance: Appointment of Interim Capital Projects Director to review all capital programmes and projects.		Final service redesign for Corporate Support issued on 16 October 2019.
		Provide guidance to managers for all job descriptions to be reviewed each year and accurately reflect accountabilities and requirements of the role.	September 2019	Assistant Director People	Managers are asked to confirm in the annual assurance statement that 'All staff have been issued with up to date job descriptions, which clearly define full authority, responsibility and accountability'.		

Appendix 2 Annual Governance Statement Action Plan 2018/19 (actions for 2019/2020 financial year)

	Improvement required	Action planned	By when	Owner	Progress	Status	Evidence
73	4. Enhance transparency in relation to significant partnerships	Review West Mercia Energy joint committee governance	September 2019	Solicitor to the Council	Raised with monitoring officers in other local authorities. Cannot change the approach taken by the administering authority but will raise at every meeting.		
		Review the governance arrangements in place between the council and health bodies to ensure they support effective transparency and communication whilst respecting the respective partners distinctive governance processes	March 2020	Director for Adults and Communities	Reviews scheduled with all partnership boards as part of formal governance arrangements. There are no plans to change the existing governance arrangements between the council and external partners. Reviews to also link to the assurance of strategic partnerships due by April 2020. Plus the review of partnerships as part of the rethinking governance working group.		
		Review partnership governance arrangements between the council and higher education bodies	December 2019	Acting Director for Economy and Place	Review underway to update current governance arrangements and take account of recent developments and funding agreements being developed by Head of Economic Development. Expected to be reported to Cabinet in first quarter 2020 to ensure consistency with funding awards.	<i>Update outstanding</i>	
		Improve consistent corporate compliance with the framework for partnerships' governance	January 2020	Assistant Director Corporate Support	Reviewed of process presented to management board on 26 th November 2019. New system for completing compliance live by 6 th January 2020. However, still not being completed leaving gaps in assurance. Action for future years on review of framework.		Paper to management board on 26 th November 2019. In process in place.

Appendix 2 Annual Governance Statement Action Plan 2018/19 (actions for 2019/2020 financial year)

	Improvement required	Action planned	By when	Owner	Progress	Status	Evidence
5.	There is evidence of good community engagement work by particular service areas but no clearly identifiable strategic approach to community engagement	Develop a strategic corporate approach to community engagement	October 2020	Director for Adults and Communities	The Talk Community approach and plan describes the new strategic approach to community engagement. Formally progress through governance in September 2020.	Progressed future years actions	
6.	Maintain robust internal controls by strengthening clarity and consistency of some arrangements and assurance processes	Strengthen internal controls in respect of treasury management investments	September 2019	Chief Finance Officer	Complete. Amended policy and procedures.		
		Refresh corporate business continuity arrangements	March 2020	Assistant Director People	Ongoing. Management consulted on the revised arrangements and to be finalised in 2020/21.	Progressed future years actions	
		Improve timeliness of strategy, policy and procedure reviews	January 2020	Assistant Director Corporate Support	Work progressing to update register and process for establishing a “policy pipeline” for documents that need review and updating. First phase reviewing the requirement of policies and strategies and their timeline. However, register on the website no contain up to date documents.	Progressed future years actions	Register shared with the cabinet member lead.
		Refresh the performance, risk and opportunity management framework	February 2020	Assistant Director Transformation and Performance	A workshop session in November 2019 with managers within directorates to design PROM with draft produced to be finalised in 2020.	Progressed future years actions	
		Ensure programme and project board terms of reference are accurate and appropriate	September 2020	Assistant Director Strategy	An external review of project and programme management has been undertaken in 2020. The outcome of this work will include a comprehensive	Progressed future years actions	

Appendix 2 Annual Governance Statement Action Plan 2018/19 (actions for 2019/2020 financial year)

	Improvement required	Action planned	By when	Owner	Progress	Status	Evidence
					set of tools and templates, including standard Terms of Reference to be used on all projects. Implementation of the new corporate approach is planned for September 2020.		
		Review the manager assurance statement process	December 2020	Assistant Director Corporate Support	Review of process presented to management board on 26 November for implementation from February 2020. Implemented however returns delayed due to Covid-19 emergency. Revised presentation of AGS.		Management board paper of 26 November
		Adopt and implement a revised process for close down of accounts including valuation of assets	September 2019	Chief Finance Officer	Completed and reviewed annually.		
7.	Further improve the quality and clarity of data informing decisions.	Continue to implement improvements to capital reporting	September 2019	Chief Finance Officer	Continue improvement including Interim Capital Projects Director who will produced recommendations for improvement for implementation in September.		
		Undertake a best practice review of establishing value for money	March 2020	Chief Finance Officer	Work tendered and commissioned to address opportunities for social value for a decision in September 2020.	Progressed future years actions	
		Deliver improvements in the accuracy of performance data within Children and Families	December 2019	Head of Corporate Performance	Complete. Following investment there have been clear improvements in the range and accuracy of information available.		
		Redesign the 'Understanding Herefordshire' website to provide more accessible information	July 2019	Assistant Director Transformation and Performance	Completed. The re-designed website is live and will continue to be refreshed as data is updated.		https://understanding.herefordshire.gov.uk/

Appendix 2 Annual Governance Statement Action Plan 2018/19 (actions for 2019/2020 financial year)

	Improvement required	Action planned	By when	Owner	Progress	Status	Evidence
		to inform decision-making					
8.	Ensure compliance with legislative requirements	Adopt and publish a Slavery and Human Trafficking Statement	December 2019	Head of Corporate Services	Agreed at Cabinet in September 2019. Published on the council website.		link
		Approve and publish a policy on employing ex-offenders, and include the council's approach in a new recruitment training programme.	March 2020	Assistant Director People	Drafted but not yet published.	Progressed future years actions	



Meeting:	Audit and governance committee
Meeting date:	Thursday 30 July 2020
Title of report:	Progress report on 2020/21 internal audit plan
Report by:	Chief finance officer / head of internal audit

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal audit team against the approved plan.

To assure the committee that action is being taken on risk related issues identified by internal audit. This is monitored by acceptance by management of audit recommendations and progress updates in implementing the agreed action plans. In addition, audit recommendations not accepted by management are reviewed and progress to an appropriate recommendation to cabinet if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.

Recommendation(s)

That:

- (a) performance against the approved plan be reviewed and any areas for improvement identified; and
- (b) consider the assurances provided and the recommendations which the report makes, commenting on its content as necessary.

Further information on the subject of this report is available from

Jacqui Gooding, email: Jacqui.Gooding@swapaudit.co.uk

Alternative options

1. There are no alternative recommendations; it is a function of the committee to consider these matters in fulfilling its assurance role.

Key considerations

2. The internal audit progress report is attached at appendix 1. In the period covered by the report, no priority 2 recommendations have been made for the 2020-21 audit plan.
3. The progress report provides an update to members on the impact to the plan of additional audits. There were 12 audits planned for quarter 1 and audit have only been able to progress three at this stage. Audit have however progressed four additional pieces of work as a result of new or changed processes due to COVID - 19 and two additional audits requested by the Chief Finance Officer.
4. The annual plan summary and a glossary of terms is also provided in the report.

Community impact

5. The council's code of corporate governance commits the council to managing risks and performance through robust internal control and strong public financial management and to implementing good practices in transparency, reporting, and audit to deliver effective accountability. 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

6. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
7. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a progress report, we do not believe that it will have an impact on our equality duty.

Further information on the subject of this report is available from

Jacqui Gooding, email: Jacqui.Gooding@swapaudit.co.uk

Resource implications

8. None arising from the recommendations; any additional recommendations made by the committee will be considered by the relevant manager or cabinet member and the financial implications of accepting those recommendations will be considered then.

Legal implications

9. None.

Risk management

10. 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. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.
11. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is reported to this committee every six months.

Consultees

12. None.

Appendices

Appendix 1 – SWAP Internal Audit plan progress report 2020-21

Background papers

None identified.

In partnership with



Appendix A

Herefordshire Council

Report of Internal Audit Activity

Plan Progress 2020/21 - July 2020

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Contents

The contacts at SWAP in connection with this report are:

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Our audit activity is split between:

- **Operational Audit**
- **School Themes**
- **Governance Audit**
- **Key Control Audit**
- **IT Audit**
- **Grants**
- **Other Reviews**



Role of Internal Audit

The Internal Audit service for Herefordshire Council is provided by SWAP Internal Audit Services (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Chartered Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and the CIPFA Local Government Application Note. The Partnership is also guided by the Internal Audit Charter approved by the Audit and Governance Committee at its meeting on 05 May 2020.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grants
- Other Special or Unplanned Review

Outturn to Date



Internal Audit Work Programme

The schedule provided at Appendix C contains a list of all audits as agreed in the Annual Audit Plan 2020-21. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in Appendix B of this document.

To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service findings (priority 1 or 2), a summary of the key audit findings is given as part of this report.

In circumstances where findings have been identified which are considered to represent significant corporate risks to the Council, due to their importance, these issues are separately summarised.

Internal Audit Plan Progress 2020/21

Outturn to Date



Internal Audit Work Programme

This is the progress report for the 2020-21 audit plan at 6 July 2020. One audit has been completed, two audits are at report and there are nine audits in progress. The audit completed is an Advisory audit report.

The following audit has been completed since my last update:

Audit	Assurance
Troubled Families – monthly review – quarterly report quarter 1	Advisory

As reported in my Annual Plan report to the Committee in May it was expected that there would be some disruption to the 2020-21 Internal Audit Plan which would result in a need to review and reassess the 2020-21 plan. There were 12 audits planned for quarter 1 and we have only been able to progress three at this stage. We have however progressed four additional pieces of work as a result of new or changed processes due to COVID-19 and two additional audits requested by the Chief Finance Officer. Of these six one is at Draft Report. The remaining five are currently in progress.

Below is a brief overview of the additional work to date for the four audits as a result of new or changed processes due to COVID-19:

Audit Name	Brief Overview of work
Grant Funding Schemes Small Business Grant Fund / Retail, Hospitality and Leisure Grant Fund	Phone calls to businesses, post payment checks, data analysis of payments. Support on application detail for Discretionary grants.
Transport Contracts	Review of the monthly declaration submitted by Providers in line with the temporary variation to passenger transport contracts issued on 20th April 2020.
Emergency Decisions - Decision Making	Review of the new Emergency Decision Making process introduced during the COVID-19 pandemic.

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Internal Audit Plan Progress 2020/21

Outturn to Date

Procurement Cards	Review of processes around usage of procurement cards, and their anticipated usage increase during the COVID-19 pandemic.
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The additional audits (not COVID-19) are detailed in my report on Page 13.

2019-20 audits

In my last 2019-20 progress update I reported where audits had been delayed due to the impact of COVID 19. The table below shows the current status of the audits which will be included and reported in my Internal Audit Opinion report to the Committee in September.

Audit	Report Stage
South Wye Transport Package – Phase 2	Complete
Contracts - Public Realm, Waste and Balfour Beatty (review of actions from vfm review)	Complete
Compliance with Financial Regulations	Completed
RNCB Site for FE College	Draft Report
Troubled Families (Qrt 4 monthly review of claims)	Complete
Integrated Short-Term Support and Care Pathway – Delayed Transfers of care (DToC) plan – process of hospital discharges, Front door redirected.	Discussion Document
Facilities Management	In progress
Homepoint	Draft Report
Housing Provision	Final Report

Significant Corporate Risks

Identified Significant Corporate Risks should be brought to the attention of the Audit and Governance Committee.



Significant Corporate Risks

We provide a definition of the 3 Risk Levels for Corporate risk applied within audit reports. For those audits which have reached report stage through the year, I will report risks we have assessed as 'High'.

In this update there are no final reports included with 'High' corporate risks.

Internal Audit Plan Progress 2020/21

SWAP Performance - Summary of Limited Opinions

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit and Governance Committee.



Summary of Limited Assurances and Significant Service Findings (Priority 1 and 2)

There are none to report for the audit completed.

Internal Audit Plan Progress 2020/21

Corporate Risk Register

Assessment of the alignment of the audits in the Internal Audit Plan to the Corporate Risks in the Corporate Risk Register



Assessment of the alignment of the audits in the Internal Audit Plan to the Corporate Risks in the Corporate Risk Register

The Corporate Risk Register (March 2020) was presented to the Audit and Governance Committee at the June Meeting.

The audit plan Appendix C links each audit to the relevant risk in the Corporate Risk Register. Where a risk is not linked to an audit within the audit plan I have provided the detail of each risk in the table below. It is not expected that every risk will be covered annually and where the risks below have been audited in a previous year I have indicated below.

Ref:	Risk Description
CRR.01	Children's Operational Staffing / Workforce IF/AS: We are unable to recruit and maintain a stable, experienced social care workforce THEN: Caseloads for social workers will be higher than wanted and may affect the quality of casework for children
CRR.02	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there be an impact on availability of services - this is particularly true of Registered Managers and Nurses
CRR.04	Human Rights claims IF: a result of high court decisions regarding children's social care cases THEN: Herefordshire council may face Human Rights claims.
CRR.07 audited in 2015/16 follow up 2017/18	Deprivation of Liberty IF: The authority does not meet the statutory requirements for Deprivation of Liberty Safeguards and individuals are unlawfully deprived of their liberty THEN: The authority faces a risk of being taken to the Court of protection, increasing the risk of Costs and Financial penalties for the Local Authority
CRR.19	NMITE IF: there is a lack of critical infrastructure such as teaching space and student accommodation to meet NMITE's forecast growth THEN: would be unable to reach the critical mass of student numbers to become self-sustaining.
CRR.30	Litigation IF: disputes with contractors arise there is potential exposure to litigation THEN: the Council may lose and be liable for costs in excess of £M (effecting budget position) and incurring reputational harm.

Internal Audit Plan Progress 2020/21

Corporate Risk Register

Assessment of the alignment of the audits in the Internal Audit Plan to the Corporate Risks in the Corporate Risk Register



Assessment of the alignment of the audits in the Internal Audit Plan to the Corporate Risks in the Corporate Risk Register

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Ref:	Risk Description
CRR.31 audited in 2019-20	South Wye Transport Package IF: scheme costs increase as a result of changes to programme THEN: they will exceed current approved budget and it will significantly affect ability to drawdown grant funding within funding window.
CRR.33 audited in 2019-20	South Wye Transport Package IF: The Marches LEP require existing growth funding to be repaid based on any change in approach to the SWTP THEN: Funding will need to be allocated for repayment of the growth funding, impacting on other budgets.
CRR.34	Response to police investigation IF: there is an uncoordinated response THEN: there may be disruptions to casework, unsettled staff and service users and the council may not respond effectively to the outcome of the investigation.
CRR.35	Phosphate Pollution in Lugg Catchment IF/AS: A way forward cannot be found in relation to the moratorium on housing development in the River Lugg catchment arising from elevated phosphate levels THEN: the 5 Year Housing Land Supply figure will fall further which will have a severe impact upon the weight of Neighbourhood Development Plans and the outcome of planning appeals, leading to an increased potential for unplanned development in areas of the county not affected by the phosphate issue.
CRR.37	5 year Housing Land Supply/Housing delivery test IF: We do not actively address the current lack of five year land supply and the under delivery of housing (according to the national Housing Delivery Test) THEN: it will continue to be difficult to resist applications for planning permission for housing on sites not currently identified in the Local Plan which would undermine the plan led approach, lead to development of sites which are locally considered inappropriate and potentially affect the deliverability of identified strategic sites and associated infrastructure.
CRR.40	Ofsted Outcomes IF/AS: We are unable to assure the Ofsted Inspectors of sustained improvements of childrens operational safeguarding Then: This may result in a realignment of council activity in order to ensure effective delivery of services and have a significant financial and reputational impact on the authority.

Follow Up audits are completed where the auditor could only provide limited assurance.



Follow Up Audits

Follow Up audits are completed where the auditor could only provide limited assurance. The follow-up audit is to provide assurance to the Director, Senior Management and the Audit and Governance Committee that the key risks have been mitigated to an acceptable level of risk. Evidence is obtained to demonstrate implementation and progress made in relation to all 2019-20 priority 1 and 2 recommendations. For the priority 3 recommendations progress reported is based on self-assessment by relevant officers. Where a key control audit received Reasonable assurance, the key control is included in the plan to follow up on all recommendations to provide assurance that action has been taken to address the recommendations. For key control follow up audit evidence is obtained to demonstrate implementation and progress for all recommendations.

No follow up audits have been completed this quarter.

Internal Audit Plan Progress 2019/2020

Added Value

Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.



Added Value

Primarily, Internal Audit is an assurance function and will remain as such. However, as we complete our audit reviews and through our governance audit programmes across SWAP, we seek to bring information and best practice to managers to help support their systems of risk management and control. The SWAP definition of “added value” is “it refers to extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something "more" while adding little or nothing to its cost”.

Herefordshire Council - Schools Exclusions – overarching report of findings issued to all schools.

SWAP has also been assisting with Counter Fraud work completing post payment checks and data analysis on payments for the Grant Funding Schemes - Small Business Grant Fund / Retail, Hospitality and Leisure Grant Fund.

Fraud Bulletins – We send out regular fraud bulletins highlighting where there are attempted frauds and what officers need to be on the lookout for.

Partners Newsletters – We produce quarterly partner newsletters that provides information on topical areas of interest for public sector bodies. We have increased the frequency of our newsflash to weekly during Covid-19 to provide relevant information.

Data Analytics – We are increasing the use of data analytics across all audits to provide a greater level of assurance and insight to trends and themes.

Internal Audit Plan Progress 2019/2020

SWAP Performance - Summary of Audit Opinions



Summary of Audit Opinion

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

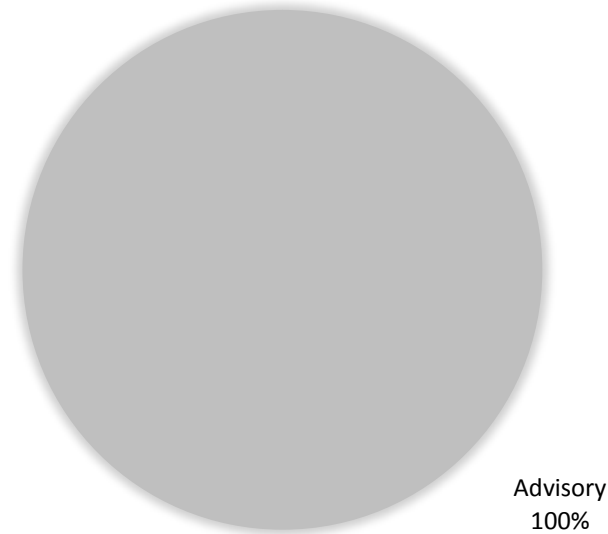
- Substantial
- Reasonable
- Limited
- No

We also undertake Advisory / Non-Opinion work on a consultancy basis where we have been asked to look at a specific area of potential concern.

Where we follow up on a previous adverse audit opinion the opinion is stated as follow up.

Of the reviews that have a final report, the opinions offered are summarised below.

Control assurance by category 2020/21 Q1



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Internal Audit Plan Progress 2019/2020

Summary of Audit Recommendations by Priority

We rank our recommendations on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of fundamental concern requiring immediate corrective action.



Summary of Recommendations

No recommendations have been made for 2020-21 to date.

Internal Audit Plan Progress 2019/2020

We keep our audit plans under regular review to ensure that we are auditing the right things at the right time.



Approved Changes to the Audit Plan

Unplanned work, special reviews or projects carried out on a responsive basis are requested through the Chief Finance Officer (Section 151 Officer). As new and emerging risks are identified, any changes to the plan will be subject to the agreement of the Chief Finance Officer (Section 151 Officer) and reported to this Committee.

As outlined earlier in my report there has been some disruption to the 2020-21 audit plan due to COVID -19. I have provided a brief overview of the additional audits as a result of new or changed processes due to COVID – 19 above.

There has also been a request from the Chief Finance officer for three additional audits, two in quarter 1 and one in quarter 2.

Quarter 1

Gypsy and Traveller Sites – Special Investigation Audit
Hereford City Centre Transport Package – Governance Review Audit

Quarter 2

Contract Management – BBLP – Operational Audit

Currently no audits have been deferred or removed to accommodate the additional audits or the COVID -19 audit work. This will be discussed with the Chief Finance officer when the full impact of additional COVID-19 work has been assessed.

We keep our audit plans under regular review so as to ensure that we auditing the right things at the right time.



Conclusion

One audit has been completed for the 2020-21 audit plan and two audits are at report and there are nine audits in progress.

For the audit completed this was an Advisory report and there were no significant corporate risks or significant findings identified.

At the close of each audit review a Customer Satisfaction Questionnaire is sent out to the Service Manager or nominated officer. The aim of the questionnaires is to gauge satisfaction against timeliness, quality and professionalism. A score of 95% would reflect the fact that the client agreed that the review was delivered to a good standard of quality, i.e. agreed with the statement in the questionnaire and satisfied with the audit process and report. For 2020-21 there has been no feedback to date.

Although the progress on completing audits in quarter 1 is low this has been due to finalising 2019-20 work that was delayed due to COVID-19 and officers redeployed to support the changing requirements as a result of COVID-19 and the requirement for additional COVID-19 work.

Discussions are currently ongoing with the Director of Adults and Communities and Children's and Families to establish which audits planned can commence and when this will be. Audits have progressed for the Corporate Centre and Economy and Place.

Due to the additional work requested the audit plan will need to be reassessed for work that can still be completed in 2020-21. I will bring an amended plan to the Committee in September.

At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Limited
- No
- Advisory



Audit Framework Definitions

Control Assurance Definitions

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.

Advisory Report - In addition, to our opinion-based work we will provide consultancy services. The advice offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.



Audit Framework Definitions

Risk	Reporting Implications
	In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. Each recommendation has been given a priority rating at service level with the following definitions:
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Definitions of Risk

Risk	Reporting Implications
	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Area	Corporate Risk	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium Recommendation		
						1	2	3
						Corporate Centre (including ICT)		
Accounts Payable	CRR10, CRR23	3	Not Started					
Main Accounting Follow Up	CRR10, CRR23	3	Not Started					
Payroll	CRR10, CRR23	3	Not Started					
Accounts Receivable	CRR10, CRR23	3	Not Started					
Council Tax	CRR10, CRR23	3	Not Started					
NNDR - Business rates avoidance	CRR10, CRR23	3	Not Started					
Treasury Management Follow Up	CRR10, CRR23	3	Not Started					
Housing and Council Tax Benefits	CRR10, CRR23	3	Not Started					
NMITE Project (University)	Accountable Body Requirement	1	Draft report					
MTFS	CRR.24	4	Not Started					
Commercial Investments	CRR.21	2	Not Started					
Balfour Beatty Contract 1 year (minor to major repairs)	CRR.23	4	Not Started					
Councillor Allowances Overspend	CRR.23, CRR.24	4	Not Started					
Voting restrictions for Members	CRR.20	1	Not Started					
Staff Car Parking - Business passes	CRR.10, CRR.23	1	In progress					

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Better Ways of Working (BWOW)	CRR.15	4	Not Started					
Risk Management	All Risks	2	Not Started					
Strategic/Significant Partnerships	CRR.26	2	Not Started					
Brexit Preparedness	CRR.09	4	Not Started					
Cyber Security Framework	CRR.13 CRR.25	3	Not Started					
ICT Governance Risk Review	CRR.13 CRR.25	2	Not Started					
Schools Educational visit service	CRR.12	4	Not Started					
Staff benefit scheme	CRR.08, CRR.23	1	Not Started					
Employee Expenses	CRR.23 CRR.10	2	Not Started					
Leavers Process	CRR.13 CRR.29	2	Not Started					
Economy and Place								
Development Regeneration Programme	CRR.14 CRR.27	1	Not Started					
Local Transport Block Funding	Financial Governance	2	In Progress					
Bus Subsidy Grant	Financial Governance	2	Not Started					
Bellwin /Resilience Management	Financial Governance	2	In Progress					
Commercial Properties/Rents	–	1	Not Started					
Herefordshire Waste Contract	–	4	Not Started					

S106 Agreements	CRR.10 CRR. 18 CRR.20	2	In Progress					
Climate Change	CRR.41	1	Not Started					
Emergency Planning	CRR.11	4	Not Started					
Capital Programme/Capital Projects	CRR.18	4	Not Started					
Adults and Communities								
Care Providers - risk of fraud.	CRR.23 CRR.02	2	Not Started					
Care Panel.	CRR.17	1	Not Started					
Support to self-funders.	CRR.17	1	Not Started					
Integrated Short-Term Support and Care Pathway - Carers Assessment	CRR.17	2	Not Started					
Integrated Short-Term Support and Care Pathway phase 4 Housing Pathway	CRR.17	3	Not Started					
Client Finances	CRR.10, CRR.23	2	Not Started					
West Midlands Peer Review	-	3	Not Started					
Children's and Families								
Troubled Families – monthly review – quarterly report quarter 1	Financial Governance	1	Complete	Advisory Report				
Troubled Families – monthly review – quarterly report quarter 2	Financial Governance	2	Not Started					
Troubled Families – monthly review – quarterly report quarter 3	Financial Governance	3	Not Started					
Troubled Families – monthly review – quarterly report quarter 4	Financial Governance	4	Not Started					
Schools thematic audit	CRR.23 CRR.03	3 and 4	Not started					

Schools - Off rolling.	CRR.23, CRR.03	2	Not Started					
DP Pre Paid Cards	CRR. 23	3	Not Started					
Accommodation based support service for care leavers with complex needs	CRR.03	3	Not Started					
EHCP (Education, Health and Care Plans)	-	1	Not Started					
Looked after Children and Complex Needs Children's Placements	CRR.03	4	Not Started					
Support for young people not in education, employment or training (NEET)	-	3	Not Started					
Follow Up Audits								
Members Expenses Follow Up	-	3	Not Started					
CHC - Follow Up	-	4	Not Started					
SWTP Phase 1 - Follow Up	-	4	Not Started					
SWTP Phase 2 - Follow Up	-	4	Not Started					
Contingency - Follow Up	-	4	Not Started					
Additional Audits added to the plan for COVID 19								
Grant Funding Schemes - Small Business Grant Fund / Retail, Hospitality and Leisure Grant Fund	CRR.23, CRR.39	1	In Progress					
Transport Contracts	CRR.23, CRR.39	1	In Progress					
Procurement cards	CRR.23, CRR.39	1	In Progress					
HALO Leisure Centre – Financial review	CRR.23, CRR.39	1	Completed	Advisory Report				
Emergency Decisions	CRR.39	1	In Progress					

Additional Audits approved by the Chief Finance Officer							
Gypsy and Traveller Sites – Special Investigation	CRR.10	1	Draft Report				
Hereford City centre Transport Package – Governance Review	CRR.10	1	In Progress				
Contract Management – BBLP	CRR.38	1	Not started				



Meeting:	Audit and governance committee
Meeting date:	Thursday 30 July 2020
Title of report:	National model code of conduct consultation
Report by:	Solicitor to the Council

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To consider whether a council response should be submitted in respect of the current national model code of conduct consultation.

Recommendation(s)

That:

- (a) **The committee consider whether a council response to the national code of conduct consultation be submitted; and**
- (b) **If the committee approves a council response, the solicitor for the council be authorised to submit one by the deadline of 17 August 2020**

Alternative options

1. It is up to the committee to determine whether or not a council response is submitted in respect of the consultation. The committee could decide not to submit a response but this would not be recommended because if a national code of conduct was adopted then the views of Herefordshire would not have formed part of consideration process.

2. The survey is open to anyone who wishes to respond and the committee may wish that individual responses are submitted rather than a council response. If a council response is submitted, then individual responses can still be provided as it is an open survey.

Key considerations

3. Under the Localism Act 2011, Section 27 (2), the council is required to adopt a code of conduct which is applicable to all Herefordshire council members and co-optees. There is currently no model code for council's to adopt or amend.
4. Parish councils may choose to adopt their principal authority's code of conduct. Herefordshire Council is a principal authority and the majority of parish councils within Herefordshire have adopted the most current version of the code dated 25 May 2018.
5. On 30 January 2019, the Committee on Standards in Public Life (CSPL) published its review on [Local Government Ethical Standards](#). Recommendation 1 was that the "The Local Government Association should create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government."
6. On 24 September, 2019 as part of the annual code of conduct report, the committee received an assessment and recommended changes to Herefordshire's code and arrangements against the best practice and recommendations contained within the CSPL report.
7. On 8 June 2020, the Local Government Association launched a national survey on a draft model code of conduct which will run until 17 August 2020. The model code and survey is attached at appendices 1 and 2 respectively for ease of reference.
8. The independent persons were consulted on their views on the model code and survey and 2 responses were received. Their views are attached at appendix 3.
9. The code of conduct for Herefordshire Council was reviewed in 2017 and 2018. Both reviews were undertaken by a cross-party working group making recommendations to audit and governance and then full Council.
10. There are some differences which should be noted between the draft model code and the current Herefordshire code which are:
 - i. There are clearer definitions on the expectations with regard to councillors' conduct in the model code
 - ii. The draft code proposes "Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council" and the Herefordshire code is currently "Membership of any body:"
 - iii. There would be a requirement to declare any bodies / organisations to which members are appointed by the council.
 - iv. There would be no requirement to declare a membership of a body / organisation which "is not open to the public without formal membership"
 - v. The Herefordshire code includes the requirement to provide details of any gifts or hospitality which have been received up to a value of £20. The proposed code would change the value to £25 of those accepted only and would not form part of the register of interests.

- vi. There would be no requirement to declare membership of a trade union.
11. It is for the committee to determine whether a response on behalf of Herefordshire Council should be submitted to Local Government Association survey. A draft survey response is attached at appendix 4 for discussion by the committee, based upon a comparison of Herefordshire council's code compared with the model code and the independent person's views.

Community impact

12. The code of conduct sets out the standards for councillors when undertaking their duties as a councillor. Having a clear and unambiguous code will enable residents of Herefordshire to understand the conduct which they should expect to receive from councillors.

Equality duty

13. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
14. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

15. There are no resource implications as it is a response to a national survey.

Legal implications

16. There are no legal implications as it is a response to a national survey

Risk management

17. There are no risks as it is a response to a national survey.

Consultees

18. The independent persons for standards were consulted and their views have been incorporated into the report.

Appendices

Appendix 1 Proposed national model code of conduct

Appendix 2 Survey questions

Appendix 3 Independent person's views

Appendix 4 Suggested survey answers

Background papers

None identified.

Local Government Association Model Member Code of Conduct

Introduction

The Local Government Association (LGA) is providing this Model Member Code of Conduct as part of its work on supporting the sector to continue to aspire to high standards of leadership and performance.

The role of councillor in all tiers of local government is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that as councillors we can be held accountable and all adopt the behaviours and responsibilities associated with the role. The conduct of an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to and want to participate with. We want to continue to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.

All councils are required to have a local Member Code of Conduct. This Model Member Code of Conduct has been developed in consultation with the sector and is offered as a template for councils to adopt in whole and/or with local amendments. The LGA will undertake an annual review of the Code to ensure it continues to be fit-for-purpose, particularly with respect to advances in technology, social media and any relevant changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code, whilst the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

As a councillor we all represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent everyone (in our ward/town/parish), taking decisions fairly, openly, transparently and with civility. Councillors should also be treated with civility by members of the public, other councillors and council employees. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations. This Code, therefore, has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.



Councillor Izzi Seccombe OBE
Leader, LGA Conservative Group



Councillor Nick Forbes CBE
Leader, LGA Labour Group



Councillor Howard Sykes MBE
Leader, LGA Liberal Democrats Group



Councillor Marianne Overton MBE
Leader, LGA independent Group

Purpose

The purpose of this Code of Conduct is to assist councillors in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow councillors, council officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of member and local government.

Application of the Code

The Code of Conduct applies to you when you are acting [or claiming or giving the impression that you are acting]¹ in [public or in]² your capacity as a member or representative of your council, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of member communication and interaction, including written, verbal, non-verbal, electronic and via social media, [including where you could be deemed to be representing your council or if there are potential implications for the council's reputation.] Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

The seven principles of public life

Everyone in public office at all levels – ministers, civil servants, members, council officers – all who serve the public or deliver public services should uphold the seven principles of public life. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

Model member conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of councillor

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

Specific obligations of general conduct

This section sets out the minimum requirements of member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act [or claim or give the impression that you are acting] as a councillor [or in public], including representing your council on official business and when using social media.

As a councillor I commit to:

Civility

- 1. Treating other councillors and members of the public with civility.**
- 2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.**

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the council, any social media provider or if necessary, the police. This also applies to members, where action could then be taken under the Member Code of Conduct.

Bullying and harassment

- 3. Not bullying or harassing any person.**

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.

The Equality Act 2010 defines harassment as 'unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual'. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

Impartiality of officers of the council

- 4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.**

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

Confidentiality and access to information

- 5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.**
- 6. Not preventing anyone getting information that they are entitled to by law.**

Local authorities must work openly and transparently, and their proceedings and

printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the council are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

Disrepute

7. Not bringing my role or council into disrepute.

Behaviour that is considered dishonest and/or deceitful can bring your council into disrepute. As a member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other councillors and/or your council.

Your position

8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the council provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

Use of council resources and facilities

9. Not misusing council resources.

You may be provided with resources and facilities by the council to assist you in carrying out your duties as a councillor. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given

to you to help you carry out your role as a councillor more effectively and not to benefit you personally.

Interests

10. Registering and declaring my interests.

You need to register your interests so that the public, council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer/Town or Parish Clerk and more detail is set out in appendix B.

Gifts and hospitality

11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.

12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you

because you are a member. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your monitoring officer of any significant gifts you are offered but refuse which you think may have been offered to influence you.

Note – items in square brackets [x] refer to recommendations made by the Committee on Standards in Public Life and may be part of a future Government consultation. This includes possible future sanctions and appeals processes.

Breaches of the Code of Conduct

Most councillors conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person', and sanctions to be imposed on any councillors who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member Code of Conduct that members should be aware of.

Example

LGA guidance and recommendations

Internal resolution procedure

Councils must have in place an internal resolution procedure to address conduct that is in breach of the Member Code of Conduct. The internal resolution process should make it clear how allegations of breaches of the Code of Conduct are to be handled, including the role of an Independent Person, the appeals process and can also include a local standards committee. The internal resolution procedure should be proportionate, allow for members to appeal allegations and decisions, and allow for an escalating scale of intervention. The procedure should be voted on by the council as a whole.

In the case of a non-criminal breach of the Code, the following escalating approach can be undertaken.

If the breach is confirmed and of a serious nature, action can be automatically escalated.

1. an informal discussion with the monitoring officer or appropriate senior officer
2. an informal opportunity to speak with the affected party/ies
3. a written apology
4. mediation
5. peer support
6. requirement to attend relevant training
7. where of a serious nature, a bar on chairing advisory or special committees for up to two months
8. where of a serious nature, a bar on attending committees for up to two months.

Where serious misconduct affects an employee, a member may be barred from contact with that individual; or if it relates to a specific responsibility of the council, barred from participating in decisions or information relating to that responsibility.

Endnotes

1. CSPL recommend that “Section 27(2) of the Localism Act 2011 should be amended to state that a local authority’s code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority”.
2. CSPL recommend that “councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.”
3. Subject to footnotes 1 and 2 above
4. See CSPL website for further details www.gov.uk/government/news/the-principles-of-public-life-25-years
5. ACAS’s definition of bullying

Appendices

Code Appendix A

The principles are :

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Code Appendix B

Registering interests

1. Within 28 days of this Code of Conduct being adopted by the council or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table 1 or 2, or of any change to a registered interest, notify the Monitoring Officer.

Declaring interests

3. Where a matter arises at a meeting which directly relates to an interest in Table 1, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table 2, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a friend, relative, close associate; or
 - c. a body covered by table 1 below

you must disclose the interest.

7. Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

Table 1: Disclosable Pecuniary Interests

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 .
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council — (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land and Property	Any beneficial interest in land which is within the area of the council. ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
Corporate tenancies	Any tenancy where (to the councillor’s knowledge)— (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— (a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and (b) either— (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

*'director' includes a member of the committee of management of an industrial and provident society.

*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;	
Any Body—	(a) exercising functions of a public nature;
	(b) directed to charitable purposes; or
	(c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
of which you are a member or in a position of general control or management.	



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PLEASE USE THE ONLINE SURVEY FORM TO SUBMIT YOUR RESPONSE

LGA Consultation on Draft Model Member Code of Conduct

Thank you for taking the time to complete this consultation. This Model Member Code of Conduct [[Model Member Code of Conduct.pdf](#)] aims to be concise, written in plain English and be understandable to members, officers and the public. The Model Member Code is designed to aid members in all tiers of local government model the behaviours and high standards that anyone would expect from a person holding public office. Equally, it articulates behaviour which falls below the standards that would be expected of council members. It is designed to help set a framework for public and councillor interaction, emphasising the importance of civility and that councillors should be protected from bullying, intimidation and abuse.

The LGA has reviewed the existing Model Member Code of Conduct and updated it here incorporating the recommendations from the Committee on Standard's in Public Life's recommendations on Local Government Ethical Standards and the representation from its membership. Part of the Committee's recommendations were the introduction of sanctions for breaches of the code, alongside an appeals process. This aspect is out of scope of this consultation, as it requires legislative changes by Government, but the LGA has sought to reflect some of the possible changes by using square brackets where legal changes would be necessary. The LGA is continuing to take soundings from the sector on the issue of sanctions in anticipation of a Government response to the Committee's recommendations.

This consultation addresses key areas that the LGA would like a view on to help finalise the Code. It is aimed at councillors and officers from all tiers of local government. If you would like a wider discussion about the code, please do sign up to one of the forthcoming Webinars the LGA are holding as part of this consultation. Details will be posted on our [LGA events website](#).

Instructions and privacy notice

You can navigate through the questions using the buttons at the bottom of each page. Use the 'previous' button at the bottom of the page if you wish to amend your response to an earlier question.

All responses will be treated confidentially. Information will be aggregated, and no individual or authority will be identified in any publications without your consent. Identifiable information may be used internally within the LGA but will only be held and processed in accordance with our [privacy policy](#). We are undertaking this consultation to aid the legitimate interests of the LGA in supporting and representing authorities.

Please complete your response in one go - if you exit before submitting your response your answers may be lost. If you would like to see an overview of the questions before completing the consultation online, you can access a PDF [here](#).

About you

Your name _____

Are you...

- A councillor
- An officer
- Answering on behalf of a whole council (Please provide council name below)
- _____
- Other (please specify below)
- _____

Please indicate your council type

- Community/Neighbourhood/Parish/Town
- District/Borough
- County
- Metropolitan/Unitary/London Borough
- Other (please specify below)
- _____

Application of the Code

Under the Localism Act 2012, the Code of Conduct applies to councillors only when they are acting in their capacity as a member. The LGA believes that because councillors are elected by the public and widely recognised by the public, it makes sense for them to continue to model these behaviours when they are making public comment, are identifying as a councillor and when it would be reasonable for the public to identify them as acting or speaking as a councillor. The Committee on Standards in Public Life supported this approach in their report into Local Government Ethical Standards. Whilst the LGA is waiting for Government's response to these recommendations the option has been added in square brackets as it would need changes in legislation.

Q1. To what extent do you support the proposal that councillors demonstrate the behaviours set out in the Code when they are publicly acting as, identifying as, and/or giving the impression that they are acting as a councillor, including when representing their council on official business and when using social media?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q1a. If you would like to elaborate on your answer please do so here:

Q2. Is it sufficiently clear which parts of the Model Code are legal requirements, which are obligations, and which are guidance?

- Yes
- No
- Don't know

Q3. Do you prefer the use of the personal tense, as used in the Code, or would you prefer the passive tense?

- Personal tense ("I will")
- Passive tense ("Councillors should")
- No preference

Specific obligations

The Code lists 12 specific obligations – these set out a minimum standard councillors are asked to adhere to.

Each obligation or group of obligations is put into a wider context to explain why that particular obligation is important.

Q4. To what extent to you support the 12 specific obligations?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
1. Treating other councillors and members of the public with civility.					
2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.					
3. Not bullying or harassing any person.					
4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.					
5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.					
6. Not preventing anyone getting information that they are entitled to by law.					
7. Not bringing my role or council into disrepute.					
8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.					

9. Not misusing council resources.					
10. Registering and declaring my interests.					
11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.					
12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.					

Q5. If you would like to propose additional or alternative obligations, or would like to provide more comment on a specific obligation, please do so here:

Q6. Would you prefer to see the obligations as a long list followed by the guidance, or as it is set out in the current draft, with the guidance after each obligation?

- As a list
- Each specific obligation followed by its relevant guidance
- No preference

Q7. To what extent do you think the concept of 'acting with civility' is sufficiently clear?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q7a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q8. To what extent do you think the concept of 'bringing the council into disrepute' is sufficiently clear?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q8a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q9. To what extent do you support the definition of bullying and harassment used in the code in a local government context?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q9a. If there are other definitions you would like to recommend, please provide them here.

Q10. Is there sufficient reference to the use of social media?

- Yes
- No
- Don't know/prefer not to say

Q10a. Should social media be covered in a separate code or integrated into the overall code of conduct?

- Separate code
- Integrated into the code
- Don't know/prefer not to say

Q10b. If you would like to make any comments or suggestions in relation to how the use of social media is covered in the code please do so here:

Registration and declarations of interests

The law at present requires, as a minimum, registration and declaration of 'Disclosable Pecuniary Interests' - that is matters which directly relate to the councillor and their partner if applicable.

The LGA is proposing that all councillors are required to declare interests where matters also relate to or affect other family members or associates. The LGA has broadened the requirement to declare interests beyond this current statutory minimum in line with a recommendation from the Committee on Standards in Public Life. These specific provisions are set out in **Appendix B** of the Code.

Q11. To what extent do you support the code going beyond the current requirement to declare interests of the councillor and their partner?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q11a. If you would like to elaborate on your answer please do so here:

Q12. Should the requirement to declare interests be in the main body of the code or in the appendix where the draft model code currently references it?

- In the main body of the code
- In the appendix
- Other (please specify below)
- Don't know/prefer not to say

Q12a. If you would like to make any comments or suggestions in relation to how the requirement to declare interests is covered in the code please do so here:

It is also suggested that more outside interests should be registered than is the current statutory minimum. These are set out in **Table 2 of the Appendix** and are designed to demonstrate to the community transparency about other bodies with which the councillor is engaged.

Q13. To what extent do you support the inclusion of these additional categories for registration?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
Any organisation, association, society or party of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council					
Any organisation, association, society or party that exercises functions of a public nature of which you are a member or in a position of general control or management					
Any organisation, association, society or party directed to charitable purposes					
Any organisation, association, society or party of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)					

Q13a. If you would like to propose additional or alternative **categories** for registration, please provide them here:

Q14. To what extent do you support the proposed requirement that councillors do not accept significant gifts as set out in Obligation 11?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q14a. If you would like to elaborate on your answer please do so here:

Q15. The draft code proposes £25 as the threshold for registering gifts and hospitality. Is this an appropriate threshold?

- Yes
- Yes, but the amount should be reviewed annually with the code's review
- No, it should be lower (please specify amount) _____
- No, it should be higher (please specify amount) _____
- Don't know/prefer not to say

Q16. The LGA will be producing accompanying guidance to the code. Which of the following types of guidance would you find most useful? Please rank 1-5, with 1 being the most useful.

- _____ Regularly updated examples of case law
- _____ Explanatory guidance on the code
- _____ Case studies and examples of good practice
- _____ Supplementary guidance that focuses on specific areas, e.g., social media
- _____ Improvement support materials, such as training and e-learning packages

Q16a. If you would like to suggest any other accompanying guidance please do so here:

Q17. If you would like to make any further comments about the code please do so here:

Once you press the 'Submit' button below, you will have completed your response.

Many thanks for taking the time to respond to this consultation. You are in control of any personal data that you have provided to us in your response. You can contact us at all times to have your information changed or deleted. You can find our full privacy policy here: [click here to see our privacy policy](#)

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IP Comments on LGA Survey re model code of conduct

<p>Q1 To what extent do you support the proposal that councillors demonstrate the behaviours set out in the Code when they are publicly acting as, identifying as, and/or giving the impression that they are acting as a councillor, including when representing their council on official business and when using social media?</p>	<p>To a great extent</p>	<p>Fully support (as does the HC code). The perception of the public carries more weight than the perception of the councillor in “giving the impression”. Should the draft indicate this?</p>
<p>Q2 Is it sufficiently clear which parts of the Model Code are legal requirements, which are obligations, and which are guidance?</p>	<p>Yes</p>	<p>Broadly, yes</p>
<p>Q3 Do you prefer the use of the personal tense, as used in the Code, or would you prefer the passive tense?</p>	<p>Passive</p>	<p>I prefer active to passive. However, I would prefer consistency. Draft starts with 2nd person and moves to 1st person. I think it would read better if it stuck with 2nd person. And, please, not “commit”!. Better to say “you will...”</p>
<p>Q4 To what extent do you support the 12 specific obligations</p>	<p>I am surprised the question was asked at all. I believe they are all self evident and should all be adhered to “to a greater extent”</p>	<p>Again, broadly fine. However, “accountability”, “openness” and “honesty” (from Nolan) are covered hardly at all, and mainly under the heading of confidentiality. Better if this area started with “you shall ... (be accountable, open and honest, however described) followed by “you shall not disclose....”.</p>
<p>Q6 Would you prefer to see the obligations as a long list followed by the guidance, or as it is set out in the current draft, with the guidance after each obligation</p>	<p>Specific obligations alongside guidance</p>	<p>Perhaps better to use the two-column approach (like the HC code), with principal obligation on left, and guidance on right.</p>
<p>Q7 To what extent do you think the concept of ‘acting with civility’ is sufficiently clear?</p>	<p>Moderate extent</p>	<p>Not sure if this quite works. The rubric, in essence, differentiates between courtesy for the individual, and respect for the role</p>

IP Comments on LGA Survey re model code of conduct

	Q7a The word “civility” is a difficult one and I am not sure everyone understands it clearly	or function, which, I think is good. However, may be better to use “courtesy and respect”, rather than “civility”
Q8 To what extent do you think the concept of ‘bringing the council into disrepute’ is sufficiently clear?	Moderate extent Q8A Another difficult concept. It is a subjective term and not necessarily understood by all	Not just deceitful or dishonest behaviour that can bring disrepute: any breach of the Nolan principles could. What is proposed is a very narrow view.
Q9 To what extent do you support the definition of bullying and harassment used in the code in a local government context?	Moderate extent	The distinction between bullying and harassing is a fine one, and not, I think, helped by limiting harassment here only to behaviour relating to a protected characteristic. May be better to have a combined definition of bullying or harassing behaviour, followed by the specific reference to the Equality Act. Oh and given its etymology, why “denigrate”? Better “disparage”.
Q10 Is there sufficient reference to the use of social media?	Yes	Yes.
Q10a Should social media be covered in a separate code or integrated into the overall code of conduct?	Integrated	“All forms of member communication and interaction” covers everything, including anything new that may arise.
Q11 To what extent do you support the code going beyond the current requirement to declare interests of the councillor and their partner?	To a great extent	Fully support, as does HC in 5.2.16 of the code. I think there is a strong connection here with my response to Q8. Given the current law, would be good to encourage voluntary disclosure of anything which, if not disclosed, could bring an allegation of non-compliance with Nolan. Better, though

IP Comments on LGA Survey re model code of conduct

		would be for the law to be widened to deal with this.
Q12 Should the requirement to declare interests be in the main body of the code or in the appendix where the draft model code currently references it?	Main body of the code	Broad obligation in the code. Specific legal obligations in the appendix.
Q13 To what extent do you support the inclusion of these additional categories for registration?	All “to a great extent”	Broadly support, in line with my thoughts on Q11
Q14 To what extent do you support the proposed requirement that councillors do not accept significant gifts as set out in Obligation 11?	To a great extent	Support. However, the wording could be clearer. Para 11 says “..not accepting significant gifts....” from particular people, and para 12 seeks registration of gifts above £25 – which some might say was a significant gift, May need more indication of what is significant. And how would this relate to parish councils, if HC were to offer the code to them?
Q15 The draft code proposes £25 as the threshold for registering gifts and hospitality. Is this an appropriate threshold?	Yes, but should be reviewed annually	Support. However, the wording could be clearer. Para 11 says “..not accepting significant gifts....” from particular people, and para 12 seeks registration of gifts above £25 – which some might say was a significant gift, May need more indication of what is significant. And how would this relate to parish councils, if HC were to offer the code to them?
Q16 The LGA will be producing accompanying guidance to the code. Which of the following types of guidance	1 Explanatory guidance on the code 2 Case studies of good practice	I would put improvement materials, case studies and focus on specific areas higher. Don’t know if there is much case law – is

IP Comments on LGA Survey re model code of conduct

<p>would you find most useful? Please rank 1-5, with 1 being the most useful.</p>	<p>3 Supplementary guidance on specific areas eg social media 4 Improvement support materials</p>	<p>there any at higher court levels? One of the biggest benefits of the old regime – Standards for England – was the opportunity for LAs, and for IPs across LAs, to learn from each other. It would be most helpful to think about how that could be done.</p>
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Suggested survey answers

About you:

Your name: Claire Ward, Herefordshire Council

Are you...

- A councillor
- An officer
- Answering on behalf of a whole council (Please provide council name below)

Other (please specify below) answering on behalf of the council's audit and governance committee – responsible for the code of conduct

Please indicate your council type

- Community/Neighbourhood/Parish/Town
- District/Borough
- County
- Metropolitan/Unitary/London Borough
- Other (please specify below)

Application of the Code

Under the Localism Act 2012, the Code of Conduct applies to councillors only when they are acting in their capacity as a member. The LGA believes that because councillors are elected by the public and widely recognised by the public, it makes sense for them to continue to model these behaviours when they are making public comment, are identifying as a councillor and when it would be reasonable for the public to identify them as acting or speaking as a councillor. The Committee on Standards in Public Life supported this approach in their report into Local Government Ethical Standards. Whilst the LGA is waiting for Government's response to these recommendations the option has been added in square brackets as it would need changes in legislation.

Q1. To what extent do you support the proposal that councillors demonstrate the behaviours set out in the Code when they are publicly acting as, identifying as, and/or giving the impression that they are acting as a councillor, including when representing their council on official business and when using social media?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q1a. If you would like to elaborate on your answer please do so here:

Making public comment should be defined – is this acting in a personal capacity but having public comments on consultations, social media comments etc

Q2. Is it sufficiently clear which parts of the Model Code are legal requirements, which are obligations, and which are guidance?

- Yes
- No
- Don't know

Q3. Do you prefer the use of the personal tense, as used in the Code, or would you prefer the passive tense?

- Personal tense (“I will”)
- Passive tense (“Councillors should”)
- No preference

Specific obligations

The Code lists 12 specific obligations – these set out a minimum standard councillors are asked to adhere to.

Each obligation or group of obligations is put into a wider context to explain why that particular obligation is important.

Q4. To what extent to you support the 12 specific obligations?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
1. Treating other councillors and members of the public with civility.	X				
2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.	X				
3. Not bullying or harassing any person.	X				
4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.	X				
5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.	X				
6. Not preventing anyone getting information that they are entitled to by law.	X				
7. Not bringing my role or council into disrepute.	X				
8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.	X				

9. Not misusing council resources.	X				
10. Registering and declaring my interests.	X				
11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.	X				
12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.	X				

Q5. If you would like to propose additional or alternative obligations, or would like to provide more comment on a specific obligation, please do so here:

Q6. Would you prefer to see the obligations as a long list followed by the guidance, or as it is set out in the current draft, with the guidance after each obligation?

- As a list
- Each specific obligation followed by its relevant guidance
- No preference

Q7. To what extent to you think the concept of ‘acting with civility’ is sufficiently clear?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q7a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Q8. To what extent do you think the concept of ‘bringing the council into disrepute’ is sufficiently clear?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q8a. If you would like to suggest an alternative phrase that captures the same meaning, or would like to provide a comment on this concept, please do so here:

Only limited to dishonest/ deceitful behaviour not reckless or otherwise incompatible behaviour in private capacity.

Q9. To what extent do you support the definition of bullying and harassment used in the code in a local government context?

- To a great extent
- To a moderate extent
- To a small extent

- Not at all
- Don't know/prefer not to say

Q9a. If there are other definitions you would like to recommend, please provide them here.

Q10. Is there sufficient reference to the use of social media?

- Yes
- No
- Don't know/prefer not to say

Q10a. Should social media be covered in a separate code or integrated into the overall code of conduct?

- Separate code
- Integrated into the code
- Don't know/prefer not to say

Q10b. If you would like to make any comments or suggestions in relation to how the use of social media is covered in the code please do so here:

Registration and declarations of interests

The law at present requires, as a minimum, registration and declaration of 'Disclosable Pecuniary Interests' - that is matters which directly relate to the councillor and their partner if applicable.

The LGA is proposing that all councillors are required to declare interests where matters also relate to or affect other family members or associates. The LGA has broadened the requirement to declare interests beyond this current statutory minimum in line with a recommendation from the Committee on Standards in Public Life. These specific provisions are set out in **Appendix B** of the Code.

Q11. To what extent do you support the code going beyond the current requirement to declare interests of the councillor and their partner?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q11a. If you would like to elaborate on your answer please do so here:

Q12. Should the requirement to declare interests be in the main body of the code or in the appendix where the draft model code currently references it?

- In the main body of the code
- In the appendix
- Other (please specify below)
- Don't know/prefer not to say

Q12a. If you would like to make any comments or suggestions in relation to how the requirement to declare interests is covered in the code please do so here:

It is also suggested that more outside interests should be registered than is the current statutory minimum. These are set out in **Table 2 of the Appendix** and are designed to demonstrate to the community transparency about other bodies with which the councillor is engaged.

Q13. To what extent do you support the inclusion of these additional categories for registration?

	To a great extent	To a moderate extent	To a small extent	Not at all	Don't know / Prefer not to say
Any organisation, association, society or party of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council	X				
Any organisation, association, society or party that exercises functions of a public nature of which you are a member or in a position of general control or management	X				
Any organisation, association, society or party directed to charitable purposes	X				
Any organisation, association, society or party of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)	X				

Q13a. If you would like to propose additional or alternative **categories** for registration, please provide them here:

1. Of any organisation, association, society or party which is not open to the public without formal membership

Q14. To what extent do you support the proposed requirement that councillors do not accept significant gifts as set out in Obligation 11?

- To a great extent
- To a moderate extent
- To a small extent
- Not at all
- Don't know/prefer not to say

Q14a. If you would like to elaborate on your answer please do so here:

Gifts refused or accepted should be recorded in register of interests

Q15. The draft code proposes £25 as the threshold for registering gifts and hospitality. Is this an appropriate threshold?

- Yes
- Yes, but the amount should be reviewed annually with the code's review
- No, it should be lower (please specify amount)
£20
- No, it should be higher (please specify amount) __
- Don't know/prefer not to say

Q16. The LGA will be producing accompanying guidance to the code. Which of the following types of guidance would you find most useful? Please rank 1-5, with 1 being the most useful.

4. Regularly updated examples of case law
1. Explanatory guidance on the code
5. Case studies and examples of good practice
2. Supplementary guidance that focuses on specific areas, e.g., social media
3. Improvement support materials, such as training and e-learning packages

Q16a. If you would like to suggest any other accompanying guidance please do so here:

Model procedure for dealing with complaints

Q17. If you would like to make any further comments about the code please do so here:

Sanctions are still without real penalty. If removal from committees is to be recommended this needs to address how the standards procedure can cut across the role of Group leaders.

Saying a member can speak where a member of the public can, can be confusing as members of the public can ask a question at many meetings. Linking to the public right is artificial. Councilors are provided with certain opportunities, responsibilities and privileges and should not be treated like a member of the public when they have an "other interest". Financial "other interests" should be treated the same as table one and two.

"Other interest" should be more clearly defined as the third type of interest to follow your model a table three (with no requirement to register). The Herefordshire Council code of conduct has been split out this way with an accompanying table to make it more understandable as to when councilors should be declaring an interest and the actions they should be taking.

Once you press the 'Submit' button below, you will have completed your response.

Many thanks for taking the time to respond to this consultation. You are in control of any personal data that you have provided to us in your response. You can contact us at all times to have your information changed or deleted. You can find our full privacy policy here: [click here to see our privacy policy](#)



Meeting:	Audit and governance committee
Meeting date:	Thursday 30 July 2020
Title of report:	Work programme update
Report by:	Democratic services officer

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To provide an update on the Committee's work programme.

Recommendation(s)

THAT:

Subject to any updates made by the committee, the work programme for the audit and governance committee be agreed.

Alternative options

- 1 There are no alternative options as regards whether or not to have a work programme as the committee will require such a programme in order to set out its objectives for the coming year.

Reasons for recommendations

- 2 The work programme is recommended as the committee is required to define and make known its work for the coming year. This will ensure that matters pertaining to audit and governance are tracked and progressed in order to provide sound governance for the council.
- 3 The committee is asked to consider any further adjustments.

Further information on the subject of this report is available from
Caroline Marshall, democratic services officer on Tel (01432) 260249

Key Considerations

- 4 The routine business of the committee has been reflected as far as is known, including the regular reporting from both internal and external auditors.

Community impact

- 5 A clear and transparent work programme provides a visible demonstration of how the committee is fulfilling its role as set out in the council's constitution.

Equality duty

- 6 This report does not impact on this area.

Financial implications

- 7 There are no financial implications.

Legal implications

- 8 The work programme reflects any statutory or constitutional requirements.

Risk management

- 9 The programme can be adjusted in year to respond as necessary to risks as they are identified; the committee also provides assurances that risk management processes are robust and effective.

Consultees

- 10 The chief finance officer, monitoring officer, chairperson and vice-chairperson have contributed to the work programme.

Appendices

Appendix 1 – work programme for audit and governance committee

Background papers

- None identified.

Audit & Governance Committee Constitution		Report	May	June	July	September	October	November	January	March
3.5.9	The purpose of an audit committee is to provide independent assurance on the adequacy of the risk management framework together with the internal control of the financial reporting and annual governance processes									
3.5.10	Internal Audit	Internal Audit								
a	To consider the Head of Internal Audit's annual report and opinion, and a summary of Internal Audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements	Internal Audit Plan & Internal Audit Charter Progress Report on Internal Audit plan (see part b for timing)	2020/21 Plan & Charter					Opinion		2021/22 Plan & Charter
b	To consider summaries of specific Internal Audit reports and the main issues arising and seek assurance that action has been taken where necessary	Progress Report on Internal Audit plan		Progress Report	Progress Report	Progress Report	Progress Report	Progress Report	Progress Report	Progress Report
c	To consider reports dealing with the management and performance of the providers of Internal Audit Services									
d	To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale	Tracking of internal and external audit recommendations Progress Report on internal audit plan (see part b for timing)		Tracking Report			Tracking Report			Tracking Report
e	To be able to call senior officers and appropriate members to account for relevant issues within the remit of the Committee	No specific activity required as part of normal questioning activity								
f	The Committee will not receive detailed information on investigations relating to individuals. The general governance principles and control issues may be discussed, in confidential session if applicable, at an appropriate time, to protect the identity of individuals and so as not to prejudice any action being taken by the Council	Progress Report on internal audit plan (see part b for timing)								
3.5.11	External Audit	External Audit								
a	Review and agree the External Auditors annual plan, including the annual audit Fee and annual letter and receive regular update reports on progress	Annual Audit Fee letter External Audit progress update (see part b for timing) Tracking of internal and external audit recommendations (see part 3.5.10d for timing) Annual Audit Letter External Audit Annual Plan	Audit Fee						Annual Letter Annual Plan	
b	To consider specific reports from the External Auditor	External Audit progress update		Progress Report	Progress Report	Progress Report	Progress Report			Progress Report
c	To meet privately with the External Auditor once a year if required	Not required to be scheduled on Work programme								
d	To comment on the scope and depth of external audit work and to ensure it gives value for money	No specific activity required as part of normal questioning activity								
e	To recommend appointment of the council's local (external) auditor	Not required to be scheduled on 20/21 Work programme								
f	Ensure that the effective relationships between external and internal audit that the value of the combined internal and external audit process is maximised.	No specific activity required as part of normal questioning activity. External Audit can place limited reliance on Internal Audit Work.								
3.5.12	Governance									
a	To maintain an overview of the council's Constitution, conduct a biennial review and recommend any changes to council other than changes to the contract procedure rules, finance procedure rules which have been delegated to the committee for adoption	Re-thinking Governance Update Accounting Policy Update Contract & Finance Procedure Rules		Re-thinking Governance		Re-thinking Governance		Policy Update		Procedure Rules
b	To monitor the effective development and operation of risk management and corporate governance in the council	Work programme Corporate Risk Register	Risk Register Work programme	Work programme	Work programme Risk register	Work programme	Risk Register Work programme	Work programme	Work programme Risk Register	Work programme
c	To maintain an overview and agree changes to the council policies on whistleblowing and the 'Anti-fraud and corruption strategy'	Whistleblowing policy Anti-fraud & corruption strategy		Whistleblowing			Anti-Fraud & Corruption Whistleblowing			Risk register
d	To oversee the production of the authority's Statement on Internal Control and to recommend its adoption	Statement of Accounts								
e	To annually conduct a review of the effectiveness of the council's governance process and system of internal control which will inform the Annual Governance statement	Annual Governance Statement Annual Governance Statement Progress Report				Draft		Final		Progress Report
f	The council's arrangements for corporate governance and agreeing necessary actions to ensure compliance	Annual Governance Statement Progress Report								Progress Report
g	To annually review the council's information governance requirements	Information Governance Review								
h	To agree the annual governance statement (which includes an annual review of the effectiveness of partnership arrangements together with monitoring officer, s151 officer, cabinet guardian and equality and compliance manager reviews)	Annual Governance Statement Annual Governance Statement Progress Report				Draft		Final		Progress Report
i	To adopt an audit and governance code									
j	To undertake community governance reviews and to make recommendations to Council	Last completed 2018. This is on an as required basis and therefore not scheduled.								
3.5.13	Waste Contract									
a	To review, in conjunction with external advisers advising the council as lender, the risks being borne as a result of the funding provided by the council to Mercia Waste Management Ltd and consider whether the risks being borne by the council, as lender, are reasonable and appropriate having regard to the risks typically assumed by long term senior funders to waste projects in the United Kingdom and best banking practice	Energy from Waste Loan Update								
b	To monitor the administration of the loan to the waste project in line with best banking practice having regard to any such external advice, including the terms of any waivers or amendments which may be required or are desirable	Energy from Waste Loan Update								
c	Consider what steps should be taken to protect the interests of the council as lender in the event of a default or breach of covenant by Mercia Waste Management Ltd, and make recommendations as appropriate to Council, the council's statutory officers or cabinet as appropriate to ensure the appropriate enforcement of security and litigation in relation to the loan to Mercia Waste Management Ltd	Energy from Waste Loan Update								
d	Consider and recommend appropriate courses of action to protect the position of the council as lender to the waste project: (i) make recommendation as appropriate to Council with regards to its budget and policy framework and the loan to the waste project (ii) generally to take such other steps in relation to the loan within the scope of these terms of reference as the committee considers to be appropriate.	Energy from Waste Loan Update								
3.5.14	Code of Conduct: To promote and maintain high standards of conduct by members and co-opted members of the Council									
a	To support Town and Parish Councils within the county to promote and maintain high standards of conduct by members and co-opted members of the Council	Annual Code of Conduct Report								
b	To recommend to Council the adoption of a code dealing with the conduct that is expected of members and co-opted members of the Council	Part of Re-thinking Governance Review to be scheduled in next year's Work programme.								
c	To keep the code of conduct under review and recommend changes/replacement to Council as appropriate	Part of Re-thinking Governance Review to be scheduled in next year's Work programme.								
d	To publicise the adoption, revision or replacement of the Council's Code of Conduct	Part of Re-thinking Governance Review to be scheduled in next year's Work programme.								
e	To oversee the process for the recruitment of the Independent Persons and make recommendations to Council for their appointment	7. Remuneration of independent persons Recruitment done on an ad hoc basis and not scheduled for 2020/21 Annual Code of Conduct Report	Remuneration							
f	To annually review overall figures and trends from code of conduct complaints which will include number of upheld complaints by reference to individual councillors within unitary, town and parish councils and when a code of conduct complaint has been upheld by the Monitoring Officer or by the Standards Panel, after the option of any appeal has been concluded, promptly to publish the name of the councillor, the council, the nature of the breach and any recommendation or sanction applied.									
g	To grant dispensations under Section 33 (2)(b)(d) and (c) Localism Act 2011 or any subsequent amendment	On an ad hoc basis only and not scheduled for 2020/21								
h	To hear appeals in relation to dispensations granted under section 33 (2)(a) and (c) Localism Act 2011 by the monitoring officer	On an ad hoc basis only and not scheduled for 2020/21								
3.5.15	Accounts									
a	To review and approve the Statement of Accounts, external auditor's opinion and reports on them and monitor management action in response to the issues raised by external audit.	Statement of Accounts External Auditor Report						Statement & Report		

