

Agenda

Audit and governance committee

Date: **Tuesday 17 November 2020**

Time: **10.30 am**

Place: **Council Chamber, Shire Hall, St. Peter's Square,
Hereford, HR1 2HX**

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

For any further information please contact:

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If you would like help to understand this document, or would like it in another format, please call Caroline Marshall on 01432 260249 or e-mail caroline.marshall3@herefordshire.gov.uk in advance of the meeting.

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

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3. DECLARATIONS OF INTEREST	
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HOW TO SUBMIT QUESTIONS	
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<i>Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</i>	
<i>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at https://www.herefordshire.gov.uk/getinvolved</i>	
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11. WORK PROGRAMME UPDATE

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

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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.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- 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 a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the council, cabinet, 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.

Public transport links

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Recording of this meeting

Please note that the council will be making an official audio 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.

Fire and emergency evacuation procedure

In the event of a fire or emergency the alarm bell will ring continuously.

You should vacate the building in an orderly manner through the nearest available fire exit and make your way to the Fire Assembly Point in the Shire Hall car park.

Please do not allow any items of clothing, etc. to obstruct any of the exits.

Do not delay your vacation of the building by stopping or returning to collect coats or other personal belongings.

The chairman or an attendee at the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

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

**The Seven Principles of Public Life
(Nolan Principles)**

1. Selflessness

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

2. 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.

3. Objectivity

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

4. 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.

5. 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.

6. Honesty

Holders of public office should be truthful.

7. 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.

Minutes of the meeting of Audit and governance committee held at Online meeting only on Wednesday 14 October 2020 at 10.30 am

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

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

Officers: Solicitor to the council, Chief finance officer, and Interim Head of Legal Services

14. APOLOGIES FOR ABSENCE

There were no apologies for absence.

15. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

16. DECLARATIONS OF INTEREST

There were no declarations of interests.

17. MINUTES

RESOLVED:

That the minutes of the meeting held on 25 September 2020 be confirmed as a correct record and signed by the chairperson.

18. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

19. QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

20. PROPOSED REVISED INTERNAL AUDIT PLAN 2020/21

South West Audit Partnership presented the report and highlighted that since the internal audit plan 2020/21 had been approved by the committee there had been changes due to Covid-19. Since the revised plan had been developed, there had been four further requests for additional reports and any changes to the plan will reported to the committee.

During discussion of the item, the following points were raised:

- There are a number of high priority internal audits due to commence throughout the financial year.
- The plan will be kept under continual review and SWAP will try to maintain the higher priority audits in the plan.
- There may be additional work due to Covid-19 and some audits will need to be deferred to next year.
- Details of timeframes should be included in the plan so that the committee could see if there was any slippage.
- Details of which quarters the internal audits were due to commence would be included in the progress report.
- Audits which are replaced with additional work due to Covid-19 will provide details of the assurance given and that information feeds into the assurance statement at the end of the year.
- The prevention of fraud work was continuing.
- The counter-fraud officer and team were continuing to work proactively with other agencies and the internals in this area.
- It was noted that the percentage of deferred audits was 35% which represented a 55% deferral rate for the children and families and adult and communities directorates.
- It was agreed that the chief finance officer would consider purchasing additional internal audit days as by the end of the year the percentage of deferred audits could be greater.
- It was acknowledged that there would be reduced internal audit coverage in some areas but the additional Covid-19 audits may impact on those areas. It was widely expected that nationally Covid-19 would impact on audit work.
- Further funding from the government was due to be announced on 19 October 2020.
- The number of days purchased from SWAP was broadly comparable to other councils.

Cllr Yolande Watson joined the meeting at 11.06 am.

- Funding had been received from the government in two streams. The largest amount was in the form of unfenced funding and details were reported to Cabinet. Funding was also received via a ring fenced grant to cover costs. It was confirmed that there was sufficient funding to cover the additional audits.
- It was noted that the budget was set for the core audit work and that decisions to undertake audits were based on need or a risk assessment.
- It was confirmed that cost to the council of Covid-19 was being tracked as there would need to be an evaluation of the costs to the council and taxpayer. It was further noted that there were would a lessons learnt exercise as well.
- The Brexit preparedness internal audit planning work was due to commence shortly and it was confirmed that it should be completed before 31 December 2020. The solicitor to the council confirmed that a referral into the general scrutiny committee had been made and it would be considered at the scrutiny work programming meeting. It was further confirmed that Brexit was on the risk register.
- It was noted that the effects on the yield of commercial investments would be unknown due to the Covid-19.
- Covid-19 had its own risk register which was considered by Cabinet and the committee. Details of the impact on services could be included in the risk register.
- It was noted that in terms of auditing commercial investments, the reason why the council had acquired the property in the first place would need to be taken into account. The example of the City Walls was used as the council would not expect a return on that property.
- It was requested that the dilapidations of council owned properties be included in the commercial property audit.
- It was confirmed that the oral health needs assessment audit had been initially requested by the director of adults and communities. If the department had moved to corporate services, then this would be reflected in the next update to the committee.
- The director of adults and communities had deferred many of the audits in that area due to the availability of staff in the directorate and that some of the processes due to be audited had not been progressed as quickly as anticipated so it was not the best time to undertaken an audit.

RESOLVED that

- a) **Details of when internal audits will be started to be detailed in the progress reports provided to committee. The details will also include, if necessary, reasons for any slippage and the estimated date of completion.**
- b) **The chief finance officer to discuss with SWAP acquiring additional SWAP days to undertaken internal audit.**
- c) **SWAP to discuss with officers and chief finance officer about including the quality of management of the council owned buildings in the commercial property audit detailed on page 34 of the agenda pack**
- d) **Details of the impact of the Covid-19 risks on the services areas to be included within the next corporate risk register report to the committee.**

21. ENERGY FROM WASTE LOAN UPDATE

The chief finance officer presented the report and reported that the loan arrangements appeared to be working well.

The committee expressed a slight concern about the date of the assurance statement [December 2019] and the consultant's letter [Filcher] was dated 30 September 2019. It was noted that Mercia were to provide an assurance statement twice a year and given Covid-19 it would be prudent to obtain a more up to date consultant's letter. The chief finance officer confirmed that there was an ongoing dialogue with the provider and there were no issues. It was further confirmed that there were more up to date reports and that they would be circulated to committee members.

It was noted that the ratio calculation had not been included this year and the committee would like to see this in future but with an explanation of what it meant.

A risk had been added to the risk register and the committee noted that they did not understand the risk and how it impacted on the details they were meant to be looking at.

Councillor Bob Matthews moved the report which was seconded by Councillor Christy Bolderson.

RESOLVED that

- (a) the risks to the council, as lender, were confirmed as being 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; and**
- (b) arrangements for the administration of the loan were reviewed and confirmed as satisfactory.**

22. TO REVIEW AND AGREE CHANGES TO THE COUNCIL'S WHISTLEBLOWING POLICYCONFIDENTIAL REPORTING CODE (WHISTLEBLOWING)

The solicitor to the council presented the report and highlighted that:

- There had been work with trade unions;
- The amended policy took into account the comments of the committee members expressed at their meeting on 16 June 2020

- There was now a check and balance with regard to anonymity and whistleblowing was reported to an independent organisation.

The committee expressed their thanks for the work which had been undertaken. The whistleblowing policy was a way in which any organisation could learn.

Following a query from a member of the committee, it was explained that if whistleblowing in schools related to uncomfortable or illegal matters then it would be a matter for the governing body. If it related to safeguarding procedures, then it should be referred to the Local Authority Designated Officer (LADO) and if it related to a safeguarding issue then it should be referred to the Multi-Agency Safeguarding Hub (MASH). The only time where this may not be the case would be if it was one of the council's staff who whistle blew.

It was confirmed that the whistleblowing policy could be used by councillors.

Once the policy was approved, then the revised policy would be communicated to all staff and members.

RESOLVED that:

Following recommendations from the working group the policy as attached at appendix 1 be approved.

23. WORK PROGRAMME UPDATE

It was noted that the anti-fraud and corruption strategy update had been moved to the committee meeting due to be held in January 2020.

The solicitor to the council reported that the review of the arrangements for dealing with code of conduct complaints was about to start with the independent persons for standards and asked if the committee wished to form a working group in order to undertake this work. It was agreed that the revised arrangements would be circulated to committee members for them to provide input but that a working group would not be formed. The revised arrangements would be scheduled for the January 2020 committee meeting.

RESOLVED

That subject to the amendment noted, the updated work programme be agreed.

24. EXTERNAL AUDIT UPDATE - REDMOND REVIEW

Grant Thornton went through the presentation included within the agenda pack (pages 67 to 94).

It was noted that changes may not occur for some way as it would be up to the government to take the recommendations forward. Grant Thornton and the chief finance officer were in favour of the recommendations.

It was noted that there was already a provision in the Constitution for an independent person to be appointed to the committee.

It was noted that there would be future consideration of an all members' briefing on the statement of the accounts.

RESOLVED that

the Committee noted Grant Thornton's presentation, attached at appendix 1, on the initial Sir Tony Redmond Independent Review of Local Audit and considered the impact on the future role and reporting of the committee.

The meeting ended at 12:40 pm

Chairperson

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
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 November 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 November 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 November 2020	19 September 2020	
59	25 September 2020	9	Officers consider and bring back to the committee a process of advising the audit and governance committee of a change from an audit opinion report to an advisory audit.	SWAP/S151	Corporate Support Centre		14 November 2020	
60	25 September 2020	9	Officers to include details of similar recommendations from previous internal audit recommendations in the summary provided by South West Audit Partnership	SWAP/S151	Corporate Support Centre	To form part of internal audit progress reports.	09 October 2020	Yes
61	25 September 2020	9	Officers to let the clerk to the committee know when the SLA with SWAP is to be reviewed so that an item can be included in the work programme for the relevant municipal year.	S151	Corporate Support Centre		09 October 2020	
63	25 September 2020	10	Chair and the monitoring officer to consider asking General Scrutiny Committee to scrutinise the council's preparedness for Brexit and to raise the matter with the chief executive.	SWAP	Corporate Support Centre	Reported at A&G on 14/10/2020	09 October 2020	Yes
67	14 October 2020	20	Details of when internal audits will be started to be detailed in the progress reports provided to committee. The details will also include, if necessary, reasons for any slippage and the estimated date of completion.	SWAP	Corporate Support Centre	To be included as part of internal audit progress report.	14 November 2020	
68	14 October 2020	20	The chief finance officer to discuss with SWAP acquiring additional SWAP days to undertaken internal audit.	SWAP	Corporate Support Centre	The committee will be updated at the meeting on 14 November 2020.	14 November 2020	
69	14 October 2020	20	SWAP to discuss with officers and chief finance officer about including the quality of management of the council owned buildings in the commercial property audit detailed on page 34 of the agenda pack	SWAP/S151	Corporate Support Centre			
70	14 October 2020	20	Details of the impact of the Covid-19 risks on the services areas to be included within the next corporate risk register report to the committee.	Head of corporate performance	Corporate Support Centre		30 November 2020	
71	14 October 2020	21	The most recent assurance letter and Filcher letter in connection with the Energy from Waste Loan be circulated to the committee.	S151 Officer	Corporate Support Centre			
72	14 October 2020	21	The risk ratio and explanation of risks to be included in the annual energy from waste loan update reports.	S151 Officer	Corporate Support Centre	To be included in annual report in September 2021.	30 November 2021	

Action Number	Meeting Date	Agenda Item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
73	14 October 2020	22	Following recommendations from the working group the whistleblowing policy as attached at appendix 1 be approved.	Monitoring officer	Corporate Support Centre	Constitution updated	N/A	Yes
74								
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Meeting:	Audit and governance committee
Meeting date:	Tuesday 17 November 2020
Title of report:	Annual review of the council's information access and information governance requirements
Report by:	Information Access and Records Manager

Classification

Open

Decision type

This is not an executive decision

Wards affected

All Wards

Purpose

To inform the committee of performance in the areas of complaints, data incidents and requests for information made to the council over the municipal year 2019/20.

Recommendation(s)

That:

- (a) **the information set out in the report regarding requests for information, data protection compliance and complaints over the past year be reviewed with regard to any risks arising and the committee determine any recommendations it wishes to make to improve mitigation of those risks.**

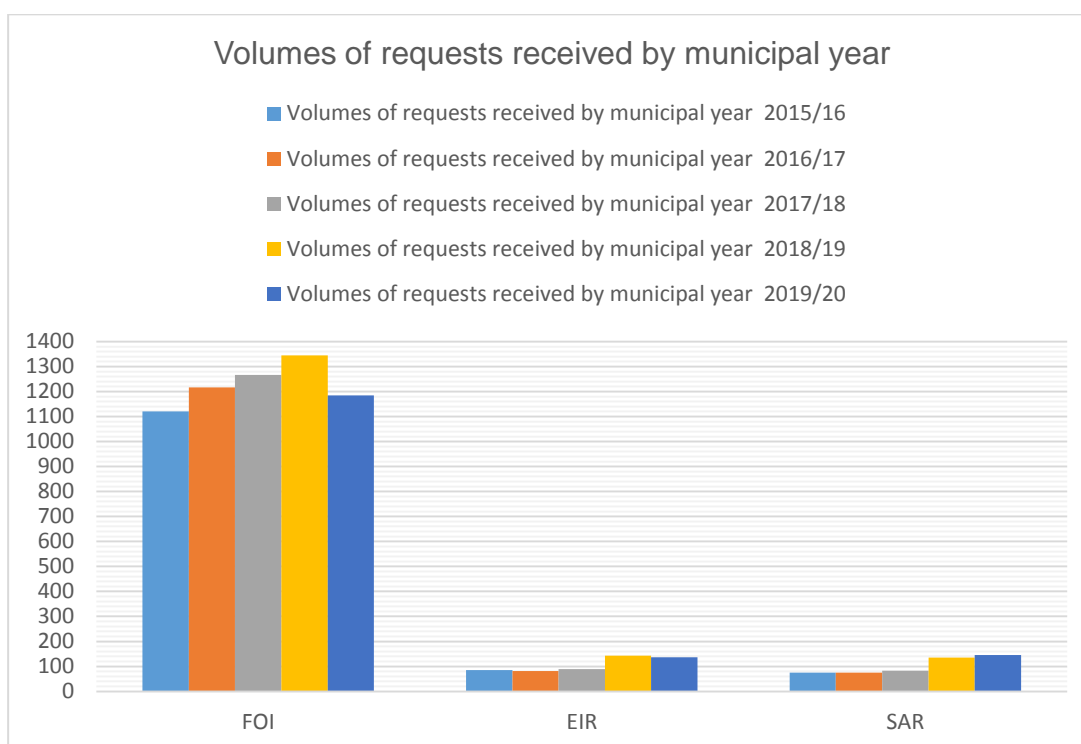
Alternative options

There are no alternative options as the report provides a factual summary of performance in order to assist the committee fulfil its function to annually review the council's information governance requirements.

Further information on the subject of this report is available from
Anthony Sawyer, email: asawyer@herefordshire.gov.uk

Key considerations

1. **Requests for information:** The council is subject to legislation that requires openness and transparency, providing members of the public with qualified rights of access to information. At the same time, the council is also required by legislation to protect certain information from unauthorised disclosure, and to exempt information from being released. The council therefore makes decisions on disclosure of information based on the law and regulatory guidance, occasionally having to balance the public interest in releasing data with the confidentiality of the information and the harm that release would cause. When the council undertakes this balancing exercise, it still does so taking into account relevant case law and decision notices.
2. From May 2019 to April 2020 the council dealt with 1,185 requests under the Freedom of Information Act (FOI) 2000, and 137 requests under the Environmental Information Regulations (EIR) 2004.
3. There were 42 such requests that were answered outside of the statutory deadlines for responses to be made, meaning that the overall response rate was 97%, exceeding the council's target and well within the Information Commissioner's Office (ICO) threshold of 90% for responses within deadline. Where information was not provided in full this was mostly where responses gave out some of the information with the remainder exempted (for reasons such as the information being personal data). In a small number of cases the information was not held, or refused in full and no information was released.
4. The volumes of requests received fell as the lockdown came into force in March. The ICO advised all public authorities it would not penalise them if responses were late as a result of the pandemic.
5. No council cases were referred to the ICO resulting in a decision notice being issued over the past municipal year, though one case was looked at informally by the ICO and withdrawn by the requester after the ICO agreed with the council's decision.
6. During the last municipal year there were also 146 requests where individuals asked for personal data about themselves under their right of subject access in data protection legislation. The response rate for this period was 97%. The target for this calendar year was a 95% response rate to improve compliance from last year's rate of 92%, and this has been achieved. The graph below compares volumes of requests received in municipal year 2019/20 with volumes received in previous years. In 2018/19, 1,345 FOI requests, 143 EIR requests and 135 subject access requests were received, and in 2019/20 1,185 FOI requests, 137 EIR requests and 146 subject access requests were received. In 2017/18, 1,267 FOI requests, 89 EIR requests and 83 subject access requests were received, and in 2016/17 1,217 FOI requests, 81 EIR requests and 75 subject access requests were received. In 2015/16, 1,121 FOI requests, 85 EIR requests and 75 subject access requests were received.



7. Statistical data on volumes of requests processed under FOI and EIR are published and updated quarterly at this web site address: https://www.herefordshire.gov.uk/info/200148/your_council/34/our_open_data_principles/13
8. Where other comparable councils to Herefordshire Council publish their request volume statistics, some informal benchmarking can be made based on requests received in the financial year, and Herefordshire Council is performing in a similar way amongst other such councils. Somerset Council received 1,129 requests in the last municipal year with a compliance rate of answering within deadline of 88%. Wiltshire Council has published figures from January to 31 March 2020 which showed they had received 372 requests under FOI and EIR. As with Herefordshire Council, the number received as lockdown began fell by a half of the first month of the year. The response rate for Wiltshire was 97%. Over the same period, Herefordshire Council received 366 requests and the response rate was 96%.
9. Information request data is monitored monthly within the council at the information governance steering group, quarterly at directorate management team meetings, and bi-annually at Management Board. Policies including the Requests Charging Policy, Internal Review Policy and Publication Scheme, have all been reviewed, updated and published on the council web site, along with a newly written FOI / EIR Procedure. There is a section on processes for staff to follow regarding information requests within the mandatory training completed by all council staff annually.
10. The information governance team deals with requests made by the police in relation to criminal investigations to view council information, and requests from other public sector organisations in relation to such matters of investigation of fraud and child protection matters concerning closed social care cases. The

volumes of the latter requests have again remained stable over the past year compared with the last two years. Police requests have risen again slightly over the past year and a total of 86 requests were processed, including the locating, proportionate sharing and redaction of records.

11. **Complaints:** The council dealt internally with 601 complaints, a slight increase from last year, of which the council upheld or partially upheld 19%. In addition, 21 complaints were processed under the children's complaints procedure for children's social care. Whilst complaints over the past year have covered a wide range of issues, generally themes of not providing a satisfactory service prevail, and decisions being challenged as they are alleged to be unfair or not taking into account all circumstances have been found. As with information requests, there was a sharp decrease in complaints from when lockdown began.
12. Quarterly reports to directorate management teams highlight these areas and recommend action to be taken, so that complaints trend data can be actively used to anticipate problem areas for service users and training needs for council staff. As one example, a complaint was made by a person who did not receive an additional social care financial entitlement. The investigation into the complaint found that the financial assessment officer wasn't aware that the Department of Work and Pensions would back date such awards. As a result, updated guidance was provided to financial assessment officers about how to treat benefit awards in financial assessments when a service user lives with a family member who is also a social care service user.
13. A further example concerned a complaint about the time taken to consider a hardship application for Business Rates. Following investigation the hardship procedure was reviewed and changed with a dedicated timeline for completion being introduced.
14. When a complaint has exhausted the Herefordshire Council complaints procedure administered by the information access team and the children's complaints team, complainants can approach the Local Government and Social Care Ombudsman (LGSCO) for an independent investigation. For findings by the LGSCO of maladministration and injustice (where the council has been found to be "at fault") a decision notice will give recommendations that may include compensation payments.
15. The LGSCO themselves publish statistics by financial year. The LGSCO review of complaints received by the LGSCO covering April 2019 to March 2020 provides figures for comparative authorities which are given in the table below. The percentage "uphold rating" can be misleading – it is the percentage of complaints considered by the LCSCO, not the total of complaints received by the council. Considering all complaints received by the council, 15 were upheld by the LGSCO which is 2% of all complaints for the period April 2018 - March 2019. Nevertheless, there has been an increase since last year in the number of upheld complaints, which means that Herefordshire has more upheld cases than almost all other comparative authorities, and work is being carried out with teams to address this, including the provision of training in complaint investigation and

attendance at management team meetings to feedback on learning from complaints.

Authority	Number of complaints considered	Complaints upheld
Northumberland	26	35%
Shropshire	27	41%
Isle of Wight	15	47%
Bath and North East Somerset	12	50%
Bedford Borough	6	50%
Wiltshire	37	51%
Cheshire West and Chester	16	56%
Solihull	9	56%
Cheshire East	29	59%
Cornwall	56	59%
East Riding of Yorkshire	22	59%
North Somerset	13	62%
Central Bedfordshire	9	67%
Herefordshire	21	71%
Rutland	1	100%

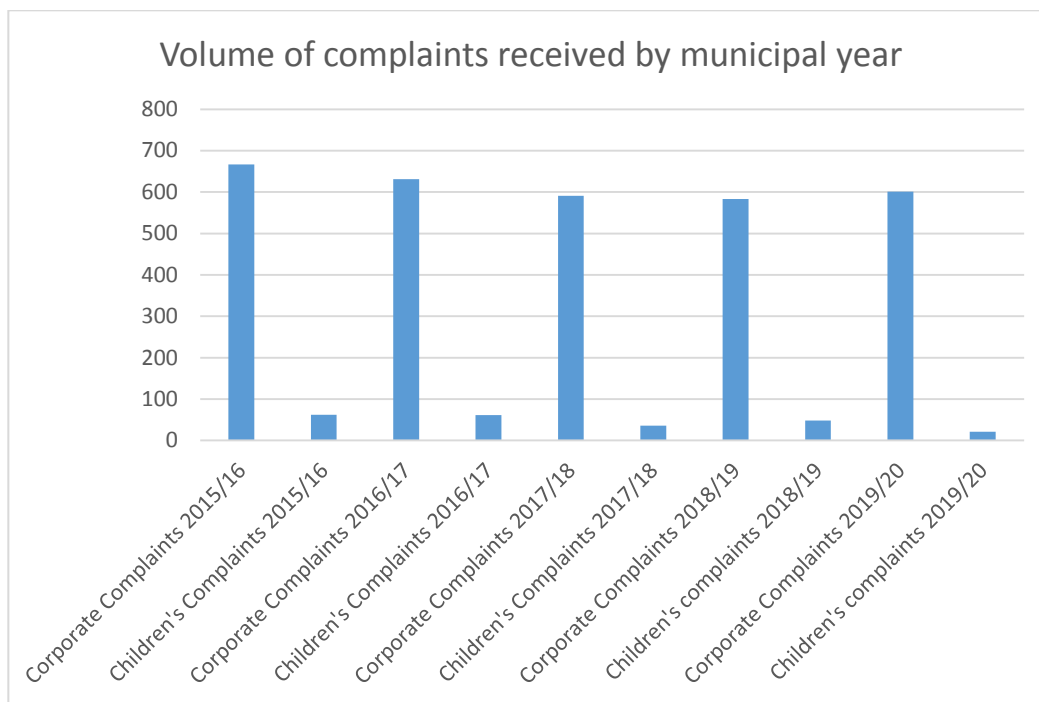
16. The LGSCO cases that were upheld against Herefordshire are set out on the LGSCO website which is at <https://www.lgo.org.uk/decisions>. They are summarised below along with the lessons that the council learnt from these cases:
17. First upheld case: The council delayed authorising a Deprivation of Liberty Safeguards referral for a person from their care home due to administrative errors. The council had already apologised to the complainant and carried out several actions to prevent reoccurrence of the fault.
18. Second upheld case: The Council failed to properly investigate a complaint through the statutory children's complaints procedure. There was fault in the

stage 3 panel's decision not to allow the complainant's nominated representative to speak on her behalf. This is because the chair of the panel had previous dealings with her representative when working for the Council and the panel should be independent of the council. The council arranged for a new stage 3 panel to consider the complaint.

19. Third upheld case: Complaint regarding the council's decision not to take enforcement action against a neighbour for allegedly blocking a known route of surface and flood water. The Ombudsman found no evidence of procedural fault in the council's actions, however, there was some delay in the council's early correspondence with the complainant, which the council apologised for.
20. Fourth upheld case: The complaint was about charges for a person's care. There was fault in the council's financial assessment and invoicing. To remedy the injustice, the council waived some of the charge and apologised.
21. Fifth upheld case: The council was alleged to have failed to properly test samples taken from a private water supply so the results were inaccurate, causing the complainant to waste time and money in trying to improve the water quality unnecessarily. The Ombudsman found that the council was at fault because the laboratory acting on its behalf failed to test the samples within the recommended timescale, however this did not cause an injustice because the delay did not affect the results.
22. Sixth upheld case: There was fault in the way the council considered an application for discretionary school transport. The council considered the application again, apologised, reviewed its processes.
23. Seventh upheld case: The complaint concerned the council's advice on the colour to paint a field shelter and then changing its mind after it was painted in the requested colour. The council confirmed the colour is acceptable, and while the failure to properly communicate its decision to the complainant was at fault, the situation is now resolved and no further action was required.
24. Eighth upheld case: A complaint that the council failed to take action about unauthorised development by a neighbour. The council's decision not to take action was found to be flawed, and the council reviewed the decision.
25. Ninth upheld case: The council was unable to show it discussed the funding for domiciliary care with the complainant before they were discharged from hospital. The council reimbursed the charges incurred.
26. Tenth upheld case: The council failed to provide a care leaver with appropriate support whilst they completed their educational programme. The council was found to be at fault because it delayed providing them with appropriate support. The council apologised and confirmed its duty to support them until the end of the educational programme, and reviewed its procedures.
27. Eleventh upheld case: A complainant alleging that the council did not provide the complainant with adequate information, prior to placing a child with them on an

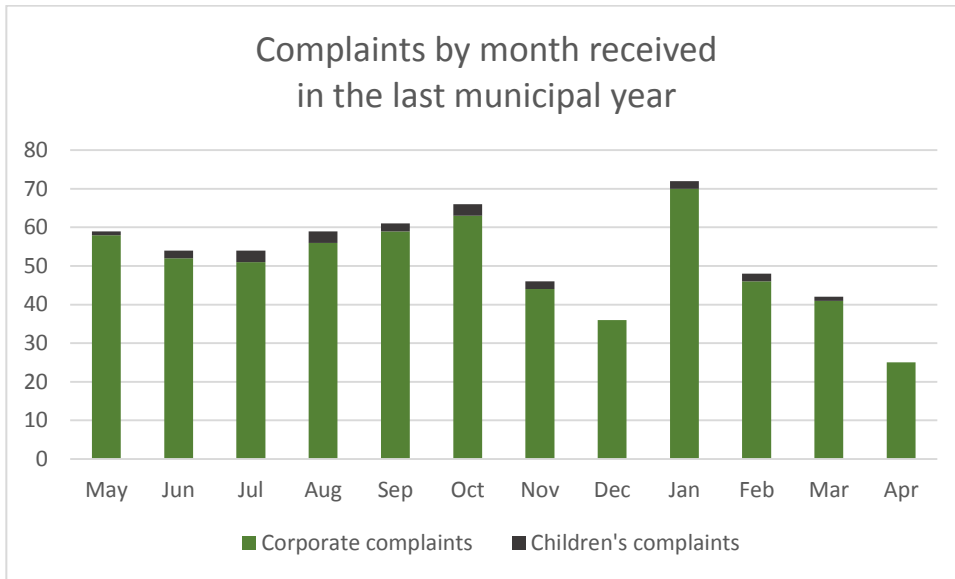
emergency foster placement. The council was found to have provided the complainant with enough information before placing the child, however there was a one-month delay in providing them with the placement specific risk assessment. This was fault but the delay did not impact on the course of events. The council agreed to remind its staff of the need to provide foster carers with a comprehensive risk assessment at the start of an emergency placement and to document that it has provided carers with this information.

28. Twelfth upheld case: The council failed to provide a person with appropriate levels of care and support whilst they was in the council's care. The council identified this during its investigation of the complaint but failed to provide a remedy for the injustice this caused. The council agreed to do this.
29. Thirteenth upheld case: The complaint was about the council's involvement in the sale of some housing. The Ombudsman did not investigate the complaint because it had been resolved.
30. Fourteenth upheld case: The council was at fault for backdating a special guardianship allowance to the date it completed a delayed financial assessment, rather than the date that the complainant asked for support five months before the assessment. It was also at fault for a delay in applying for therapeutic funding for the complainant's niece. The council apologised for the delay, and agreed to backdate the special guardianship allowance to the date the person first asked for support.
31. Fifteenth upheld case: The complaint concerned the council's handling of complaints that did not properly address issues about safeguarding. The council was at fault for not acting fully upon the recommendations made at various stages of the children's statutory complaint process. The council arranged independently chaired mediation with the complainant so it could work with them to rebuild the relationship with the family.
32. In all cases the council has complied with the recommendations made by the LGSCO to resolve the case. In some cases compensation was recommended. The council paid out a total sum of just under £3,600.
33. The following four graphs show volumes of complaints processed under the corporate complaints procedure alongside those processed under the separate statutory children's complaints procedure. The first graph shows that in the municipal year 2019/20 there were 601 corporate complaints and 21 children's complaints, contrasted with other municipal years: 2018/19 where there were 583 complaints and 48 children's complaints, 2017/18 where there were 591 complaints and 36 children's complaints, 2016/17 where there were 631 complaints and 61 children's complaints, and 2015/16 where there were 667 complaints and 62 children's complaints.

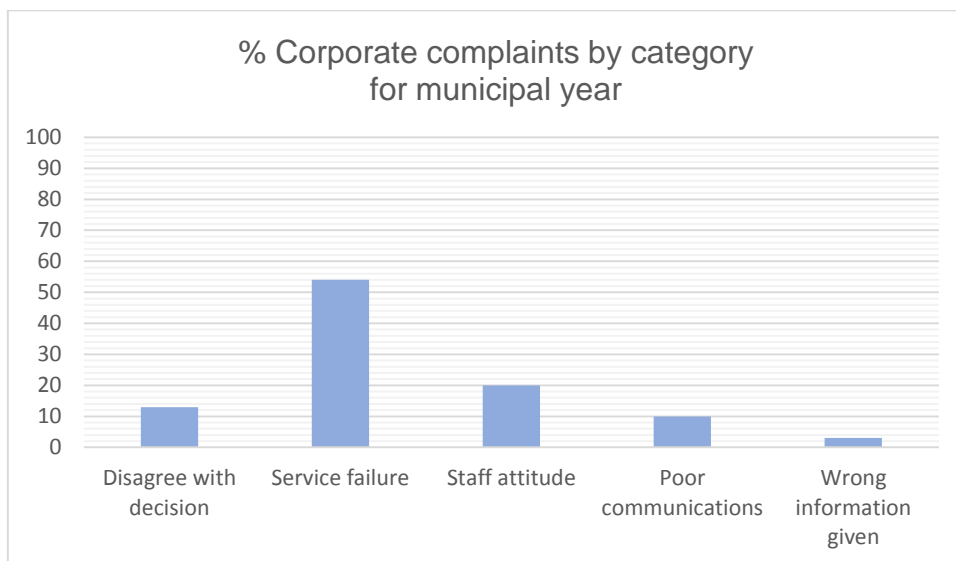


34. The second graph breaks down complaints received by month with the data set out in the following table:

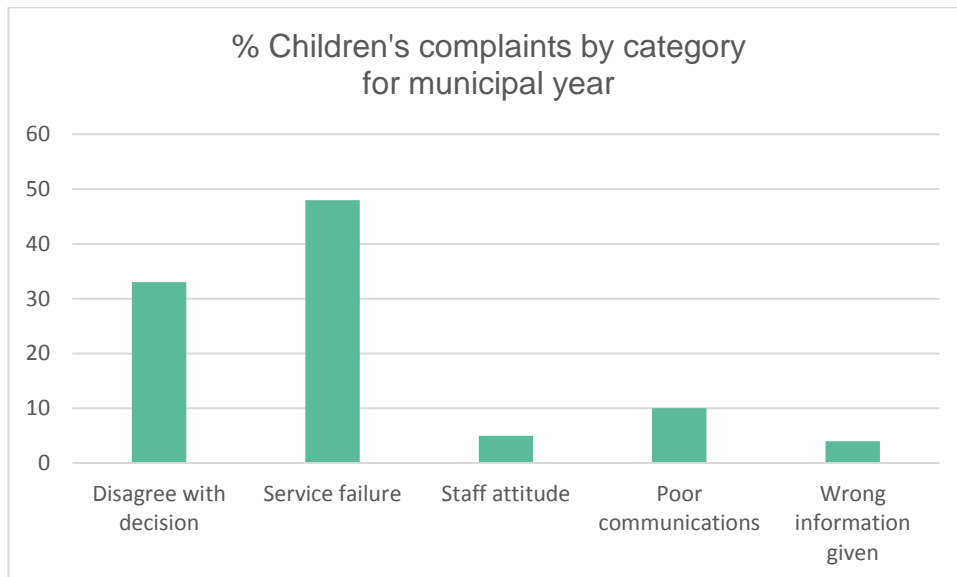
Month	Volume of complaints
May 2019	58 corporate complaints and 1 children's complaint
June 2019	52 corporate complaints and 2 children's complaints
July 2019	51 corporate complaints and 3 children's complaints
August 2019	56 corporate complaints and 3 children's complaints
September 2019	59 corporate complaints and 2 children's complaints
October 2019	63 corporate complaints and 3 children's complaints
November 2019	44 corporate complaints and 2 children's complaints
December 2019	36 corporate complaints and 0 children's complaints
January 2020	70 corporate complaints and 2 children's complaints
February 2020	46 corporate complaints and 2 children's complaints
March 2020	31 corporate complaints and 1 children's complaint
April 2020	25 corporate complaints and 0 children's complaints



35. The third graph breaks down corporate complaints by category over the municipal year: 13% were a disagreement with a council decision, 54% for a service failure, 20% regarding staff attitude, 10% for poor communications, and 3% for being given incorrect information.



36. The final graph breaks down children's complaints by category over the municipal year: 33% were a disagreement with a council decision, 48% for a service failure, 5% regarding staff attitude, 10% for poor communications, and 1% for being given incorrect information.



37. **Information governance:** The council's information governance team monitors low-level data security incidents, near misses, and allegations of breaches of data protection legislation, of which 184 such cases were reported and dealt with over the past municipal year. Out of these, 5 met the threshold for reporting to the Information Commissioner's Office (ICO), however no action was taken against the council and the ICO was satisfied as to how the council had dealt with the breaches in all cases. The figures reflect that the council has sound processes in place for reporting data incidents, and that there is a high level of awareness from the mandatory training given to all council staff regarding data protection. It also indicates a more open culture around reporting things that have gone wrong. Numbers of incidents reported over the past 5 years demonstrate that reporting has improved considerably: 91 incidents in 2015/16, 71 incidents in 2016/17, 73 incidents in 2017/18, and 159 incidents in 2018/19. Incidents are reviewed at the information governance steering group and learning from incidents is fed back through staff training and changes in processes and procedures.
38. The information governance team also assesses the mandatory data protection impact assessments that are completed for new programmes, projects or systems that involve processing of personal data, advise on information sharing agreements, implement information security policies and procedures, and ensure that teams make information available on how the council processes personal data.
39. In addition to providing the council with a service, as of April 2020 47 of the county's schools were signed up to a self-funding school's data protection officer service level agreement. A high level service and support to schools is provided whether on the end of the telephone or via a face to face visit.
40. **RIPA:** The Regulation of Investigatory Powers Act 2000 (RIPA) restricts the circumstances in which local authorities may authorise directed (covert) surveillance. In summary, it can only be applied if it is for the prevention or detection of criminal offences if: the maximum term is of at least 6 months

imprisonment; it is related to underage sale of tobacco or alcohol; serious criminal damage; dangerous waste dumping; or, benefit fraud. All applications for RIPA must have judicial approval. In the past municipal year, 1 RIPA application was made.

41. **Community trigger:** The community trigger gives individuals and communities the right to review their case of anti-social behaviour or hate crime, if they are not happy with the response given by the relevant authorities. A community trigger can be applied for if an individual has reported three or more incidents of anti-social behaviour to the council, the police, or their housing association within the past 6 months, or if an individual and four or more individuals have complained separately about similar incidents of anti-social behaviour to the council, the police, or their housing association within the past 6 months. There have been 2 such instances over the past municipal year.

Community impact

42. In accordance with the adopted code of corporate governance, Herefordshire Council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. The council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.
43. This report provides information about the council's performance in handling complaints and requests for information from members of the public, in order to provide assurance that the council handles requests and complaints effectively and derives learning from them to improve experiences for those who receive services from the council. It also provides information about the measures taken to protect personal data under the General Data Protection Regulations and the Data Protection Act 2018.

Environmental impact

44. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
45. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy, including through encouraging complaints and requests for information to be submitted electronically to the council.

Equality duty

46. 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.

47. This report is for information only and therefore there are no equality duty implications arising directly from this report.

Resource implications

48. There are no financial implications arising directly from this report, which is for information. As outlined above however, there are risks of fines from the Information Commissioner's Office for breaches of data protection legislation, and compensation payments if the council has acted in a way that results in maladministration and injustice. The council has sufficiently protected the personal data it holds to not incur fines so far. The council has however had to make some compensation payments following complaints, hence learning from complaints is being fed back into strategic planning.

Legal implications

49. There are no direct legal implications arising from the report as it is a factual summary provided for information purposes.

Risk management

50. The risks to the council are of non-compliance with legislation including the General Data Protection Regulations, the Data Protection Act 2018, the Freedom of Information Act 2000, the Environmental Information Regulations 2004, and the Local Government Act 1974. Effective operational and governance processes mitigate these risks of non-compliance with information legislation and standards, and maintaining high standards of compliance mitigates risks to the reputation of the council.

Consultees

51. Not applicable.

Appendices

None.

Background papers

None identified.



Meeting:	Audit and governance committee
Meeting date:	Tuesday 17 November 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

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 A. 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. Since the revised plan was presented to the Committee on 14 October 2020 there have been requests for nine additional audits or Grant Determinations all as a result of additional funding from Government during the COVID -19 pandemic.
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.

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.

Further information on the subject of this report is available from

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

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 A – 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- November 2020

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Contents

The contacts at SWAP in connection with this report are:

Dave Hill

Chief Executive

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Assistant Director

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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 Revised Annual Audit Plan 2020/21 presented to this Committee at its meeting on 14th October 2020. 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.

This is the progress report as at 21 October 2020. Since my last update four audits have been completed, four audits are at report and there are twelve audits in progress.

The audits completed since my last update have the following assurance:

Audit	Assurance
Local Transport Block Funding	Grant Certification – Reasonable
Bus Subsidy Grant	Grant Certification – Reasonable
Herefordshire City Centre Transport Package	Advisory
Special Investigation – Loss of Monies Looked After Children	Special Investigation -an assurance opinion is not provided

Internal Audit Plan Progress 2020/21

Outturn to Date



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.

SWAP Performance - Summary of Limited Opinions



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

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.

In this update there are no final reports with Limited Assurance.

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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 2020/2021

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”.

The following cross comparison reports have been shared across the Partnership:

CIPFA Financial Resilience Indicator – questions to understand whether Councils use the Indicator

Point of Practice – Whistleblowing Policy – review of content of policy

Internal Audit Plan Progress 2020/2021

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";

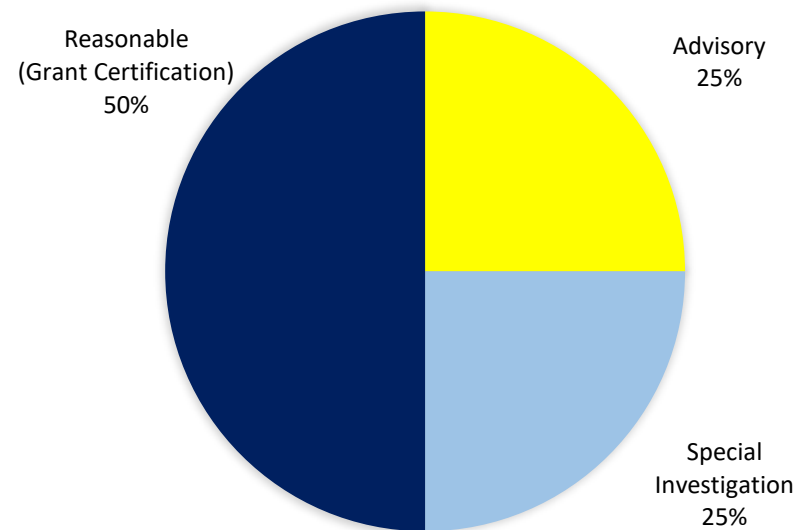
- Substantial
- Reasonable
- Limited
- No

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 four reviews that have a final report (at 21 October 2020), the opinions offered are summarised below.

Control assurance by category 2020/21 - Q3



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Internal Audit Plan Progress 2020/2021

SWAP Performance - Summary of Audit Opinions



Summary of Audit Opinion

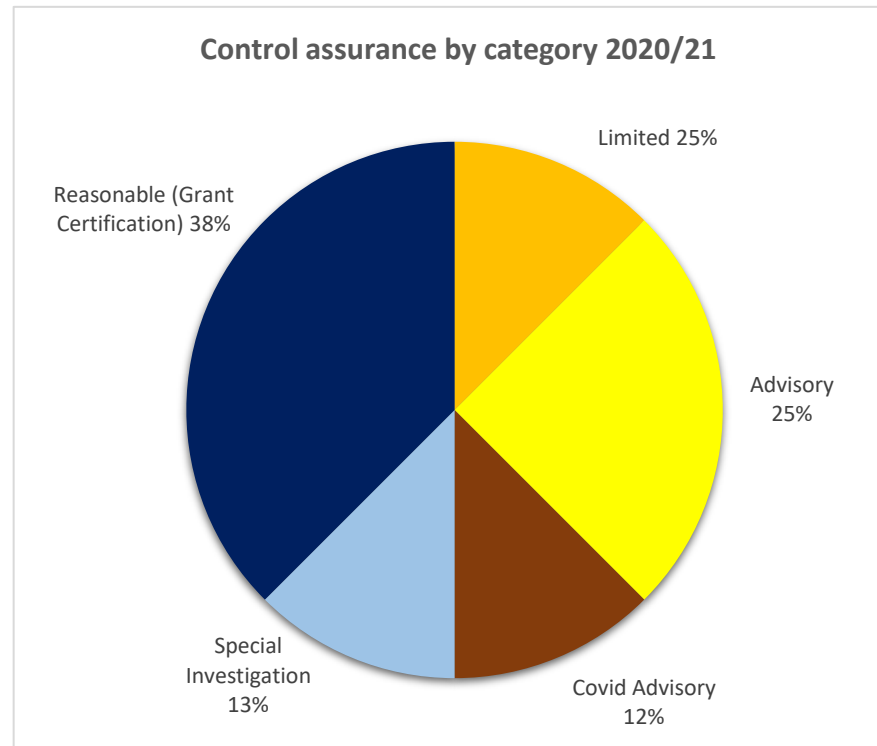
At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- 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 for 2020/21, the opinions offered are summarised below.



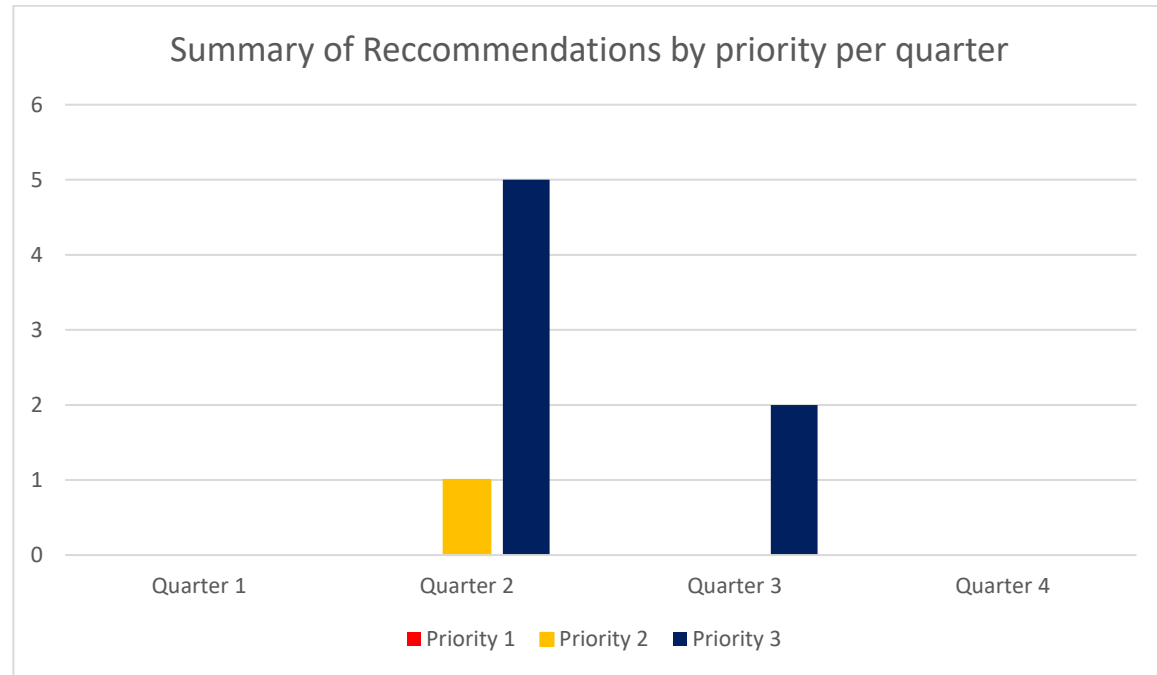
Internal Audit Plan Progress 2020/2021

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 by priority per quarter



Internal Audit Plan Progress 2020/2021

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.

Since the revised plan was presented to the Committee on 14th October 2020 there have been requests for the following audits or Grant Determinations all as a result of additional funding during the COVID -19 pandemic:

- Emergency Active Travel Measures Tranche 1
- Emergency Active Travel Measures Tranche 2
- Additional Dedicated Home to School Grant and College Transport Grant
- Test and Trace Support Payments
- Test and Trace Discretionary Payments
- Local Restriction Support Grant
- Revenue grant determination (Ringfenced) Local Authority COVID-19 Test and Trace Service Support Grant Determination 2020/21: No 31/5075
- Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG) – Tranche 2
- Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG) – Tranche 3

In addition to this, the Direct Payment Pre Paid Card Audit (Children's and Families) has been replaced with an Education Health and Care Plans – Annual Reviews audit. This is due to the service area not fully rolling out pre-paid cards at this time. It is thought this will be completed by the next financial year and therefore it is proposed to defer the original audit to the 2021/22 plan. This has been agreed with the Director of Children's and Families.

Internal Audit Plan Progress 2020/2021

Conclusion



Conclusion

Since my last update four audits have been completed for the 2020/21 audit plan bringing the total audits completed to eight (nine including work completed outside of the plan). There are four audits at report stage and there are twelve audits in progress.

For the four audits completed two are Grant Certifications, one is a Special Investigation, and one is an Advisory report. Both Grant Certifications were deemed reasonable with no recommendations raised. 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 the feedback score is 100%.

It is important to note that the plan will continue to change as the year progresses particularly in light of the Governments continuing requirement for declaration returns on funding in response to the COVID-19 pandemic. There may also be some disruption if officers within the Council are unavailable as they continue to support the changing requirements as a result of COVID-19 pandemic.

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 (July 2020 Register)	Planned 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	Completed	Advisory 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					
Staff Car Parking - Business passes	CRR.10, CRR.23	1	Draft Report					
Strategic/Significant Partnerships	CRR.26	2	In Progress					

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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					
Economy and Place								
Local Transport Block Funding	Financial Governance	2	Complete	Reasonable - Grant Certification	-	-	-	-
Bus Subsidy Grant	Financial Governance	2	Complete	Reasonable - Grant Certification	-	-	-	-
Property Flood Resilience Support Scheme (Bellwin /Resilience Management)	Financial Governance	2	In Progress					
Commercial Properties/Rents	-	1	In Progress					
S106 Agreements	CRR.10 CRR. 18 CRR.20	2	In Progress					
Emergency Planning	CRR.11	4	Not Started					
Capital Programme/Capital Projects	CRR.18	4	Not Started					
Adults and Communities								
Client Finances	CRR.10, CRR.23	2	Not Started					
West Midlands Peer Review	-	3	Draft Report					
Workforce Development	CRR.23, CRR.17, CRR.10	2	In Progress					
The Quality Development Framework	CRR.23, CRR.17, CRR.10	3	Not Started					
Supervision Practices	CRR.23, CRR.17, CRR.10	3	Not Started					

Children's and Families								
Troubled Families – monthly review – quarterly report quarter 1	Financial Governance	1	Completed	Reasonable - Grant Certification	-	-	-	-
Troubled Families – monthly review – quarterly report quarter 2	Financial Governance	2	In Progress					
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					
EHCP (Education, Health and Care Plans) Annual Reviews (replaced DP Pre Paid Cards)	-	3	Not Started					
Support for young people not in education, employment or training (NEET)	-	3	Not Started					
EHCP (Education, Health and Care Plans) – Process review	-	1	Not Started					
Follow Up Audits								
Members Expenses Follow Up	-	3	In Progress					
SWTP Phase 1 - Follow Up	-	4	Not Started					
SWTP Phase 2 - Follow Up	-	4	Not Started					
Acquisition of the Southern Campus of the Royal National College for the Blind (RNCB) Site – Follow Up	-	4	Not Started					
Homepoint – 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	Completed	Advisory Work	-	-	-	-

Transport Contracts	CRR.23, CRR.39	1	In Progress					
Procurement cards	CRR.23, CRR.39	1	Completed	Limited	6	0	1	5
HALO Leisure Centre – Financial review	CRR.23, CRR.39	1	Completed	Advisory Report	-	-	-	-
Emergency Decisions	CRR.39	1	Draft Report					
Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG) – Tranche 1	CRR.23, CRR.39	2	In Progress					
Additional requests since revised audit plan approved October 2020								
Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG) – Tranche 2	CRR.23, CRR.39	3	Not started					
Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG) – Tranche 3	CRR.23, CRR.39	4	Not started					
Emergency Active Travel Measures Tranche 1	CRR.23, CRR.39	3	Not started					
Emergency Active Travel Measures Tranche 2	CRR.23, CRR.39	4	Not started					
Additional Dedicated Home to School and College Transport Grant	CRR.23, CRR.39	3	Not started					
Test and Trace Support Payments	CRR.23, CRR.39	3	In Progress					
Test and Trace Discretionary Payments	CRR.23, CRR.39	3	In Progress					
Local Restrictions Support Grant	CRR.23, CRR.39	3	In Progress					
Revenue grant determination (Ringfenced) Local Authority COVID-19 Test and Trace Service Support Grant Determination 2020/21: No 31/5075	CRR.23, CRR.39	4	Not started					

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	Final Report	Advisory Report	-	-	-	-
Contract Management – BBLP	CRR.38	1	Not started					
Loss of Monies – Children’s - Special Investigation	CRR.23	2	Final Report	Special Investigation	2	0	0	2
Audit work requested in addition to the 2020-21 audit plan by the Chief Finance Officer								
Commissioning and Value for Money (BBLP)		1	Completed	Limited	5	0	2	3

Audits not yet started as planned or not yet completed as planned

Where audits have not yet started or have delayed completion an explanation is provided below. Please note this will only apply to audits that were due to commence in quarter 1 and 2 as quarter 3 work is currently in process of being set up/started and quarter 4 audits are not yet due.

Link to Corporate Ambition/ Corporate Risk Register	Areas of Coverage	Planned Quarter	Status and reasons for delays.
Environment, Community, Economy CRR.24 CRR.23 CRR.20	Commercial Investments	2	Delay due to Covid 19 additional work taking priority.
Environment, Community, Economy CRR.10 CRR.23 CRR.15 CRR.26 CRR.09	Staff Car Parking - Business passes	1	Draft Report
	Strategic/Significant Partnerships	2	Now in progress.
Environment, Community, Economy CRR.13 CRR.25	ICT Governance Risk Review	2	Client delay as a result of recruiting Head of ICT role.
Environment, Community, Economy CRR.14 CRR.27 CRR.20 CRR.10 CRR.11 CRR.18	Property Flood Resilience Support Scheme (Bellwin /Resilience Management)	2	Initial advice provided on application forms and expression of interest for the scheme. Review of applications will take place later in the year.
	Commercial Properties/Rents	1	In Progress - Delay due to Covid 19 additional work taking priority.
	S106 Agreements	2	In Progress – delay in receiving information from Client due to other priorities
Community Ambition CRR.23	Client Finances	2	Delay due to Covid 19 additional work taking priority.

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CRR.17 CRR.10			
Community Ambition CRR.23 CRR.17 CRR.10	Workforce Development	2	In Progress
Community Ambition CRR.03 CRR.23	EHCP (Education, Health and Care Plans) review of process	1	Not Started - Delay due to Covid 19 additional work taking priority.
CRR.20	Emergency Decisions - Decision Making	1	Draft Report
CRR.23	Transport Contracts	2	In Progress
CRR.23	Procurement Cards	1	Completed
CRR.23	Local Transport Authority Covid-19 Bus Service Support Restart (Revenue) Grant (CBSSG) – Tranche 1	2	In Progress - first period ended 3 rd August 2020.
CRR.20 CRR.23 CRR.10	Gypsy and Traveller Sites – Special Investigation	1	Draft Report – Waiting for Management Responses



Meeting:	Audit and governance committee
Meeting date:	Tuesday 17 November 2020
Title of report:	Update on Internal Audit Recommendations
Report by:	Head of Corporate Performance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To review the progress of audit recommendations implementation.

The committee receives periodic reports on progress made in implementing audit recommendations to enable it to fulfil its role of monitoring the effective development and operation of risk management and corporate governance in the council. Ten of the thirteen recommendations outstanding at the time of the last report in June 2020 have yet to be completed. 100% of recommendations due between May and September 2020 are reported as complete.

Recommendation(s)

That:

- (a) **The status of the current audit recommendations be reviewed and the committee determine any recommendations it wishes to make in order to provide further assurance that risks identified by audit activity are being actively managed**

Alternative options

Further information on the subject of this report is available from
Paul Harris, Tel: 01432 383675, email: Paul.Harris1@herefordshire.gov.uk

1. The committee could choose not to monitor the progress made on audit recommendations; however this would not be recommended as it is a function of the committee to monitor the effective development and operation of risk management and corporate governance in the council, and this report enables the committee to gain assurance that actions in response to recommendations are being suitably prioritised which reduces the risk to the council.

Key considerations

2. South West Audit Partnership (SWAP) provides the internal audit services for Herefordshire Council. SWAP is required to deliver an annual audit plan, which is scoped using a risk-based assessment of the council's activities. Additional audits are added to the plans as necessary to address any emerging risks and issues identified during the year.
3. Upon completion of each audit review, a formal report is drafted for discussion with service managers. These reports include; the main conclusions of the review and the overarching opinion, individual findings and the potential associated risk exposure.
4. Management responses to each audit recommendation are obtained and recorded, identifying the actions required, the person responsible and the target date for the implementation that has been agreed.
5. Recommendations are each scored to indicate their severity. The scoring matrix is shown below:

	Priority
Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of the management	Priority 1
Important findings that need to be resolved by management	Priority 2
Finding that requires attention	Priority 3

6. All staff responsible for audit recommendations are asked to review progress on the implementation of recommendations. Managers were asked to self-report on the action which had been taken in respect of the SWAP recommendation and the overarching status.
7. The last report to Audit & Governance Committee in June 2020 provided an update on the progress of audit recommendations. At this meeting, it was reported that there were thirteen recommendations that were overdue. Following recent updates ten of these are still to be completed, details for which are in appendix 1.
8. A further briefing note was provided to the committee following the meeting in June with further information on 2 recommendations in relation to ICT Access Controls. Many of these recommendations that remain outstanding have been impacted on by COVID-19, either having a direct result on the recommendation, or where teams responsible have been focussed on the response to the pandemic.
9. For the period May to September 2020, 12 audit recommendations were due for completion. The following table provides a summary of the status of these recommendations; their priority and allocation across directorates.

		Complete	Incomplete
Priority 3	Adults & Communities	1	
	Children & families	3	
	Economy & Place	5	
	Corporate Services	2	
	TOTAL	11	
Priority 2	Adults & Communities		
	Children & families		
	Economy & Place	1	
	Corporate Services		
	TOTAL	1	
Priority 1	Adults & Communities		
	Children & families		
	Economy & Place		
	Corporate Services		
	TOTAL		

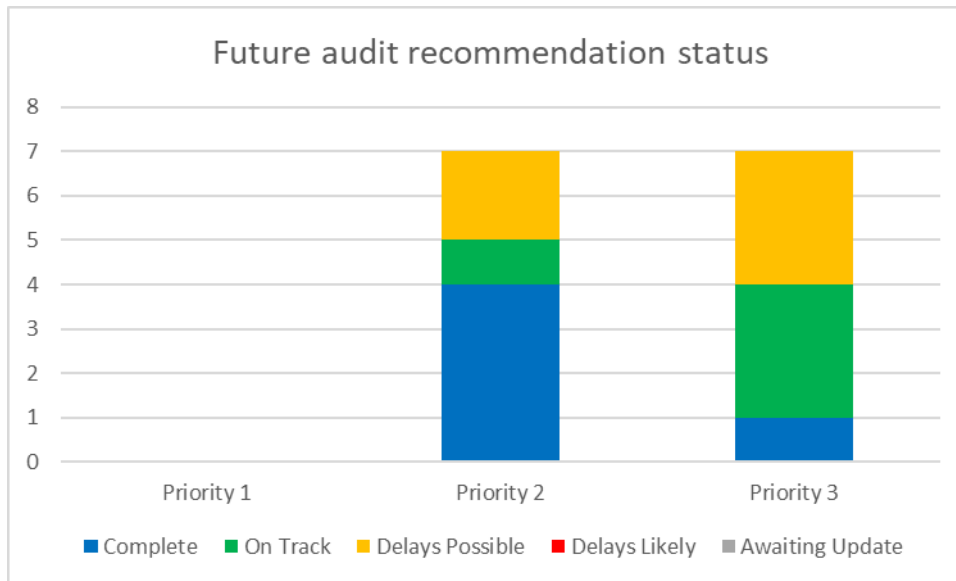
10. Of the audit recommendations due for completion, 100%, or 12 of 12 recommendations have been completed.

11. Progress of school audits are not included within this report; recommendations made to schools are the responsibility of each individual schools governing body.

Recommendations due in October 2020 and beyond

12. At request of the committee in November 2019, the committee now receives information in respect of audit recommendations which are not yet due for completion, but are due in the future. Responsible officers have provided a “RAG” status alongside any relevant commentary.

13. There are 14 recommendations with due dates in October 2020 or beyond, the status of which is provided in the summary visuals below.



14. Currently, 64% of recommendations due in the future are either on track to be completed on time, or have already been completed. A narrative is provided in Appendix 2.

External Audit Recommendations

15. There was one outstanding recommendation from the council's external auditor Grant Thornton; these were made as part of the annual report in 2019/20. This recommendation has been resolved since the last report to committee following the completion of the Annual Governance Statement.

Community impact

16. 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 financial management, risk management and internal control are important components of this performance management system. By monitoring the implementation of audit recommendations, assurance is given that risks are being managed effectively, and that the council is taking action to meet its corporate plan priority to secure better services, quality of life and value for money.

Environmental Impact

17. This report is based on the internal audit and the response of the council to their recommendations, as such there are minimal environmental impacts.

Equality duty

18. 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.
19. 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 progress report we do not believe that this will have an impact on our equality duty.

Resource implications

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

Legal implications

21. There are no specific legal implications with regard to this report.

Risk management

22. There is no risk associated with the recommendations of this paper; visibility of progress against recommendations promotes good governance. However, internal audit recommendations are raised as a result of gaps in controls or deficiencies identified during reviews, therefore incomplete and overdue items inherently increase the council’s exposure to risk.

Consultees

23. None

Appendices

Appendix 1 SWAP audit recommendations due before September 2020

Appendix 2 SWAP audit recommendations due after September 2020

Background papers

None

Recommendations due before 30 April 2020 and still not completed

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
<i>Children and Families</i>						
ICT Access Controls - Adults Wellbeing Applications - Children's Wellbeing Applications	1.2 We recommend that the Education Systems Manager (CWB) carries out a manual, annual review of nursery staff who have access to the Sentinel Early Years and Nurseries applications and to re-enforce the message regarding settings notifying the Council immediately when a member of Nursery staff leaves, to avoid any possibility of inappropriate data sharing.	2	31/03/20 Revised to 31-01-21	Data forms have now been issued and are in the process of being returned and the system updated. Pilot training on the new software has taken place and training sessions for remaining staff book between November - January. We have a running list of settings as they have returned forms and are in regular contact with any setting who has not provided.	In progress	Schools and Assets Team Leader
ICT Access Controls - Adults Wellbeing Applications - Children's Wellbeing Applications	1.4 We recommend that the Education Systems Manager - Children's Wellbeing liaises with the service leads to establish a local procedure to ensure that leavers are notified and removed promptly from the Sentinel application. We also recommend that the Education Systems Manager is added to the Business World - leaver notification email distribution list.	3	31/03/20 Revised to 31-01-21	We will now undertake the workflow to update users from each setting with a completion date of 31/12/2020. Go live is scheduled for January 2021	In progress	Schools and Assets Team Leader

Recommendations due between 1 October 2019 – 30 April 2020

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
<i>Children and Families</i>						
Property Maintenance - Schools	We recommend that a simple set of procedures be set up for compilation of the annual maintenance programme planning spreadsheet, and for the planning and approval of additional / emergency works.	3	30/06/20 Revised to 30/09/20 Revised to 31-03-20	We have introduced a new methodology this year for prioritising the maintenance programme of works although this has not been formally documented yet. There has also been a change to the dynamics of how maintenance works are approved and progressed with a member of the corporate programme office taking over project management. The current maintenance programme will be obtaining approval to progress via cabinet in December and will cover the next 2 years. During that time, a new policy will be compiled to enable all future maintenance works to be covered and this will include a section on additional and emergency works. It will also include a revision of Annex O of the local management of schools which details the split of responsibility for works	In progress	Interim Education and capital Manager

Recommendations due between 1 October 2019 – 30 April 2020

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
				between the council and school.		
<i>Adults and Communities</i>						
AWB Contract Monitoring - Quality Assurance Strategy 2018/19	We recommend that a dedicated meeting timetable be put in place to discuss progress on the process changes introduced by the Quality and Improvement Manager, to give a formal opportunity for staff to put forward queries, and discuss changes that they are looking to implement for their area of work, in order to ensure a consistent approach. A record of approved changes should be maintained. Consideration should also be given to including the templates and guidance into a user guide / manual, which will aid a consistent approach going forward, and will be a valuable tool for new staff.	3	31/03/20 Revised to 31/03/21	Not progressed past Feb 20, due to COVID-19 and the need to deploy QA team / staff to support in other areas of pandemic management – this continues. Service reviews through site visits are only conducted on a risk assessed basis. Information and intel is collected through virtual calls / exchanges and all COVID-19 related i.e. support calls, resilience checklists.	In progress	Quality and Improvement Manager
AWB Contract Monitoring - Quality Assurance Strategy 2018/19	We recommend that an agreement be reached on the method of recording and reporting KPIs for domiciliary care, which will provide an efficient solution to the staff, and that this be developed / implemented within a reasonable timescale.	3	31/03/20 Revised to 31/10/21	There are no KPI's within the current contract that can be reported on. The Senior Commissioning officer for Care @ Home, Brokerage Manager and the Quality & Compliance Officer with Care @ home portfolio meet monthly to review the risk matrix of services. As the Care @ Home contract is currently being reviewed / retendered, meaningful KPI's	In progress	Quality and Improvement Manager

Recommendations due between 1 October 2019 – 30 April 2020

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
				<p>will form part of the new specification.</p> <p>The Care at Home retendering exercise has been impacted by Covid19 and will now commence in the spring of 2021 with a new contract in place by the Autumn of 2021</p>		
Broker Placement - Provision of residential and nursing care	<p>We recommend that the Head of Care Commissioning (A&C) undertakes the following:</p> <ul style="list-style-type: none"> • Evaluates the establishment needed within Brokerage, with consideration of the skills required to deliver the care home provision necessary • Introduces a process for case load prioritisation with allocation performed by the Brokerage Team Leader • Establish a performance management process to support and improve individual's skills and output where necessary. 	3	01/04/20 Revised to 31/03/21	<p>An agreed definition of urgent response will be created with Head of Operations to enable case load prioritisation and response time. A broker review report will include a skills and knowledge gaps and training plan to support development.</p>	In progress	Head of Care Commissioning (A&C)
Continuing Healthcare Funding Process	<p>We recommend that the CHC Dispute Policy should be viewed with consideration given to any changes required, in particular the timeframe for a meeting to be arranged for cases subject to the dispute resolution process at level two. Once the policy is formally agreed between the Council and the CCG it should be signed off.</p>	2	30/04/20 Revised 31/03/21	<p>The LA is now to consider the commissioning of an external CHC review and reassessment toolkit.</p>	In progress	Assistant Director, All Ages Commissioning

Recommendations due between 1 October 2019 – 30 April 2020

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
Continuing Healthcare Funding Process	We recommend that a formal written backdating protocol is developed and approved between the Council and the CCG.	2	30/04/20 Revised 31/03/21	The LA is now to consider the commissioning of an external CHC review and reassessment toolkit.	In progress	Assistant Director, All Ages Commissioning
Healthy Lifestyle Service 2019/20	We recommend that the Healthy Lifestyles and Wellbeing Information Manager ensures: <ul style="list-style-type: none"> • The Healthy Lifestyle Specialist populates the 121 agenda to accurately reflect their work status, to allow the Healthy Lifestyles and Wellbeing Information Manager to improve monitoring to identify training needs, improved outcomes and efficiencies • Progress against PDP objectives is evaluated on a regular basis appropriate to the development required • Questions on the DCRS are re-visited to determine if it would be beneficial to make other fields mandatory • A feedback form is developed for group activities • Healthy Lifestyle Specialist as part of the individual and group activities seek to obtain a completed feedback form from the client who participated in the event. This request could be monitored as part of the PDP process. 	3	30/11/20 Revised to 31/01/21	1. The service restructure/ redesign has been pushed back to recommence In Jan 2021 due to impact of COVID-19. 2. Data fields have been reviewed on DCRS; will need to be reviewed following restructure. 3. Service feedback questionnaire completed.	In progress	Healthy Lifestyles and Wellbeing Information Manager
Healthy Lifestyle Service 2019/20	We recommend that the Healthy Lifestyles and Wellbeing Information Manager confirms that procedures are reviewed to verify: <ul style="list-style-type: none"> • Alignment to the current processes • Compliance with Herefordshire Council Policy Writing Procedures, March 2018. 	3	31/03/20 Revised to 31/03/21	Due to COVID-19 and ongoing impact on the service this will be reviewed in 2021.	In progress	Healthy Lifestyles and Wellbeing Information Manager

Recommendations due beyond September 2020

Audit	Recommendation	Priority	Target date	Latest update	RAG rating	Owner
<i>Adults and Communities</i>						
Broker Placement - Provision of residential and nursing care	We recommend that the Assistant Director All Ages Commissioning ensures: <ul style="list-style-type: none"> • Negotiators of care placements receive appropriate training and supporting documented guidance • A uniform and consistent approach to agreeing costs with providers is implemented to tackle the above rate of inflation increases to control costs • The average fee paid should be evaluated to understanding why it significantly exceeds the usual standard fee. 	2	31/10/20	Fee reviews for 20/21 are completed. A new approach and mechanisms for setting fees and fully costed care plans were included in the commissioning work plan for 20/21.	Complete	Assistant Director, All Ages Commissioning
Local Enterprise Resources Team	We recommend that Head of Community Commissioning and Resources undertakes the following: <ul style="list-style-type: none"> • Determines the corporate objectives, Health and Wellbeing strategy and Talk Community deliverable the LERT service objectives should focus on • Approves the service objectives and plan • Identifies the key performance indicators to be measured both qualitatively and financial and verify the information captured is correct e.g. statistics for hate crime • Agree the frequency of monitoring for both service and staff once the service requirements are agreed • Provide support to the Local Enterprise Service Manager so the appropriate performance monitoring mechanism is set up. 	3	31/10/20	1. Agreed format for logging key information. Some returns from staff members outstanding. 2. Procedure for telephone box removal consultation drafted, awaiting input from governance support, prior to sign off. 3. Procedure for channel panel guidelines drafted, with some slight revisions needed to follow HC procedure template.	Green	Assistant Director - Talk Community Programme
<i>Economy and Place</i>						
Housing Provision: Capital Funding 2019/20	We recommend that the Strategic Housing Manager carries out: <ul style="list-style-type: none"> • a verification check on the Capital spreadsheet and ensure that schemes are cross-referenced between the current and previous worksheets; and • those having agreements in place should also be recorded. Where no agreement exists, projects should be discussed with Legal Services to establish whether the Council is able to renegotiate or withdraw funding. A 	2	31/12/20	All agreed actions have already taken place and additionally Verto have now created a page for the funding to be recorded which wasn't previously available. This allows the funding to be entered and if no longer required a reason can be recorded it also allows for	Complete	Strategic Housing Manager

Audit	Recommendation	Priority	Target date	Latest update	RAG rating	Owner
	timescale for completion of the project could be considered as part of the review.			reports to be run on the capital spend and commitments.		
Housing Provision: Capital Funding 2019/20	We recommend that Record of Officer Decisions are completed to cover all project expenditure over £50,000. These should be completed, signed and published on the Council's website before a project commencement. The Strategic Housing Officer should ensure that all members of the team are familiar with the Financial Procedure rules to guarantee compliance.	2	31/12/20	A RoOD is now completed for every scheme regardless of the value. This is now common practice in the team.	Complete	Programme Director, Housing and Growth
Housing Provision: Capital Funding 2019/20	We recommend that the procedure / guidance documents be reviewed and amended accordingly, in order to be compliant with the Herefordshire Policy Writing Procedures March 2018.	3	31/12/20	All policies have been amended in line with the Policy Writing Procedures.	Complete	Housing Policy & Development Co-Ordinator
Housing Provision: Capital Funding 2019/20	We recommend that service agreements with other Council teams should be signed by both parties, to demonstrate that they agree with all aspects detailed in the document and to clarify any ambiguity before the project starts. Property Services' agreement with Strategic Housing to carry out work for the Widemarsh Street project should be completed in full and signed to demonstrate that they accept the project management responsibilities, so both parties are clear on the requirements.	3	31/12/20		Green	Building Surveyor
South Wye Transport Package Phase 2 - Governance Review	We recommend that the Assistant Director Strategy ensures that where possible all projects are managed utilising the corporate project management system. In addition to this consideration is given as to how information recorded in other systems to manage projects feeds/links into the Councils Corporate Project management system.	2	31/12/20	Following an external review of how projects are delivered within the council, a new project management office (PMO) is being established which will oversee how projects are delivered to ensure consistency of process and the monitoring of progress. The new Head of PMO has been recently appointed and an implementation plan is in development. This includes revised systems and processes to mandate how projects are delivered and the use of the	Green	Assistant Director, Strategy

Audit	Recommendation	Priority	Target date	Latest update	RAG rating	Owner
				Corporate project system (VERTO)		
Home Point 2019/20	<p>We recommend that the Assistant Director Strategic ensures:</p> <ul style="list-style-type: none"> structured minutes/action points are taken for all meetings held with an appropriate level of detail, Project board and project team meetings are held at least at the frequency stated and reasons as to why meetings did not take should be recorded. <p>We recommend that Assistant Director Strategic considers:</p> <ul style="list-style-type: none"> Whether a corporate format for minutes and terms of reference would be beneficial, Whether revenue project meetings require an agenda. 	3	31/12/20	The terms of reference and effectiveness of project boards are part of the assurance function the new PMO. The new processes, procedures and assurance function will be implemented by Jan 2021.	Green	Assistant Director, Strategy
Home Point 2019/20	<p>We recommend that the Programme Director Housing and Growth in liaison with the Programme Manager: Digital and Technology ensures all governance processes are adhered to regarding decision making. Where changes in the project arise, appropriate approvals should be sought, and consideration given as to whether existing procurement arrangements are still appropriate. If governance advice is sought from the governance team, officers must ensure they outline the considerations in detail. Sufficient and appropriate documentation should be maintained in relation to decision making.</p>	2	31/12/20	As part of the implementation of the new PMO (programme management office), guidance and training for the use of VERTO will be developed and rolled out across the organisation in early 2021	Amber	Assistant Director, Strategy
<i>Corporate Services</i>						
Income Charging 2019/20	We recommend the Chief Finance Officer ensures a review of the current income charging principles is carried out including consideration as to whether a corporate Income Charging Policy Document/procedure document would be beneficial.	3	30/10/20	An income charging strategy has been written and approved by Cabinet. The income charging principles are currently being built into the base budget setting for 21/22.	Amber	Head of Management Accounting/Chief Finance Officer
Savings Targets 2019/20	<p>We recommend that the Chief Finance Officer ensures that all savings proposals are supported with a formal documented plan/proposal that includes:</p> <ul style="list-style-type: none"> Detail as to how the savings will be achieved including financial rationale/calculation that has been validated by relevant officers 	2	31/10/20	The Verto reporting has been tested, the 21-22 savings need to be loaded into Verto as they are agreed and monitoring / reporting process needs to be embedded.	Amber	Head of Management Accounting

Audit	Recommendation	Priority	Target date	Latest update	RAG rating	Owner
	<ul style="list-style-type: none"> • Costs that will be incurred to achieve the savings target, • Responsible officer(s) and required officer sign off, • Status of achievement of status including monetary achievement and reasonableness of achievement. 					
Savings Targets 2019/20	We recommend that the Chief Finance Officer reviews the current RAG categorisation used to report against performance of savings targets. When a method of categorisation is agreed upon officers should retain justification/rationale for categorisation and guidance should be available to staff relating to categorisation. Checks should be completed to ensure performance reporting is accurate and correct.	3	31/10/20	The Verto reporting has been tested, the 21-22 savings need to be loaded into Verto as they are agreed and monitoring / reporting process needs to be embedded.	Amber	Head of Management Accounting
Savings Targets 2019/20	We recommend that the Chief Finance Officer ensures a corporate process is developed to ensure savings targets that are identified as not being achieved are actioned/escalated. Non achievement or changes to savings targets should be reported with the quarterly performance report.	2	31/12/20	The Verto interface is complete.	Complete	Head of Management Accounting
Savings Targets 2019/20	We recommend the Chief Finance Officer ensures consistent regular monitoring of performance targets takes place across the directorates.	3	31/10/20	Quarterly reporting is completed, further links to the Verto reporting need to be developed.	Amber	Head of Management Accounting

Blue	Green	Amber	Red
Projects/programmes/activities that have been completed	Projects/programmes/activities that are progressing as planned and outputs will be delivered to agreed specification within agreed timescales.	Projects/programmes/activities that are experiencing obstacles that may prevent the delivery to agreed specification, timescales or costs but there is confidence that delivery can be brought back on target.	Projects/programmes/activities that are experiencing obstacles that are likely to prevent the successful delivery to agreed specification, timescales or costs and significant involvement is necessary to bring that project back in line with original expectations or revised plan for delivery is needed



Meeting:	Audit and governance committee
Meeting date:	Tuesday 17 November 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

To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the Performance Management Framework.

Recommendation(s)

That:

- (a) the committee determine any recommendations it wishes to make to ensure effective risk management.

Alternative options

1. The committee could chose not to review the corporate risk register; however this is not recommended as regular monitoring should provide assurance that risk is being managed effectively within the council.

Key considerations

2. In accordance with the Performance Management Framework (PMF) and Risk Management Plan that was adopted by cabinet on the 24 September 2020, it is the

committee's role to ensure that risk management is effectively managed in line with the processes set out in the PMF.

- The new framework was presented to all departmental meetings in October to start to implement the new risk framework. Having reviewed the Directorate registers in the November Corporate Centre Team meeting it is clear that further work is required to embed the framework and ethos. To strengthen the approach, each director has been asked to identify a lead Assistant Director who will lead and challenge on risk identification, scoring and management within their directorate. Training needs for these roles, as well as others involved in embedding the risk framework are being explored. Further work also needs to be done to embed the risk framework in relation to projects. This will become easier now the head of programme management office is in post and the new delivery plan is established and finalised, clarifying the key work programmes.
- Risks within the council are identified and scored based on their likelihood and impact, using the methodology identified within the councils Risk Management Plan. Risks are reported at relevant levels based on their residual score. The councils Corporate Risk Register holds the highest risks across the organisation, the table below confirms the level of risk based on its score. This score also identifies the level of monitoring required, as well as the action necessary.

	Green	Yellow	Amber	Red
Score	1 – 4	5 – 8	9 – 15	16 – 25
Register*	Service		Directorate	Corporate
Action	Unlikely	Might	Should	Must
Review frequency	Quarterly	Monthly	Monthly	Monthly

* Risks that appear on the corporate and directorate risk registers must also appear on their relevant service risk registers. The service risk register is the master register.

- It is the responsibility of risk owners to ensure that risk scores are regularly reviewed and updated where necessary.

Current Risks

- The heat map below shows the current risks on the corporate risk register and their risk score after controls as at the end of quarter 2 (September 2020). Full details of the risks, using the references, can be found in Appendix 1.

		4 Major	5 Significant
Likelihood	5 Certain	CRR.04, CRR.31, CRR.46, CRR.47, CRR.51, CRR.52	CRR.39, CRR.55
	4 Likely	CRR.09, CRR.45, CRR.48, CRR.49, CRR.50, CRR.53, CRR.54, CRR.56	CRR.03, CRR.33

- The table below shows the number of risks identified within the corporate risk register, broken down by directorate, as well as the number of risks managed at a directorate level.

	Corporate Risks	Directorate Risks*
Adults & Communities	4	23
Children & Families	5	10

Further information on the subject of this report is available from Paul Harris, Tel: 01432 383675, email: Paul.Harris1@herefordshire.gov.uk

Economy & Place	6	24
Corporate Support	3	15
Total	18	72

*including corporate risks

8. Directorate risk registers can also be found at appendices 2 – 5. Please note that directorate risk references have been refreshed since the last reporting period.
9. This is the first report to committee against the new Risk Management Plan, as such this quarter's report to AGC will not show comparison with previous quarters. Future quarters will provide updates on changes of risks coming on to the corporate risk register, as well as ones which step down to directorate or service risks.
10. Whilst comparison with previous registers and trend data has been omitted, as the change of scoring mechanisms does not support direct comparison, the table below provides a summary of where risks reported as part of the Corporate Risk Register at the end of the first quarter are now being monitored;

Remain on Corporate Risk Register	7
Now on Directorate Risk Register	16
Now on Service Risk Register	7
Risk Closed	5

11. There are three risks on the Corporate Risk Register which have been opened this quarter;
 - Hereford City Centre Transport Package – in relation to statutory land payments
 - Foster Carers – the councils ability to recruit and retain sufficient levels of carers
 - Court Cases – in relation to court decisions regarding children against the council
12. The Corporate Risk Register has yet to be moderated by the Corporate Centre Team Meeting (CCTM), as part of the new framework. This meeting will continue to review Corporate and Directorate Risk Registers on a regular basis.

COVID-19 Risk Register

13. A separate COVID-19 risk register has also been established to monitor risks in relation to the council's response to the global pandemic. These risks form part of regular reviews in the council's gold command meetings; this approach has been taken allow a flexible approach to risk management. Risks have been aggregated in to wider risk groupings (e.g. risks to our staff), which have then been scored. A copy of the COVID-19 risk register can be found at appendix 6.

Severity of Risk	Number of risks
Low risk	0
Medium risk	1
High risk	4
Extreme risk	6

14. The table above shows the range of the current risks scoring (register updated 19 October). Since last reported to committee, there has been the following movements in the aggregated risks;

- 2 risks with a reduced residual score
 - CV2 Risk to our staff (reduced likelihood from 3 to 2)
 - CV11 Missed education for Herefordshire learners (reduced likelihood from 5 to 4)
- 2 risks where the scores changed within the quarter, but returned to the existing risk level reported at the end of quarter 1.
 - CV9 Risk of non-compliance with advice/guidance by general public
 - CV10 Risk of larger outbreaks leading to wider lockdown

Community impact

15. 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.

Environmental Impact

16. This decision itself has minimal environmental impacts, however effective risk management will increase the likelihood of the council achieving its strategic objectives, one of which is the Environment

Equality duty

17. 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.
18. There are no equality duty implications arising from this report.

Resource implications

19. There are no resource implications arising from this report, however effective risk management should increase the likelihood of the council delivering its budget.

Legal implications

20. None.

Risk management

21. 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

22. None

Appendices

Appendix 1	Corporate Risk Register
Appendix 2	Adults & Communities Directorate Risk Register
Appendix 3	Children & Families Directorate Risk Register
Appendix 4	Economy & Place Corporate Risk Register
Appendix 5	Corporate Centre Directorate Risk Register
Appendix 6	COVID-19 Risk Register

Background papers

None

Please include a glossary of terms, abbreviations and acronyms used in this report.

Ref	Risk Description	Opened	Economy	Community	Environment	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Risk Owner
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		*		25 (5x5)	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, and at the end of Q2 embedded and making a difference to childrens lives.	20 (4x5)	Further mitigation required	Project established 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		*		20 (5x4)	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.	20 (5x4)	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.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	It is recognised that the council's policy is to not accept red risks on the corporate risk register, however in this instance, there is little opportunity 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.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		*		16 (4*4)	Continue to review cost forecasts and estimates as programme is revised. Report forecasts each month at MIDB 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 (5*4)	Further Mitigation Required	Transport strategy development will consider resource implications of any decision taken regarding the SWTP.	Director Economy & Place
CRR.33	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.	Nov-19		*		20 (4*5)	Ongoing discussions with Marches LEP regarding existing funding. DfT 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.	20 (4*5)	Further Mitigation Required	Response has been provided to the LEP regarding spend to date and payback.	Director Economy & Place

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.45	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.	16 (4x4)	Further mitigation required	Continue to engage MHCLG and Government Close monitoring of all Covid 19 expenditure and non Covid income and expenditure. Lobbying of Central Government. Further grant funding and income compensation is being pursued and claimed via Delta. The forecast financial impact does vary depending on tier restrictions and central government announcements and decisions.	Chief Finance Officer
CRR.46	Parking Income AS the government have announced that income loss from car parking is to only be covered by 75% if this is 5% of total planned income. THEN, subject to the further detail of this funding being confirmed, the council could have a loss of planned parking income between £400K (best case) and £1.5m (worse case)	Jul-19	*			20 (4*5)	Awaiting clarification from Finance Team.	20 (4*5)	Further mitigation required	Parking, finance and S151 officer to review detail of Govt. funding and make a claim for appropriate grant to cover loss of parking income.	Director Economy & Place
CRR.47	Hereford Transport Package IF: decision taken to pause or review this transport project THEN: there will be a cost implication and current funding opportunities could be lost	Jun-19	*			20 (5*4)	Identify sources of funding for project review. Agree a scope for review and plan to conclude review as quickly as possible to maintain progress and retain confidence of current funders sources and partners.	20 (5*4)	Further mitigation required	Transport strategy development will consider resource implications of any decision taken regarding the HTP.	Director Economy & Place
CRR.48	Hereford City Centre Transport Package IF: 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.	Jun-19	*			16 (4*4)	Revised consultation strategy agreed with cabinet member to undertake a consultation presenting outline designs prepared to date. Review of budget of remaining elements of package underway to confirm scale of interventions that can be delivered within budget but maintaining commitments in business case.	16 (4*4)	Further mitigation required	Cabinet member decision to commence consultation has been rescheduled to enable further budget review. Programme will need to be adjusted once next steps are agreed.	Director Economy & Place
CRR.49	Hereford City Centre Transport Package IF: Statutory land payments associated with the CLR element of the HCCTP are not approved for payment until the budget and forecast review is completed THEN: There is a risk that the matter will be taken to the Upper Land Tribunal and additional costs would be incurred.	Oct-20	*			16 (4*4)	Land payments are being assessed utilising specialist agents to support property team to identify and assess outstanding statutory payments.	16 (4*4)	Further mitigation required	Required governance decision report drafted and being reviewed with monitoring officers.	Director Economy & Place
CRR.50	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	Apr-17	*			25 (5x5)	Education assets condition surveys have been completed and the school capital investment strategy has been reviewed; we are taking through the governance process the school capital grants strategy. Following COVID however the risk remains.	16 (4x4)	Further mitigation required	This risk is in relation to the condition of premises and the team are progressing as quickly as possible following lockdown due to COVID 19	AD Education Development and Skills

CRR.51	Foster Carers IF/AS: The council is unable to recruit and retain sufficient foster carers THEN: the council will rely increasingly on agency foster carers and also potentially use more residential placements. This may lead to children being placed far away outside of Herefordshire and at increased cost	Aug-20	*		20 (5x4)	Sufficiency strategy in place that includes action to improve the recruitment of foster carers and also a HIPSS service to support HIPSS placements	20 (5x4)	Further mitigation required	A recent review of the sufficiency strategy and the annual fostering report indicates we have not been successful in meeting recruitment targets. Further work is now underway to establish a different approach to foster care recruitment and also to the use of residential placements. Changes have been made to the payment of existing council foster carers who will support children that move from residential placements. Work has been carried out to identify what change in foster payments might be considered by cabinet in relation to the wider market and Herefordshire's current payments. These will come to cabinet member in Oct/Nov 2020	AD Safeguarding and Family Support
CRR.52	Court Cases IF/AS: The high profile child care case before the courts is found against the council. THEN: This will lead to a reputational risk and a potential fine from the courts	Aug-20	*		20 (5x4)	An action plan has been developed to address the learning issues from this case and improvements in practice and performance	20 (5x4)	Further mitigation required	Actions are being delivered on the action plan including the development of policies and procedures to improve practice with the full involvement of legal services.	Director Children & Families
CRR.53	Market viability IF: Provider services fail, THEN: we will need to manage the transfer of a number of service users in very short timescales, in an already difficult market, with limited capacity.	Sep-17	*		20 (4*5)	QAF in place to monitor provider activity. Provider failure policy and procedures in place. Senior Commissioning Officers close oversight of market conditions, current market capacity. Consideration of further block contracts. A rehearsed in practice operational response to urgent closures of provision. Reviewed policies and procedures by HC Emergency Team and these have been implemented within operational teams. Programme of work includes review of market position statement and the creation of an accommodation needs assessment. The local authority has opened its first care home at the Hillside Care Centre.	16 (4*4)	Further mitigation required	A capital investment of £14m has been made by Cabinet to develop the market further during 21/22. A programme of work to develop Hoople Health & Care is also being considered	Assistant Director Commissioning
CRR.54	Nursing Capacity IF: the current trends of difficulty in placing in nursing beds due to increased complexity and potentially the impact of Covid continue THEN there will be a further increase in the spend and reduction in capacity of beds available.	Mar-18	*		20 (4*5)	Continual engagement with providers, supporting planning applications, scoping alternative models of delivery. Additional engagement has taken place with providers during the Covid19 period and capacity in Nursing homes is manageable with close scrutiny. A widening of the Discharge to Assess service which will support increased reablement opportunity.	16 (4*4)	Further mitigation required	Longer term investment in community support with those who may require nursing support. Consideration to commissioning approach of nursing beds to ensure capacity is available, also robust challenge and audit on all placements made.	Head of Care Commissioning
CRR.55	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.	Aug-19	*		25 (5*5)	Issue called to scrutiny and feedback where CCG and ASC were asked to account for the status quo. The peer review explored the CHC component within their last peer review on DTOC in February 2019. Ops initiated a joint review last year. Recruited a CHC lead who started 2019 and has reviewed internal processes and is taking forward an action plan in respect of processes, training of social care staff and improved joined working and practices with CHC team. Identified social workers who have a particular understanding for CHC or ad where the can be trained to a high standard so we have CHC champions in each team. Head of services co-chairing quality assurance panel with CCG and we are beginning to see a small shift towards new cases being found eligible for CHC or for joint funding. CCG has merged with Worcestershire CCG with new CCG arrangements. Covid has resulted in a significant amount of retrospective work to be undertaken. There remains no clear evidence that CCG is adjusting the way it conducts assessments or decision making. So therefore the risk remains. Strategic conversations are ongoing to improve the delivery of this service and achieve fair funding pathways.	25 (5*5)	Further mitigation required	We are currently scoping for a specialist company to support with our work with the CHC. We also have a team of social workers who have been individually selective to take on the majority of the CHC work. Additionally our CHC lead is making significant progress in developing processes, quality of practice and decision making which is beginning to see a difference making within outcomes for those requiring health funding.	Assistant Director Operations

CRR.56	Discretionary Housing Payment <u>if</u> 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.	Nov-19		*		16 (4*4)	The local DHP policy, updated in 2017/18 to make clear priority on certain vulnerable groups. Proposals from Strategic Housing for using DHP more creatively especially to support Care leavers.	16 (4*4)	Further mitigation required	Ongoing financial monitoring and exploration of additional spend possibilities to support the vulnerable cohort. Ongoing challenges linked to reduced activity and costs as a result of COVID-19.	Head of Community Commissioning and Resources
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Adults & Communities Risk Register – September 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					AC.03
	4 Likely			AC.15, AC.16	AC.01, AC.02, AC.04	
	3 Possible			AC.17, AC.18, AC.19, AC.20, AC.21, AC.22, AC.23	AC.08, AC.09, AC.10, AC.11, AC.12, AC.13, AC.14	AC.05, AC.06, AC.07
	2 Unlikely					
	1 Rare					

Ref	Risk Description	Corporate Risk
AC.01	Market viability IF: Provider services fail, THEN: we will need to manage the transfer of a number of service users in very short timescales, in an already difficult market, with limited capacity.	CRR.53
AC.02	Nursing Capacity IF: the current trends of difficulty in placing in nursing beds due to increased complexity and potentially the impact of Covid continue THEN there will be a further increase in the spend and reduction in capacity of beds available.	CRR.54
AC.03	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.	CRR.55
AC.04	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.	CRR.56
AC.05	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.06	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.07	<p>Potential adoption of Covid emergency Care Act Easements: IF Covid emergency easements are re- adopted as they were in the first Covid lockdown. THEN this will impact on Council by ceasing Care Act assessments, ceasing the duty to meet the needs of people who would normally be assessed as eligible for care and support. Ceasing the delivery of a range of commissioned care services.</p>	
AC.08	<p>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</p>	
AC.09	<p>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</p>	
AC.10	<p>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</p>	
AC.11	<p>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</p>	
AC.12	<p>Integrated Sexual Health Service IF the challenge about the the appointment of the new provider - Solutions for Health - as a non NHS provider and new to sexual health services continues THEN it has a potential to discredit the service and cause poor press which is a risk service performance.</p>	
AC.13	<p>NHS Health checks IF performance concerns and concerns about targeting invites 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. This risk has been increased because provider is delivering less health checks than previously and appears unable at this point to rectify the position.</p>	
AC.14	<p>Talk Community IF Talk Community is not successful in managing the demands of formal services in the County THEN there will be a huge impact on financial pressure from all services.</p>	
AC.15	<p>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 within the sector selling as a care home could be very problematic and therefore bed capacity could reduce over the coming years.</p>	
AC.16	<p>Talk Community and Covid IF there is a second wave of Covid lockdown THEN operational work on Talk Community will focus on community response which may impact on operational delivery.</p>	
AC.17	<p>Demographic & Financial Pressures IF: financial and demographic pressures continue to rise and are not managed THEN: the council would be unable to meet it's statutory obligations in meeting needs, safeguarding and maximising independence for residents</p>	

AC.18	<p>Market Capacity IF: providers withdraw or fail due to increased costs, reduced packages due to reablement Discharge to Assess and a reduction of self funders in particular for Care Homes THEN: package costs are likely to increase for our clients and there will be further pressure on capacity in the market and potential impact on hospital discharges.</p>	
AC.19	<p>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.</p>	
AC.20	<p>Rising cost of buprenorphine IF the cost of buprenorphine continues to rise THEN this will impact on Addaction's prescribing budget.</p>	
AC.21	<p>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.</p>	
AC.22	<p>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</p>	
AC.23	<p>The Integrated Sexual Health Service The service has identified additional costs were incurred in mobilising the service and have requested additional funding and/or access to available business grants.</p>	

Children & Families Risk Register – September 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain				CF.02, CF.04, CF.05	
	4 Likely				CF.03	CF.01
	3 Possible			CF.10	CF.07, CF.08, CF.09	CF.06
	2 Unlikely					
	1 Rare					

Ref	Risk Description	Corporate Risk
CF.01	<p>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</p>	CRR.03
CF.02	<p>Human Rights claims IF: a result of high court decisions regarding children's social care cases THEN: Herefordshire council may face Human Rights claims.</p>	CRR.04
CF.03	<p>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</p>	CRR.50
CF.04	<p>Foster Carers IF/AS: The council is unable to recruit and retain sufficient foster carers THEN: the council will rely increasingly on agency foster carers and also potentially use more residential placements. This may lead to children being placed far away outside of Herefordshire and at increased cost</p>	CRR.51
CF.05	<p>Court Cases IF/AS: The high profile child care case before the courts is found against the council. THEN: This will lead to a reputational risk and a potential fine from the courts</p>	CRR.52
CF.06	<p>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</p>	
CF.07	<p>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</p>	

CF.08	<p>Ofsted Readiness IF/AS: Preparations are not made for Ofsted focused visit or Joint Targeted 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</p>	
CF.09	<p>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</p>	
CF.10	<p>Mosaic functionality IF/AS: We are unable to work with providers to resolve the MOSAIC group function; THEN: The MOSAIC system will continue to be unwieldy for recording information across sibling / household groups and this will impact upon the quality of our data and reported performance</p>	

Economy & Place Risk Register – September 2020

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain				EP.01, EP.04	
	4 Likely				EP.05, EP.06	EP.02, EP.03
	3 Possible			EP.08, EP.09, EP.10, EP.11, EP.14, EP.17, EP.18, EP.20, EP.21	EP.12, EP.13, EP.15, EP.19, EP.22	EP.07, EP.16, EP.23, EP.24
	2 Unlikely					
	1 Rare					

Ref	Risk Description	Corporate Risk
EP.01	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.31
EP.02	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.33
EP.03	Parking Income AS the government have announced that income loss from car parking is to only be covered by 75% if this is 5% of total planned income. THEN, subject to the further detail of this funding being confirmed, the council could have a loss of planned parking income between £400K (best case) and £1.5m (worse case)	CRR.46
EP.04	Hereford Transport Package IF: decision taken to pause or review this transport project THEN: there will be a cost implication and current funding opportunities could be lost	CRR.47
EP.05	Hereford City Centre Transport Package IF: 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.	CRR.48
EP.06	Hereford City Centre Transport Package IF: Statutory land payments associated with the CLR element of the HCCTP are not approved for payment until the budget and forecast review is completed THEN: There is a risk that the matter will be taken to the Upper Land Tribunal and additional costs would be incurred.	CRR.49
EP.07	Offering unproven advice IF incorrect advice is/was given which leads to LABC approval THEN unsafe/ineffective materials/practices may be adopted which could leave the council open to recompense and cause reputational damage.	
EP.08	Legal Capacity IF: Unable to complete legal agreements/documents/ transactions as Legal Services do not have capacity THEN: the council may be exposed to liabilities (cost & legal) and suffer reputational damage	

EP.09	<p>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.</p>	
EP.10	<p>Directorate Business Strategies IF: these are not aligned with broader property strategy THEN: there could be duplication of expenditure, and failure to realise benefits</p>	
EP.11	<p>Staff Retention in Property Services IF: Staff leave/retire THEN: Key knowledge, programme delivery and statutory compliance will be compromised</p>	
EP.12	<p>Development Regeneration Partnership IF: there is not an adequate pipeline of suitable residential development projects THEN: we will not be able to deliver the benefits through the contract</p>	
EP.13	<p>Sitting Tenant IF: An agreement cannot be reached with the tenant THEN: there may be a potential for a long delay before commencement of projects; a downturn in sales once properties are ready; pressure on the business case viability due to exposure to an increase in the cost of development; additional monies may be required should the land be contaminated.</p>	
EP.14	<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.</p>	
EP.15	<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>	
EP.16	<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.17	<p>Herefordshire fuel poverty level IF/AS: Fuel poverty levels in the county rise; the latest sub-regional statistic (2018) is above the national average. THEN: There is a public health and reputational risk that we are not addressing fuel poverty levels and moving forward incidences of excess winter deaths and costs to health, social care will rise.</p>	
EP.18	<p>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.</p>	
EP.19	<p>Transport 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.20	<p>Local flood risk management strategy IF: The implementation of the LFRMS is not fully embedded THEN: HC will not be able to manage local flood risk in a more co-ordinated way and won't be able to help individuals, communities, businesses and authorities understand and manage flood risk within the county.</p>	
EP.21	<p>Drainage Investment IF: Underlying drainage issues, that have and will lead to accelerated deterioration in the highway asset, are not addressed through the investment period, THEN: this will lead to the benefits realised as a result of the investment not being sustained: Drainage impact from Oct 19 and Feb 2020 significant, resources required for corrective measures including revenue.</p>	
EP.22	<p>Severe Weather and other Emergencies IF: Severe weather, or other major emergencies events occur (for example severe and prolonged winter periods) the need will exceed programmed operational resources. THEN: The service will need to call on corporate revenue reserves if it is to continue to meet the Council's duties as a highway authority.</p>	
EP.23	<p>Ash Dieback (Chalara) IF: An action plan is not adopted to deal with the onset of Ash Die Back within the County boundaries , THEN: the authority faces significant unplanned financial burden linked to removal of a significant percentage of tree stock and an increased liability linked to personal injury and third party damage claims.</p>	
EP.24	<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>	

Corporate Service Risk Register – September 2020

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

Ref	Risk Description	Corporate Risk
CS.01	<p>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.</p>	CRR.09
CS.02	<p>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.</p>	CRR.39
CS.03	<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>	CRR.45
CS.04	<p>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.</p>	
CS.05	<p>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.</p>	

CS.06	<p>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.</p>	
CS.07	<p>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. Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should.</p>	
CS.08	<p>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 breeches 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.</p>	
CS.09	<p>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.</p>	
CS.10	<p>Loss of internet connection IF there is a loss of the internet connection through a fault in the wider area network, due to third party or withdraw the network due to cyber-attack THEN there could be interruptions in the delivery of council services.</p>	
CS.11	<p>IT skills and culture IF the workforce do not have the IT skills or the willingness to make the most of technologies THEN the council is not making the most of the tools available to create efficient services or progress service delivery</p>	
CS.12	<p>IT development IF the council does not invest in digital solutions working across the organisation THEN opportunities for better customer engagement, communications and efficient services delivery will be effected and the council will fall behind on what residents and businesses want and what other council can provide. To always be based on should business cases and value for money with return on investment.</p>	
CS.13	<p>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</p>	
CS.14	<p>Risk of Challenge (Procurement) If staff do not comply with the Contract Procedure Rules and Public Contract Regulations (2015) Then there could be a challenge to the contract award process which could result in a failure to uphold the law, reputational damage and impact</p>	

CS.15	Contract Management If staff do not manage contracts effectively Then suppliers might not delivery outcomes, money might be wasted, and relationships could break down (reputational risk on service delivery).	
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			Environ-ment	Comm-unity	Economy		Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score	Likelihood	Impact	Score	Trend	
		Messages not understood due to unclear messaging and different counties/welsh border.				May-20														
		inaccessible communications not reaching audience				Jun-20														
CV8	Risk to delivery of Strategic Objectives		x	x	x	Apr-20	4	5	20	4	5	20	4	5	20	4	5	20		
		non compliance by members of public				Apr-20														
		Transformational projects stalling due to inability to build/develop/transform services				May-20														
		HE ability/pressures				Jun-20														
		lockdowns and furtehr restrictions				Sep-20														
CV9	Risk of non compliance with advice/guidance by general public			x		Jun-20	5	5	25	4	5	20	5	5	25	5	5	25		
		Pressure on council enforcement resources				Jun-20														
		Not securing court orders				Aug-20														
		Increase in infection rates				Sep-20														
CV10	Risk of larger outbreaks leading to wider lockdown			x	x	Jun-20	3	5	15	3	5	15	5	5	25	5	5	25		
		LA not have powers for wider lockdown				Jun-20														
		Community tensions rising				Jun-20														
		Local authority and local system capacity being overwhelmed if multiple large outbreaks occur simultaneously				Jul-20														
		increase in infection rate				Sep-20														
		scholl reopening				Sep-20														
CV11	Missed education for herefordshire learners			x	x	Jun-20	5	5	25	4	5	20	4	5	20	4	5	20		
		Impact of lack of learning /virtual learning capability				Jun-20														
		Parental and school tensions				Jun-20														
		Non-attendance for september return				Aug-20														
		schools returned and preparing for virtual learning				Sep-20														
		ability to catch up on missed education				Sep-20														
CV12	Lack of digital inclusion /IT				x	Jun-20	4	3	12	4	3	12	3	4	12	3	4	12		
		Superfast broadband not accesible to all				Jun-20														
		digital inclusion - feeling more excluded				Jun-20														
		Cyber security risk increasing given increase of matter online				Jun-20														



Meeting:	Audit and governance committee
Meeting date:	Tuesday 17 November 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.

Environmental impact

- 6 Whilst this is an update on the work programme and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

- 7 This report does not impact on this area.

Financial implications

- 8 There are no financial implications.

Legal implications

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

Risk management

- 10 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

- 11 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		
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 there are 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		Work programme Risk Register		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
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, cabliffott guardian and equality and compliance manager reviews)	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.								Arrangements for dealing with code of conduct complaints
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	Remuneration of independent persons Recruitment done on an ad hoc basis and not scheduled for 2020/21	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.	Annual Code of Conduct Report								
g	To grant dispensations under Section 33 (2)(b)(i) 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		

