

Agenda

Audit and governance committee

Date: **Tuesday 4 May 2021**

Time: **10.15 am**

Place: **Venue tbc**

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

For any further information please contact:

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Agenda for the meeting of the Audit and governance committee

Membership

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

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

Agenda

THE PUBLIC RIGHTS TO INFORMATION AND ATTENDANCE AT MEETINGS

THE NOLAN PRINCIPLES

1. APOLOGIES FOR ABSENCE

To receive apologies for absence.

2. DECLARATIONS OF INTEREST

To receive details any details of members nominated to attend the meeting in place of a member of the committee.

3. DECLARATIONS OF INTEREST

To receive declarations of interests in respect of Schedule 1, Schedule 2 or Other Interests from members of the committee in respect of items on the agenda.

4. MINUTES

To approve and sign the minutes of the meeting held on 16 March 2021.

HOW TO SUBMIT QUESTIONS

Deadline for receipt of questions is 5.00 pm on 27 April 2021 (3 clear working days from date of meeting).

Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.

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>

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

To receive questions from members of the public.

6. QUESTIONS FROM COUNCILLORS

To receive any questions from councillors.

7. CORPORATE RISK REGISTER

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

8. UPDATE ON INTERNAL AUDIT RECOMMENDATIONS

To review the progress of audit recommendations implementation.

9. RE-THINKING GOVERNANCE WORKING GROUP

To request a deferral of the recommendations from the re-thinking governance working group on changes to the constitution until later in the year.

10. WORK PROGRAMME UPDATE

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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 on Tuesday 16 March 2021 at 10.15 am

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

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

Officers: Acting Deputy Chief Executive, Acting Deputy Chief Executive (S151) and Interim Head of Legal Services, Head of Corporate Performance, Assistant Director, All Ages Commissioning

48 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Bob Matthews.

49 NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

50 DECLARATIONS OF INTEREST

There were no declarations of interest.

51 MINUTES

RESOLVED:

That the minutes of the meeting held on 26 January 2021 be confirmed as a correct record and signed by the chairman.

52 QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions from members of the public.

53 QUESTIONS FROM COUNCILLORS

There were no questions from councillors.

54 CORPORATE RISK REGISTER

The head of corporate performance presented the report, the details of which are outlined in the agenda pack.

The committee discussed the report and the following points were raised.

1. The new risk management framework still needed to be embedded and training rolled out to heads of service and service managers. It will take further time to embed and for the treatment of risks to become consistent across the council.

2. There will always be red risks but the framework had been written so that the immediate risks will “bubble” to the top. The real test will be how dynamic the risk registers are. South West Audit Partnership (SWAP) confirmed the risk register for Herefordshire is probably very similar to other councils.
3. There should be changes in the longstanding risks once the framework has been further embedded and mitigation actions are taken.
4. There would be some risks which are inherently red as they could not be mitigated for or control actions put in place.
5. The committee requested that wording in connection with risks [EP19 and EP23] on the economy and place directorate risk register be reviewed to better reflect the risk.
6. It was noted that the escalation and de-escalation was working
7. The issue of aggregation of risk was raised, This was specifically around when a number of similar risks either across directorates or in directorates could be combined in order to become one risk on the corporate risk register. It was explained that the corporate centre would consider the key elements and the committee would be interested to see how this develops.
8. It was requested that when changes were made to the risk registers that they were highlighted in the commentary.

The assistant director, all ages commissioning, was present and provided an update on the following adults and wellbeing risks:

1. Continuing Health Care Funding (CHC) - Work had been undertaken with the Clinical Commissioning Group (CCG) and NHS partners in connection with CHC funding. Two cases which had previously been deemed not to meet the CHC funding criteria had now been successful. This was good news for the individuals concerned, together with the council. Work would continue to review previous requests for CHC funding using a third party who was an ex-CHC assessor. This should lead to the identity of further individuals who are entitled to the CHC funding. It was anticipated that in the longer term, the council may be able to offer a service for self-funders. It was confirmed that the council did offer a brokerage service for self funders.
2. TalkCommunity – the benefits of TalkCommunity were noted. There were currently 18 TalkCommunity Hubs with plans for up to 50. TalkCommunity had been the bedrock of the council’s Covid-19 response. TalkCommunity was reliant on volunteers so there was a risk to the council. However the mitigation was the recruitment of further volunteers. The ethos was community support and the evidence base showed that Herefordshire had a good community support across all communities.
3. Integrated Care System (ICS) – it was noted that the adults and wellbeing scrutiny committee were due to receive a paper on the ICS at its meeting scheduled for 24 March. All members were encouraged to read the report and appendices as it outlined the nature of the White Paper, the opportunities and risks for Herefordshire. There would be a transition ICS from April 2022 with a formal body in place from April 2023 which would be a system-wide approach to social care

RESOLVED that

- a. That the wording for EP19 [planning applications validating and registering in time] and EP23 [planning applications at committee against officer recommendation] be reworded to appropriately reflect the risks.
- b. That consideration be given to the inclusion of a risk in connection with the River Lugg position statement which may mean that there is a potential impact of disproportionate housing allocation in certain parts of the county.
- c. Consider how corporate centre will look at the aggregation of similar risks in or across directorates.
- d. Changes in the risk registers to be highlighted to aid the committee in identifying when changes have been made.

55 PROGRESS REPORT ON 2020/21 INTERNAL AUDIT PLAN

SWAP presented the report, the details of which are outlined in the agenda pack.

In discussion of the item, the following points were noted:

1. A copy of the strategic partnerships internal audit was requested.
2. That the Brexit preparedness audit had taken place in December and it had been decided that there was no need for a separate risk register and the risks would now be inserted into the relevant risk registers.
3. It was also anticipated that the Covid-19 risk register would be also be absorbed into the relevant risk registers as there was a move to business as usual.
4. With regard to the strategic partnerships framework, there was a query over whether the committee should have more oversight. It was further noted that the need to review the partnership framework in July 2019 had been identified and work would now commence which would include who should have oversight (audit and governance committee, a councillor or another committee).
5. With regard to the commercial property / rents audit, it had already been flagged that there was a need for improvement which was underway and would be concluded within the financial year. This was linked to how the council collected rents. It was stated that it had been a difficult financial year and there had been an increase in the level of arrears. Further work was required in connection with the provision for doubtful and aged debtor reports to be more robust. The year end outturn position would contain a clear statement around this year. The council only wrote off debts in exceptional circumstances and did work with organisations and / or individuals.

RESOLVED that

- (a) performance against the approved plan was reviewed; and
- (b) there was consideration of the assurances provided.

56 INTERNAL AUDIT 1ST QUARTER PLAN 2021-22 AND INTERNAL AUDIT CHARTER

SWAP presented the report, the details of which are outlined in the agenda pack.

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

- There had been an impact on the plan and officers.

- Changes had been made due to Covid-19 but internal audit would be able to provide assurance.
- There will be continuing grant funding audit work and a request for the council to carry out different duties.
- It was anticipated that with a quarterly audit plan, changes would continue to be reported to the committee.
- The annual plan did give an overview of the coverage and level of assurance which would be provided through the year. It was also reported that an annual plan would be produced which would act as a back stop.
- SWAP agreed that a forward plan of internal audits over the financial year would be appended to the quarterly reports.
- It was confirmed that the climate change task and finish group recommendations would form part of the background work in connection with the climate change audit.

RESOLVED that

- (a) the proposed 1st quarter internal audit plan 2021 was reviewed; and**
- (b) the internal audit charter be approved.**

57 RE-THINKING GOVERNANCE WORKING GROUP PROGRESS UPDATE

The democratic services manager presented the report, the details of which are outlined in the agenda pack.

During the committee's discussion of the item, the following points were raised:

- Engagement with parish councils had been discussed but they were a separate legal entity. The constitution structure would need to ensure that the role of parish councils was enhanced and not inhibited.
- There will be constitutional and operational changes.

Councillor Yolande Watson left the meeting at 1227 hrs.

RESOLVED THAT

The re-thinking governance working group further consider parish councils and the role that they play.

58 LOCAL GOVERNMENT ASSOCIATION (LGA) MODEL CODE OF CONDUCT

The monitoring officer presented the report, the details of which are outlined in the agenda pack

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

- Under the proposed changes, there would be a requirement to declare membership of the council's outside bodies.

- The wording with regard to following the advice of the chief executive, chief executive and monitoring officer was considered prescriptive and it was suggested that “taking due notice of the advice” may be more appropriate.
- With regard to access to information and confidentiality, this was far reaching and if there was a public interest test this should be outlined in the document.
- There was a specific code for members of the public engaging with the council. There would need to be clarity as to whether the code of conduct applied to non statutory co-optees, members of task and finish groups or of a protocol would need to be developed.
- It was noted that there may be difficulty for members with regard to the bias and pre-determination section. There was case law developing in this area and it was a growing trend with other councils. Bias was a legally defined term but the monitoring officer may be able to look at the wording. It was a matter of when a council decision was being taken, that members had listened, participated and voted with an open mind. If members could not do this with an open mind, then they should not participate. The committee suggested that training on this issue would be appreciated.

RESOLVED that

- a) **The committee reviewed the LGA model code of conduct;**
- b) **Agreed in principal the proposed changes to the Herefordshire Council Code;**
- c) **Agreed to consult with all members of this council, together with all parish and town councils about the proposed changes.**

59 COMMITTEE EFFECTIVENESS REVIEW WORKING GROUP

The chairperson introduced the report.

It was noted that members of the committee were consulted on 8 January 2021.

It was noted that under the CIPRA guidance, oversight of the treasury management function should be a function of the audit and governance committee. Currently full Council review the strategy and there is annual training for all members so that they have a good understanding of treasury management. It is a decision of Council as to where treasury management sits. This issue would be considered by the re-thinking governance working group.

It was further noted that when trying encouraging people to stand as councillors, then an indication of the number of training days should be highlighted.

SWAP offered to ascertain what feedback other council obtained with regard to the effectiveness of their committees.

RESOLVED that:

- a) **The committee commented on the effectiveness review carried out by the working group; and**
- b) **The re-thinking governance consider the outcome of the effectiveness review as part of their work in connection with the enhanced hybrid cabinet model.**

60 WORK PROGRAMME UPDATE

The committee’s updated work programme was presented.

RESOLVED That the work programme be agreed.

61 2021/22 MEETING DATES

The 2021/22 committee meeting dates were agreed.

The meeting ended at 1.27 pm

Chairperson

COMPLETED ACTIONS WILL BE MOVED TO THE 'REPORTED COMPLETE' TAB ONCE THEY HAVE BEEN							
Action Number	Meeting Date	Action	Owner	Directorate	Progress Update	Due date	Reported complete
74	17 November 2020	The chief finance officer and monitoring officer consider that the Hereford city centre transport governance review undertaken by internal audit be circulated to the committee.	Solicitor to the Council	Corporate Support Centre	Matter still under consideration by solicitor to the council.	01 June 2021	
80	26 January 2021	The flowchart in the strategy be amended to include a lessons learnt feedback to management.	Counter Fraud Specialist	Corporate Support Centre	Revised strategy due to be presented to committee at its June 2021 meeting	30 June 2021	
81	26 January 2021	Within the strategy where there are references to other pages, policies or documents include the relevant links to the relevant webpage or website.	Counter Fraud Specialist	Corporate Support Centre	Revised strategy due to be presented to committee at its June 2021 meeting	30 June 2021	
82	26 January 2021	The role of the committee in connection with the strategy and the action plan be clarified.	Counter Fraud Specialist	Corporate Support Centre	Revised strategy due to be presented to committee at its June 2021 meeting	30 June 2021	
83	26 January 2021	Quarterly updates to the committee be considered.	Counter Fraud Specialist	Corporate Support Centre	Updates will be provided via the internal audit progress updates.	30 June 2021	
84	26 January 2021	Clarification to be provided as to who should be sign the strategy	Counter Fraud Specialist	Corporate Support Centre	Revised strategy due to be presented to committee at its June 2021 meeting	30 June 2021	
85	26 January 2021	Change the statement on page 123 of the agenda pack to the council was attempting to be fully compliant with the relevant legislation.	Counter Fraud Specialist	Corporate Support Centre	Revised strategy due to be presented to committee at its June 2021 meeting	30 June 2021	
86	26 January 2021	The strategy come back to the committee for approval when it has been amended	Counter Fraud Specialist	Corporate Support Centre	Revised strategy due to be presented to committee at its June 2021 meeting	30 June 2021	
87	26 January 2021	Further work be undertaken to provide clarity when the council needed technical assistance in developing a tender and whether or not the organisation who had assisted could or could not bid on the work being tendered.	Head of corporate services	Corporate Support Centre	Work in progress	01 June 2021	
89	16 March 2021	That the wording for EP19 [planning applications validating and registering in time] and EP23 [planning	Head of corporate performance	Corporate Support Centre	Will be included in next report to committee	04 May 2021	
90	16 March 2021	That consideration be given to the inclusion of a risk in connection with the River Lugg position statement which may mean that there is a potential impact of disproportionate housing allocation in certain parts of the county.	Head of corporate performance	Corporate Support Centre	In progress	01 June 2021	
91	16 March 2021	Consider how corporate centre will look at the aggregation of similar risks in or across directorates.	Head of corporate performance	Corporate Support Centre	In progress	01 June 2021	
92	16 March 2021	Changes in the risk registers to be highlighted to aid the committee in identifying when changes have been made.	Head of corporate performance	Corporate Support Centre	Will be included in next report to committee	04 May 2021	
93	16 March 2021	Copy of the significant partnerships internal audit be circulated to the committee	Monitoring officer	Corporate Support Centre	In progress	04 May 2021	



Title of report: Corporate Risk Register

Meeting: Audit and governance committee

Meeting date: Tuesday 4 May 2021

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:

The committee determine any recommendations it wishes to ensure effective risk management

Alternative options

1. The committee could choose not to review the Corporate Risk Register. 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 council's Performance Management Framework (PMF) and associated Risk Management Plan, it is the committee's role to ensure that risk management is effectively managed and in line with the processes set out in the PMF.
3. Risks are identified and scored based on the likelihood and impact, using the methodology within the Risk Management Plan (RMP). Risks are reported and escalated

based on their residual, or current score. The council's Corporate Risk Register holds the highest risks across the organisation; the table below provides a summary of risks based on their scores, the associated monitoring required and the action necessary.

	Green	Yellow	Amber	Red
	Low	Medium	High	Extreme
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 Risk Register will also appear on their relevant Directorate and Service Risk Registers

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

Corporate Risk Register

- The heat map below shows the current risks on the councils Corporate Risk Register as at the end of March 2021. References and the full details of the risks can be found at appendix a.

		IMPACT			
		4		5	
LIKELIHOOD	5	CRR.04 -- CRR.52 --		CRR.39 --	
	4	CRR.50 -- CRR.51 -- CRR.58 --		CRR.03 --	
		Directorate RR (9 - 15) CRR.57 ↓D	Service RR (5 - 8)	Service RR (1 - 4)	Closed

-- No Change
E Escalated
D De-escalated

★ New in quarter
↑ Residual Risk Increased
↓ Residual Risk Decreased

- Since the last report to committee (January 2021 risk registers), one risk has reduced and therefore been removed from the Corporate Risk Register. This risk is in relation to CRR.57, COVID impact on Public Health work. This is reduced in likelihood as a result

of the improving position with COVID-19 locally since the last report to committee, as well as the updated Local Outbreak Management Plan and financial commitments for some dedicated staff for the coming year. The risks will continue to be monitored at a Directorate Risk Register level.

7. The table below provides a breakdown of the current corporate risks by directorate, as well as the number of risks currently being managed at directorate level.

	Corporate Risks	Directorate Risks*
Adults & Communities	0	11
Children & Families	5	11
Economy & Place	0	23
Corporate Support	2	24
Total	7	69

* includes corporate risks

8. Directorate risk registers can be found at appendix b – e. A summary of changes across directorate risk registers is found in the table below.

	Adults & Communities	Children & Families	Economy & Place	Corporate Centre
New risk	2	1	0	
Closed risk	1		1	
Escalated	1*		2*	
De-escalated from DRR.			10	2
Increased score				
Reduced score			1	1
No change	8	10	20	23

* Some risks have both increased in residual score and escalated to the Directorate Risk Register; in this instance, the table above only counts these risks in the escalation row.

9. It is now around 8 months since the Risk Management Plan was introduced and there have been some significant movements in the risks recorded at service, directorate and corporate level. Further work continues to be required to further embed a healthy approach risk across the council.
10. Since the last report to committee training has been developed in conjunction with the council's insurer, Zurich Insurance Ltd. Sessions targeted at the council's Leadership Group will focus on the council's risk processes, paying particular attention to identifying and articulating the right risks.
11. Over the summer months, the RMP will be refreshed, in order to strengthen the risk framework. The bullet points below will be included within the review, as well as other

relevant issues identified as part of an review of the current risk registers (due in May & June);

- establishing a clear process for horizontal and vertical aggregation of risks; such as budget pressures
- clarity on the mechanisms to escalate project/programme risk and how it can escalate to service/directorate or corporate risk registers

12. The high level timetable below is indicative of the work planned to complete the review of the Risk Management Plan.

	May	June	July	Aug	Sept
SWAP Maturity Assessment					
Risk Leads briefings					
Consulting with AGC					
Annual review of risk registers*					
Drafting					
Sign off of RMP by Solicitor to the Council					

* to include review of comparator authorities, authorities identified as risk mature through SWAP and review against the national risk register.

COVID-19 Risk Register

13. A separate COVID-19 risk register continues to be held in order 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 to 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.

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

14. The heat map below shows the current risk ratings of risks held on the COVID-19 risk register. Movement on this register is noted using a similar approach to the corporate risk register above. Reference numbers and details on the risks can be found at appendix F.

		Impact				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Significant
Likelihood	5 Certain					CV4 -- CV11 --
	4 Likely					CV3 -- CV8 ↓
	3 Possible				CV12 -- CV13 --	CV9 -- CV10 --
	2 Unlikely			CV1 -- CV6 -- CV7 --	CV2 --	
	1 Rare					

15. As shown above, since last reported to committee, there has been limited change in the current position of the risks associated with COVID-19. The risk in relation to the impact on the council’s strategic objectives has reduced, as the focus starts to move to recovery, however the risk remains significant and is still scored as 16, or extreme.

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 risk management is an important component of this performance management system

Environmental Impact

17. 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

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.

16. There are no equality duties implications arising from this report.

Resource implications

17. 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

18. None identified in this report.

Risk management

19. There are no direct risks as a result of this report. By reviewing the corporate risk register on a regular basis, greater assurance is given that the council manages its risk effectively.

Consultees

20. None

Appendices

Appendix A	Corporate Risk Register
Appendix B	Adults & Communities Risk Register
Appendix C	Children & Families Risk Register
Appendix D	Corporate Centre Risk Register
Appendix E	Economy & Place Risk Register
Appendix F	COVID-19 Risk Register

Background papers

None identified

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Risk Owner
CRR.03	<p>Budget and Savings Plans - Children & Families</p> <p>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 directorate will be able to cover</p>	Apr-17	25 (5x5)	Budget is reviewed monthly DLT/SMT/Management Board and then informing Cabinet. Legal Planning Meetings (LPMs) which take place weekly are chaired by Case Progression Officers with a relevant HoS in attendance to review cases that may be considered to be moving towards becoming looked after. ECHO (Edge of Care) Service staffed and launched May 2020. Early Help Hub was launched in Sept 2020 to provide information, advice and guidance and direct work with families, coordinating the early help approach with partners and families	20 (4x5)	Further mitigation required	Monitor ongoing effectiveness of ECHO work; so far indicates success in reunification for children and also providing support to prevent the need for children to come into care. However, the spend is still forecast to exceed the budget for this financial year	Director Children & Families
CRR.04	<p>Human Rights claims</p> <p>IF: a result of high court decisions regarding children's social care cases in respect of historical practice THEN: Herefordshire council may face Human Rights claims.</p>	Dec-16	20 (5x4)	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	20 (5x4)	Further mitigation required	Children's services and legal services continue to 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.39	<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>	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.50	<p>School Assets IF/AS: deteriorating condition of school estate with Insufficient budget to maintain school assets proactively THEN: There may be an increase in costs due to unplanned significant spend</p>	Apr-17	25 (5x5)	Education assets condition surveys have been completed and the school capital investment strategy and the 2 year maintenance programme has been approved by cabinet; a contingency budget has been set aside for any unplanned spend and should this be exceeded programme reprioritisation will take place. The planned programme has a minor risk which is that there may be early slippage due to delays in procurement - this is being resolved at Capital Board level.	16 (4x4)	Further mitigation required	This risk is in relation to the condition of premises and the team are progressing the maintenance programme with minimal impact by COVID.	AD Education Development and Skills
CRR.51	<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>	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. A recent review of the sufficiency strategy and the annual fostering report indicates we have not been successful in meeting recruitment targets. A working group was established to consider a different approach to recruiting fosterer carers through commissioning external marketing company as per Devon and Warwickshire model. Changes have been made to the payment of existing council foster carers who will support children that move from residential placements	16 (4x4)	Further mitigation required	Monthly meetings have been established to review cases of those children identified to step down from residential to foster care. We are going out to tender for a company to support us with foster care recruitment for 2021/22	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. There has been the instruction of a QC to represent the LA alongside junior counsel. In addition to this, Wolverhampton City Council has been instructed to have conduct of the legal proceedings in order to ensure there is no conflict of interest between the legal department having conduct of the case currently and the legal department having given legal advice historically on the same matter.	Assistant Director Quality and Improvement
CRR.58	Covid impact on population health If due to Covid, people's health got worse, then we will increase inequalities and have a negative effect on the whole system.	Sep-20	20 (5x4)	Reduce the impact of Covid directly (eg stop smok	16 (4x4)	Further Mitigation Required	In progress to look at increase funding to address the need for additional services/activity. Understand if this can be done with current resources.	Director of Public Health

Risks De-escalated from the Corporate Risk Register

CRR.57 27	Covid impact on other Public Health work If Covid Health Protection response continues or increases, then this may impact on other PH work as there is a limit to how much can be run in parallel (BAU),	Jan-21	16 (4x4)	Outbreak control continues with covid focused staff employed on short term contracts. Local Outbreak Management Plan updated looking ahead for the year. COMF grants confirmed enabling recruitment of dedicated staff for a year.	12 (3x4)	Further Mitigation Required	Strategic planning for PH BAU 2021/2022. Mutli-skill roles in COVID response. Options to increase response capacity to be agreed ahead of any autumn rise in cases with relevant closely-linked colleagues.	Director of Public Health
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Adults & Communities Directorate Risk Register

March 2021

		Impact			
		2	3	4	5
Likelihood	5				
	4	N/A			
	3	N/A	AC.07 -- AC.08 ★ AC.09 -- AC.10 -- AC.11 ↑E	AC.01 -- AC.02 -- AC.03 ★ AC.04 --	
	2	N/A	N/A	N/A	AC.05 -- AC.06 --

Reference	Description	Corporate Risk
AC.01	Conclusion of NHS funding for discharge to assess. WHEN The current NHS funding of discharge to assess model to manage hospital discharges during the Covid 19 outbreak concludes on 31 March 2021. THEN without sufficient capacity and appropriate funding of pathway resources for example, bedded care that can be accessed in a timely way; responsive and safe discharge outcomes for patients may not be achieved.	
AC.02	Talk Community IF Talk Community is not adopted by internal and external partners to address the population health, inequalities and well-being agenda THEN the support to the residents of Herefordshire could be less effective and impactful and the Talk Community strategy will not be implemented.	
AC.03	Staffing and Recruitment for Occupational Therapy OT recruitment is on the national shortage list. H'shire has a number of OT vacancies. IF the current vacancies are not filled THEN this could impact on service delivery and staff health and well being	
AC.04	Talk Community IF the facilitation and coordination of the voluntary and community sector isn't developed THEN the growth in the sector will be disparate and gaps in support will increase.	

AC.05	<p>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.</p>	
AC.06	<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.07	<p>Talk Community IF the development and growth of the volunteer base across the county doesn't increase within all demographics THEN the opportunity to develop support through volunteers will reduce and impact on areas of future delivery.</p>	
AC.08	<p>Talk Community IF the voluntary and community sector have reduced funding or funding ceases to organisations THEN the organisations and support will reduce across the county which will impact on supporting vulnerable people.</p>	
AC.09	<p>Demographic & Financial Pressures IF: financial and demographic pressures continue to rise and are not managed THEN: the council would be unable to meet its statutory obligations in meeting needs, safeguarding and maximising independence for residents</p>	
AC.10	<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. A similar approach was required in Winter 2020-21 under the Government's 'Protect Plus' Programme. Herefordshire Council have housed around 100 people under these arrangements and over 50 remain accommodated in late January. 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.11	Housing Benefit Decision Making; The recent pattern of decisions around housing benefits claims for supported housing raises continuing risk that commissioning budgets will need to carry higher levels of cost for services than in the past. Continuing concerns and formal representations from supported housing providers indicates risk of more services being withdrawn or providers not competing to provide them.	
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Children & Families Directorate Risk Register March 2021

		Impact			
		2	3	4	5
Likelihood	5			CF.02 -- CF.03 --	
	4	N/A	CF.11 ★	CF.04 -- CF.05 --	CF.01 --
	3	N/A	CF.08 -- CF.09 -- CF.10 --	CF.06 -- CF.07 --	
	2	N/A	N/A	N/A	

Reference	Description	Corporate Risk
CF.01	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 directorate will be able to cover	Yes (CRR.03)
CF.02	Human Rights claims IF: a result of high court decisions regarding children's social care cases in respect of historical practice THEN: Herefordshire council may face Human Rights claims.	Yes (CRR.04)
CF.03	Court cases IF/AS: The high profile child care case before the courts is found against the council. THEN: There may be exposure to financial risk in respect of compensation payable for HRA claims.	Yes (CRR.52)
CF.04	School Assets IF/AS: deteriorating condition of school estate with Insufficient budget to maintain school assets proactively THEN: There may be an increase in costs due to unplanned significant spend	Yes (CRR.50)
CF.05	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	Yes (CRR.51)

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>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.08	<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.09	<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.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>	
CF.11	<p>Special School demand IF/AS: Demand continues for special school places, we are not be able to place locally and we might run out of independent and non-maintained places within daily travel. THEN There is a risk to the High Needs budget which in turn carries a reputational risk, there is a risk of legal challenge as we will not be able to meet need and children might unnecessarily placed residentially disrupting family life</p>	

Corporate Centre Directorate Risk Register March 2021

		Impact				
		2	3	4	5	
Likelihood	5	CS.14 --			CS.01 --	
	4	N/A	CS.04 --	CS.02 --		
	3	N/A	CS.17 -- CS.18 -- CS.19 -- CS.20 -- CS.21 --	CS.22 -- CS.23 -- CS.24 --	CS.05 ↓D CS.06 -- CS.07 -- CS.08 -- CS.09 --	CS.10 -- CS.11 -- CS.12 -- CS.13 --
	2	N/A	N/A	N/A	CS.15 -- CS.16 --	

Reference	Description	Corporate Risk
CS.01	<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>	Yes (CRR.39)
CS.02	<p>Covid impact on population health If due to Covid, people's health got worse, then we will increase inequalities and have a negative effect on the whole system.</p>	Yes (CRR.58)
CS.03	<p>Hoople Ltd : IF: non-compliance with GDPR :THEN Risk of challenge from ICO and financial risk for Council</p>	
CS.04	<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.05	<p>Covid impact on other Public Health work</p>	

	If Covid Health Protection response continues or increases, then this may impact on other PH work as there is a limit to how much can be run in parallel (BAU)	
CS.06	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.	
CS.07	Health & Safety IF: Herefordshire Council doesn't comply with Health and Safety legislation THEN: there is an increased risk of: employees injured through work activity; council prosecuted by HSE for breaches of legislation; increased insurance claims and insurance premiums; member of public, contractor or employee killed at work, possible corporate manslaughter, loss of reputation and financial costs to the council; sickness rates increase because of lack of compliance with good health, safety and wellbeing practice; increased employer/employee litigation through inconsistent approach to managing health and safety in the workplace; unable to defend H&S claims or disputes; and, fire damage and financial and reputational costs to the council through fire at a council owned building.	
CS.08	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	
CS.09	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.	
CS.10	NHS Health checks stopped due to pandemic If health checks are not restored following the pandemic 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.	
CS.11	Healthy Lifestyle Trainer Service Restructure If the restructure results in the reduction in health trainer capacity, then there is a risk in delivering key PH programs	
CS.12	Public Health staff capacity If PH staff capacity is not sufficient then we won't be able to deliver our objectives.	
CS.13	Risk of Challenge 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	

CS.14	<p>Dental Survey If Covid restrictions stay in place then the Biennial dental survey of 5 yr old children cannot take place.</p>	
CS.15	<p>Delay in PCC election IF: the PCC election is postponed if the local authority area is in the highest tier and told by guidance from Cabinet Office that all elections in the Highest Tier will be postponed until a suitable time THEN: there is a risk that the election will have to take place later and the other local authority areas in the West Mercia Region may have to delay their count process so as to not influence the voting in our local authority area</p>	
CS.16	<p>Substance Use Recovery Service recommissioning If safe mobilisation is not complete then there is a risk of harm to service users (planned for Jan - March 2021.)</p>	
CS.17	<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>	
CS.18	<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.19	<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.20	<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.21	<p>Fastershire delivery IF coverage and take up falls short of plans with the revised broadband strategy THEN premises will not be able to take up a service or make the most of investment in the fibre network effecting economic performance and community vitality.</p>	
CS.22	<p>Fastershire delivery IF coverage and take up falls short of plans with the revised broadband strategy THEN premises will not be able to take up a service or make the most of investment in the fibre network effecting economic performance and community vitality.</p>	
CS.23	<p>Contract Management: If staff do not manage contracts effectively Then suppliers might not deliver outcomes effectively or efficiently, which could result in relationship breakdown and risk to rigour on best value obligations (reputational risk on service delivery).</p>	

CS.24	VfM: If insufficient capacity in procurement team to support due to increasing demand and staff changes, then tender strategies and approaches may fall short of best practice and policy requirements.	
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Economy & Place Directorate Risk Register March 2021

		Impact				
		2	3	4	5	
Likelihood	5	EP.16 --	EP.01 -- EP.02 --			
	4	N/A	EP.06 --			
	3	N/A	EP.17 ↓ EP.18 -- EP.19 -- EP.20 -- EP.21 ↑E	EP.22 -- EP.23 --	EP.07 -- EP.08 -- EP.09 -- EP.10 -- EP.11 ↑E	EP.12 -- EP.13 -- EP.14 -- EP.15 --
	2	N/A	N/A	N/A		

Reference	Description	Corporate Risk
EP.01	Cost increase in providing special transport IF: there is increasing demand for special transport (SEN/LAC/PRU) THEN: there will be significant budget pressures to the transport service.	
EP.02	Covid results in significant financial and operational pressures for passenger transport services IF: the response to covid emergency results in need for emergency planning of transport operations THEN: new considerations required in relation to safety (social distancing) which will result in a massive drop in revenues affecting council budget and commercial operators viability.	
EP.03	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.04	Phosphate Pollution in Lugg Catchment IF: 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 a 'plan led' rather than a 'policy led' county.	
EP.05	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.	

EP.06	<p>BBBLP Annual Plan Delivery Covid 19 cost IF: additional cost continues to be identified due to the current covid situation (the costs are captured in the AP EW's and RR meetings) THEN: there will be delivery/financial implications for the Annual Plan *Additional funding from government is expected but the extent is not known.</p>	
EP.07	<p>Economic Resilience - Covid 19 IF: Covid 19 has and will continue to have a very significant impact on the local economy THEN: businesses will close, and unemployment will rise.</p>	
EP.08	<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.09	<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.10	<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.11	<p>Hereford City Centre Transport Package IF: The outturn cost of the CLR works and the budget estimates for the design proposals for the transport hub and public realm exceed the available budget THEN: The current proposals may not be deliverable impacting the terms of the funding agreement.</p>	
EP.12	<p>Infrastructure Projects IF: Projects are to be let through open procurement outside the public realm contract THEN: There may be delays to scheme progression or significant pressure on resources to meet the scheme delivery and management requirements.</p>	
EP.13	<p>Parking Income IF: the government continue to place national restrictions to prevent the spread of Covid 19 THEN: this reduces car park use and therefore impacts income. *Currently forecast as a £2.4 million pressure. If further restrictions are placed or extended then this pressure is increased.</p>	
EP.14	<p>Marches Renewable Energy (MarRE) project IF: Current project spend and outputs in transition areas are below profile and the financial model used for the project relies on grant monies defrayed in these areas to fund the running of the project THEN: Herefordshire Council, as lead authority and accountable body, will be responsible for the financial short fall.</p>	
EP.15	<p>Development Regeneration Partnership - Keepmoat 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.16	<p>Highway Condition IF: The maintenance of the highway network continues at the current level THEN: the condition of the network will continue to deteriorate and the cost of rectifying this deterioration will increase with adverse reputational impact.</p>	
EP.17	<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.18	<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.19	<p>Staff Retention in Property Services IF: Staff leave/retire THEN: Key knowledge, programme delivery and statutory compliance will be compromised</p>	
EP.20	<p>Infrastructure projects land acquisition IF: we are unable to acquire land to enable major infrastructure THEN: there is a risk to delivery of major infrastructure (e.g. roads/highways)</p>	
EP.21	<p>Community Asset transfers IF: we do not have an agreed process and programme of community asset transfers THEN: we continue to have a liability for assets which may be suitable for transfer</p>	
EP.22	<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.23	<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>	

Risk Reference	Risk Description	Opened	Risk score before controls (LxC)	Risk score after controls (LxC)	Residual Risk trend (6 months)	Risk Owner
CV1 43	Risk to the vulnerable people in Herefordshire (children not in education, not in social care)	Apr-20	20 (5*4)	6 (2*3)		Director Adults & Communities, Director Childrens & Families
	Ability to carry out business as usual to support vulnerable people in the community	Apr-20				
	National focus is largely on protecting the NHS, which might result in poor practices generating increased (long term) pressures on social care	Apr-20				
	Assurance that Care Home are effectivly managing the COVID risks and contamination control within their settings	Apr-20				
	Adequacy of Infection Protection control	May-20				
	Testing availability	Sep-20				
	Increase in infection rate	Sep-20				
Patchy test and trace communication and servcie	Oct-20					
CV2	Risk to our staff	Apr-20	25 (5*5)	8 (2*4)		AD People
Availability of PPE	Apr-20					
Staffing levels will make BAU, and COVID responses under pressure	Apr-20					
Risk of infection/death to frontline staff working in the community	Apr-20					
Working from home H&S and well being	Apr-20					
Risk to BAME workforce	May-20					

	Covid secure workplaces	May-20 Aug-20			
	Testing availability				
	Risk to social work practice as supervision continues to be remote	Oct-20			
	Risk of up to 20% of social care staff being unwell following covid-19 vaccine.	Nov-20			
	Long term implications of Covid and return to BAU	Feb-21			
CV3	Risk to the council's finances	Apr-20	25 (5*5)	20 (4*5)	Chief Finance Officer
	A reduction in council tax income	Apr-20			
	A reduction in business rate income	Apr-20			
	A reduction in income for other sources, such as car parking	Apr-20			
	Additional unbudgeted spend including PPE @ significant cost	Apr-20			
	Uncertainty over central government support and unavoidable costs	May-20			
44	Timing deadline for central government support	Jun-20			
CV4	Risk to the local economy	Apr-20	20 (5*4)	25 (5*5)	Director Economy & Place
	Local economy will suffer as a result of the COVID measures	Apr-20			
	Increased likelihood of businesses failing	Apr-20			
	Delays in progressing some of the key council developments which will increase the capacity to	Apr-20			
	Market failures for LA services	Jun-20			
	Impact for market towns not covered by specific grants	Jun-20			
	Increased unemployment	Jun-20			
	Ability for transport services to provide covid secure service and still be viable	Jun-20			
	Difficulty in recruiting in some areas ie agriculture	Jun-20			

	Uncertainty of pandemic on top of flooding this year	Jun-20 Sep-20			
	Local lockdowns in other areas				
CV6	Risk to the Shield, BRAVE and other vulnerable groups COVID response	Apr-20	20 (4*5)	6 (2*3)	Director Adults & Communities
45	Due to numerous lists being issued from health, there is a risk that some people are missed and not contacted	Apr-20			
	Fragile processes have been developed to support immediate resolution, which rely too heavily on individuals and single points of failure.	Apr-20			
	Sufficiency of foster care places	Jun-20			
	Availability of volunteers and shield buddies as normal duties resume	Jun-20			
	impact of public realm changes for the visually impaired	Jun-20			
	Increase in infection rates	Sep-20			
	Testing ability	Sep-20			
	Tatchy test and trace communications and service	Oct-20			
CV7	Risks to Communications and national messaging	Apr-20	9 (3*3)	6 (2*3)	AD Corporate Support
Herefordshire council might not agree with the national messaging	Apr-20				
The requirement to respond to the national governments decisions quickly poses a risk to the council	May-20				
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	Apr-20	20 (4*5)	16 (4*4)	Chief Executive
	Transformational projects stalling due to inability to build/develop/transform services	May-20	[Greyed out]		
	HE ability/pressures	Jun-20			
	Lockdowns and further restrictions	Sep-20			
CV9	Risk of non compliance with advice/guidance by general public	Jun-20	25 (5*5)	15 (3*5)	[Greyed out]
	Non compliance by members of public	Apr-20 Jun-20	[Greyed out]		
	Pressure on council enforcement resources				
	Not securing court orders	Aug-20 Sep-20			
	Increase in infection rates				
	Risk from international travel and non-compliance with quarantine requirements on return.	Apr-21	[Greyed out]		
CV10	Risk of larger outbreaks leading to wider lockdown	Jun-20	15 (3*5)	15 (3*5)	[Greyed out]
	LA not have powers for wider lockdown	Jun-20	[Greyed out]		
	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			
	School reopening	Sep-20			

		Apr-21		
	Variant of concern spread within the county			
CV11	Missed education for Herefordshire learners	Jun-20	25 (5*5)	25 (5*5)
	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	Jun-20	12 (4*3)	12 (4*3)
	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		
47	IT still within the council having an impact on delivery	Nov-20		
CV13	Risk to the Council's reputation	Nov-20	25 (5*5)	12 (3*4)
	Introduction of local rapid testing at scale places expectations on council to make this an effective, well-run service for an estimated 6-12 months. No clear national policy yet from end of June.	Nov-20		
	Development of contact tracing and compliance services at a local level will be necessary to control and mitigate infection spread. This has been of poor quality nationally, and damaging to national government.	Nov-20		
	There is already an expectation that the local authority will support the effective roll-out of vaccinations to health and care staff: likely that this will extend to the wider population in the new year.	Nov-20		



Title of report: Update on Internal Audit Recommendations

Meeting: Audit and governance committee

Meeting date: Tuesday 4 May 2021

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. Six of the ten recommendations outstanding at the time of the last report in November 2020 have yet to be completed. 71% of recommendations due between October 2020 and March 2021 are reported as complete.

Recommendation(s)

That:

- a) **The status of 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

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 any actions required, the person responsible and an agreed target implementation date.
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 November 2020 provided an update on audit recommendations. At this meeting, it was reported that there were 10 recommendations that were overdue. Updates have been sought on these remaining items. These updates identified that 3 cases have been completed and 7 remain outstanding. Further details on these recommendations can be found at appendix A.
8. Between October 2020 and March 2021, a further 42 recommendations were due for completion. The table below provides an update status for these recommendations, split by priority and directorate. Further details on the recommendations can be found in appendix B.

		A&C	C&F	E&P	Corp. Sup
Priority 1	Complete	-	-	-	-
	Incomplete	-	-	-	-

Priority 2	Complete	2	-	3	1
	Incomplete	-	-	-	4
Priority 3	Complete	2	-	17	5
	Incomplete	-	-	4	4
Total	Complete	4	-	20	6
	Incomplete	-	-	4	8

9. Of all the audit recommendations which became due for completion since the last committee, 71% have been completed. Further details on those actions with delays can also be found in appendix B.
10. In addition to recommendations due for completion before this meeting, an update is provided below giving an indication of progress being made again recommendations due in the future.

	Priority 1	Priority 2	Priority 3	Total
Complete			1	1
On track		3	2	5
Delays possible		1	2	3
Delays likely		1		1

11. Of the future recommendations, 60% of these are on track to be completed within planned timescales, or have already been completed. A further narrative on these items can be found in appendix C.

External Audit Recommendations

12. The last report to committee saw the confirmation of the completion of an outstanding recommendation made in the 2018/19 annual report.
13. Recommendations made in future reports by the external auditor will continue to be monitored in this report to committee.

Community impact

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

Environmental Impact

15. This report is based on internal audit and the response of the council to its recommendation, as such there are minimal environmental impacts.

Equality duty

9. 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.
16. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

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

Legal implications

18. There are no specific legal implications with regard to this point.

Risk management

19. There are no risks associated with the recommendations of this paper and visibility of the progress being made against audit recommendations promotes good governance. However, internal audit recommendations are raised as a result of gaps in our controls or deficiencies identified within processes reviewed, therefore incomplete and overdue items inherently increase the council's exposure to risk.

Consultees

20. None

Appendices

Appendix A	Update on overdue recommendations
Appendix B	Update on recommendations due between October 2020 and March 2021
Appendix C	Status of recommendation due after April 2021

Background papers

None

Recommendations due before 30 September 2020

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 date 31/01/21	Complete		Education and Schools System Manager
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 date 31/01/21	Complete		Education and Schools System Manager
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 date 30/09/20 Revised date 31/03/20	The interim Education and Capital Manager left the Council on the March 2020 and was replaced by the Head of Educational Development who not aware of the recommendations at the time of the follow up	In progress	Head of Educational Development.

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
			Revised date 31/09/21	audit. However, paper currently be written which will give clear guidance, including role and responsibilities, around schools maintenance. this will be available to consult on later this year		
Adults and Communities						
AWB Contract Monitoring - Quality Assurance Strategy 2018/19	1.1 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 date 31/03/21	Complete		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 date 31/10/21	Care & Home tender, T & F group to meet to draft quality standards and KPI's in readiness for contract award.	In Progress	Quality and Improvement Manager

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
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	<p>01/04/20</p> <p>Revised date 31/03/21</p>	Complete		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	<p>30/04/20</p> <p>Revised date 31/03/21</p> <p>Revised date 31/07/21</p>	<p>Local Authority commissioners and operations are working with CCG colleagues to review a number of CHC cases. This will generate a future change of approach including the dispute resolution policy.</p>	In progress	Assistant Director, All Ages Commissioning
Continuing Healthcare Funding Process	<p>We recommend that a formal written backdating protocol is developed and approved between the Council and the CCG.</p>	2	<p>30/04/20</p> <p>Revised date 31/03/21</p> <p>Revised date 31/07/21</p>	<p>Local Authority commissioners and operations are working with CCG colleagues to review a number of CHC cases. This will generate a future change of approach including the dispute resolution policy.</p>	In progress	Assistant Director, All Ages Commissioning
Healthy Lifestyle Service 2019/20	<p>1.3 We recommend that the Healthy Lifestyles and Wellbeing Information Manager ensures:</p>	3	<p>30/04/20</p> <p>Revised date 30/11/20</p>	<p>1. The service restructure/ redesign has been ongoing but timescales for completion are now early part of the</p>	In progress	Healthy Lifestyles and Wellbeing Information Manager

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
	<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. 		<p>Revised date 31/01/21</p> <p>Revised date 31/07/21</p>	<p>financial year. Roles and responsibilities within the service are under review, and the recommendation to introduce a team lead has not been taken forward as part of the Talk Community restructure.</p> <p>2. Data fields have been reviewed on DCRS; will need to be reviewed following restructure, as delivery models will be adjusted.</p>		
Healthy Lifestyle Service 2019/20	<p>We recommend that the Healthy Lifestyles and Wellbeing Information Manager confirms that procedures are reviewed to verify:</p> <ul style="list-style-type: none"> • Alignment to the current processes • Compliance with Herefordshire Council Policy Writing Procedures, March 2018. 	3	<p>31/03/20</p> <p>Revised date 31/03/21</p> <p>Revised date 31/07/21</p>	The service restructure/ redesign has been pushed back to April 2021 due to service review and restructure taking place.	In progress	Healthy Lifestyles and Wellbeing Information Manager

Recommendations due between October 2020 – March 2021

Audit	Recommendation	Priority	Target date	Latest update	Status	Owner
Adults and Communities						
Local Enterprise Resources Team	1.4 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	31/10/2020	Complete		Head of Community Commissioning and Resources
LGA Peer Review - Follow-up	1.1 We recommend that the Hospital Liaison Team ensure that all patients considered suitable for hospital discharge undergo a strengths based assessment to identify where the Community Broker function can provide support.	2	30/11/20	Complete		Head of Service: Complex Needs & Safeguarding

LGA Peer Review - Follow-up	1.3 We recommend that staff roles and responsibilities should be further reinforced through the Urgent Care Workshops and team meetings.	3	31/03/21	Complete	Head of Integrated Community Services
COVID-19 Emergency Decisions	1.4 We recommend that the Accountancy Assistant (Corporate Finance) liaises with the Assistant Director: All Ages Commissioning to obtain missing invoices and authorisations in respect of the CHAPS payments for PPE that were processed between March and June 2020.	2	31/12/20	Complete	Assistant Director: All Ages Commissioning
Economy and Place					
s106 Agreement	1.5 The Planning Obligations Manager responds to planning consultations in respect of the section 106 financial contributions, infrastructure and affordable housing required to mitigate the impact of a development. These are produced in Civica and are published to the council website against the planning application. It is agreed that the Planning Obligations Manager will amend the consultation response template to include a section as to how the contributions and affordable housing delivers on the Ambitions (Environment, Community and Economy) of the Herefordshire Council County Plan 2020-2024.	3	08-Mar-21	Complete	Planning Obligations Manager
s106 Agreement	1.6 The council will only request early payment of contributions where they	3	19-Feb-21	Complete	Planning Obligations Manager

	are required to match fund an infrastructure scheme that is being delivered. There is a recent example of this. The first being the early payment of the sports monies for the strategic housing site at Holmer West, Hereford (P150478/O). These monies enabled the delivery of two 3G pitches with match funding from Sport England and the football clubs where the pitches were being delivered. This was an excellent outcome.				
s106 Agreement	1.7 A shared S106 drive is held on the council system which has a folder dedicated to information in relation to Open Spaces. The Open Space Planning Officer has populated the folder with project sub folders so that information in relation to each project can be held centrally and populated by any officer who has information in relation to the project. The information will also be published to Civica and the council website against the planning application. A meeting has been scheduled for 1 February 2021 between the Planning Obligations Manager and the Open Space Planning Officer to ascertain if there are any further improvements to consider.	3	08-Feb-21	Complete	Planning Obligations Manager
Facilities Management	1.3.1 We recommend that the Strategic Property Services Manager reviews the proposed savings put forward in the Business Plan to provide assurance to the Director of	2	31-Jan-21	Complete	Commercial and Contracts Manager

	Economy and Place that these have been met. If these benefits have not been realised, actions should be put forward for discussion and agreement, with a view to achieving this.				
Facilities Management	1.5 We recommend that consideration be given to the Commercial and Contracts Manager arranging with the contractor that they will produce daily / weekly exception reports for each priority level detailing outstanding jobs, or for generating individual alerts for jobs that are nearing their allocated timescales for completion. In addition, a summary exception report should be provided to the Head of Corporate Services on at least a monthly basis.	3	31-Jan-21	Complete	Commercial and Contracts Manager
Facilities Management	1.6 We recommend that the Commercial and Contracts Manager liaises with BBLP and reports back to Property Services on the staffing and procedures issues. Where it is found that there are gaps in administration which may affect service delivery, the Commercial and Contracts Manager should follow this up with BBLP and ensure that issues are resolved. Administration procedures should be in place prior to new recruits starting.	3	30-Nov-20	Complete	Commercial and Contracts Manager
Facilities Management	1.7.1 We recommend that responsibility for addressing client queries should be revisited by the Commercial and Contracts Manager, with a view to handing this over to BBLP when the staffing issues have	3	30-Nov-20	Complete	Commercial and Contracts Manager

	<p>been resolved. Consideration should be given to developing the automated email facility to allow for updates and timescales to be communicated to the officer who requested the works. This should include permitted allowance, such as obtaining materials to complete the task in order to improve transparency.</p>					
Facilities Management	<p>1.2.1 We recommend that the Assistant Director of Technical Services ensures:</p> <ul style="list-style-type: none"> • Managers and staff business pass holders are reminded of the requirement to return parking passes if an officer leaves or transfers to a new role, • A centralised record of returned passes is populated in a consistent manner to identify details of all passes that are required to be returned including the leaving/role change date or the date that the pass was destroyed to allow Parking Services to pursue unreturned passes as part of the solution under recommendation 1.1, • Where the manager fails to obtain a staff business pass, where the officer is leaving or transferring the service should be charged for the cost of a season ticket for the pro rata amount remaining time left on the parking pass. 	3	31-Mar-21	Complete		Commercial and Contracts Manager
Staff Car Parking - Business Passes	<p>1.2.1 We recommend that the Assistant Director of Technical Services ensures:</p>	3	31-Jan-21 Revised date	A new system is near completion. However, due to other demands of the service	In progress	Parking Strategy and Processing Manager

	<ul style="list-style-type: none"> Managers and staff business pass holders are reminded of the requirement to return parking passes if an officer leaves or transfers to a new role, A centralised record of returned passes is populated in a consistent manner to identify details of all passes that are required to be returned including the leaving/role change date or the date that the pass was destroyed to allow Parking Services to pursue unreturned passes as part of the solution under recommendation 1.1, Where the manager fails to obtain a staff business pass, where the officer is leaving or transferring the service should be charged for the cost of a season ticket for the pro rata amount remaining time left on the parking pass. 		30-Sept-21	to deliver savings it may be that the whole business pass system is reviewed, and in light of BWOW and working from home etc. this is likely before any further work on a new system. It is therefore paused whilst other options are explored.		
Staff Car Parking - Business Passes	<p>1.3 We recommend that the Assistant Director for Technical Services ensures:</p> <ul style="list-style-type: none"> All staff business passes documentation is reviewed and any gaps or incomplete information is added so the material is clearer to the reader, Good document management is introduced for policy and procedure documents to include the document author, review date, version control including the publication date, The Applying for a Business Parking Pass Guidance document is published on the intranet. (URN: 43952)We 	3	30-Nov-20	Complete		Parking Strategy and Processing Manager

	<p>recommend that the Assistant Director for Technical Services ensures:</p> <ul style="list-style-type: none"> • All staff business passes documentation is reviewed and any gaps or incomplete information is added so the material is clearer to the reader, • Good document management is introduced for policy and procedure documents to include the document author, review date, version control including the publication date, • The Applying for a Business Parking Pass Guidance document is published on the intranet. (URN: 43952) 					
Staff Car Parking - Business Passes	<p>1.5 We recommend that the Assistant Director for Technical Services ensures:</p> <ul style="list-style-type: none"> • Possible misuse of business passes is fully investigated so acceptable responses are received from the line manager and or HR so non-compliance is addressed, • Centralised records should be maintained for investigations on potential miss-use, lost passes, and complaints. 	3	31-Jan-21	Complete		Parking Strategy and Processing Manager
Commercial Properties/Rents 2020/21	<p>1.1 We recommend that all procedures and processes, along with escalation protocols, are documented to aid business continuity and these documents should then be made available to the team on a shared drive.</p>	3	<p>28-Feb-21</p> <p>Revised date 31-May-21</p>	Draft document complete, refining detail.	In progress	Senior Estate Manager
Commercial Properties/Rents 2020/21	<p>1.2 We recommend that the Strategic Property Services Manager considers recording a range of</p>	3	<p>28-Feb-21</p> <p>Revised date</p>	Structure change in Property Services has led to change in	In progress	Senior Estate Manager

	appropriate incentives to attract tenants in the event that occupancy rates fall during /after the pandemic, to mitigate the risk of lost income through rent receivable along with vacant property holding costs.		30-June-21	lead officer. Work started but not yet complete.		
Commercial Properties/Rents 2020/21	1.3 We recommend that the Senior Estates Manager oversees at least an annual review of invoicing records against the Estates Team's leaseholder spreadsheet to ensure that billing is accurate and new leases / changes to tenancies are updated promptly and correctly. We further recommend that review is carried out on the lease details spreadsheet, to ensure that all required fields are completed, and that information contained in the document is accurate.	3	31-Mar-21	Complete		Senior Estate Manager
Commercial Properties/Rents 2020/21	1.4 We recommend that action is taken to try to recover Butter Market debts and a decision made regarding these debts where debtors cannot be traced/contacted.	3	28-Feb-21 Revised date 30-May-21	Procedure confirmed by finance; need to complete.	In progress	Senior Estate Manager
Housing Provision: Capital Funding 2019/20	1.4 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	31/12/2020	Complete		Housing Policy & Development Co-Ordinator
Housing Provision: Capital Funding 2019/20	1.5 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.	3	31-Dec-20	Complete		Building Surveyor

	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.				
Facilities Management	1.1.1 We recommend that the Strategic Property Services Manager requests that changes are made to the layout of the monthly KPI report to add further levels of data to the leading pages, thus providing a realistic and transparent picture to the reader. Exceptions should be reflected here, in order to separate these from other jobs completed on time. Where adjustments are required to targets to reflect this, these should be reviewed by the Property Services and the Contract Management Team and BBLP and updated accordingly with meaningful narrative.	2	31-Jan-21	Complete	Strategic Property Services Manager
Facilities Management	1.1.2 We recommend that the Strategic Property Services Manager enforces Section SI 730 of the contract and carries out a review of the relevance of KPIs and thresholds in conjunction with the contractor. Targets should be realistic and should represent the expectations of the Council. Any incentive payments made in the future for high achievement should reflect any changes made to the target, and	2	31-Jan-21	Complete	Strategic Property Services Manager

	again, should be realistic and reflective of the standard of service provision.				
Facilities Management	1.3.2 We recommend that: <ul style="list-style-type: none"> • a copy of the agreement for the new triage arrangements is obtained by the Strategic Property Services Manager, and made available to both Property Services and Facilities Management Officers; • it is verified that the agreement sets out BBLP's responsibilities; • a contract variation is placed on the contract register for future reference. 	3	31-Jan-21	Complete	Strategic Property Services Manager
Facilities Management	1.4 We recommend that the Strategic Property Services Manager: <ul style="list-style-type: none"> • verifies that the Operations Board Terms of Reference records the required attendees for both BBLP and Herefordshire Council; • ensures that it has a sufficient level of representation attending Operations Board meetings to allow for discussion and challenge. 	3	30-Nov-20	Complete	Commercial and Contracts Manager / Strategic Property Services Manager
Additional Dedicated Home to School Transport Grant	Variation Orders were issued and signed by the contractors for contracts where additional vehicles were required due to increased demand. However, these variation orders were not issued by the Transport Team until 3rd November, two months after the additional vehicles were first required. All were signed within one day of issue. Further variation orders for next term should be issued and returned prior to the start of the term if possible, to ensure that all additional	3	31-Dec-20	Complete	Transport Services Manager

	transport and corresponding costs are agreed by all parties.				
Transport Contracts	It is a concern that six of the eight contractors did not provide evidence to support their declaration around whether they had furloughed staff who provide contract work for Herefordshire Council prior to conclusion of the audit. The Transport Team should consider whether they wish to bear the risk of possible irregularities, or if they wish to pursue this information further with these contractors. The Transport Services Manager should consider whether the Service is willing to bear the risk that these contractors have not complied with the open book accounting requirement of the Cabinet Office Procurement Policy Note - Supplier relief due to COVID-19 Action Note PPN 02/20 March 2020, and as such, have not provided evidence to support their declaration around use of funds.	3	31-Jan-21	Complete	Transport Services Manager
Transport Contracts	When checking the list of contractors/contracts that received payments to ensure they were legitimate, we identified that contracts held by S&R Taxis were not included on the register. The nature of the contracts administered by the Transport Team for school transport means that changes occur regularly, therefore, scheduled checks of the transport contracts to the register would be beneficial to ensure that	3	15-Jan-21	Complete	Transport Services Manager

	the document is up to date and transparent.				
Corporate Support					
Staff Car Parking - Business Passes	1.4 We recommend that the Assistant Director Corporate Support in liaison with the Assistant Director Technical Services ensures that there is clarity on whether the Council requires officers to have business use cover on their private motor car insurance, where the vehicle is used to deliver Council services. If business use cover is required officers should be notified of this requirement.	3	31-Dec-20	Complete	Assistant Director Corporate Support / Assistant Director for Technical Services
Significant Partnerships	1.2 <ul style="list-style-type: none"> To reset the criteria for assessing risk of partnerships to be made easier to complete, including information produced on “trust” but spot checked annually through audit, Summary report to provide to Audit and Governance, and for responsible link officer and relevant directors to attend Audit and Governance committed to outline work of partnership and Herefordshire Council’s involvement. The verbal briefing at Audit and Governance should include summarising the achievements, purpose and risk of a partnership they are responsible for. For the line management through directors to ensure completion of the register. 	2	31-Mar-21	Complete	Assistant Director Corporate Support
Significant Partnerships	1.4 <ul style="list-style-type: none"> The number and relevance of questions on the checklist is reviewed in conjunction with the 	3	31-Mar-21	Complete	Assistant Director Corporate Support

	assessment of the Partnership Governance Framework, • Version control is added to the annual checklist.				
COVID-19 Emergency Decisions	1.1 We recommend that the Democratic Services Manager updates and publishes guidance documents relating to Record of Officer Decisions to make it clear that RoDs are required for purchases over £50,000. This requirement should be communicated to all managers who are authorised to purchase goods and services above this value, to ensure that they are aware of the requirements. It would also be beneficial to offer refresher training courses to further enhance communication around governance requirements.	3	09-Nov-20	Complete	Democratic Services Manager
COVID-19 Emergency Decisions	1.2 We recommend that the Democratic Services Manager reminds staff of the requirement that all emergency decisions should be published either on the day of the decision or within 24 hours.	3	09-Nov-20	Complete	Democratic Services Manager
South Wye Transport Package Phase 2 - Governance Review	1.1 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-Dec-20 Revised date 31-May-21	The new Programme Management Office (PMO) project management process is being rolled out currently. This will see, once fully resourced, all named projects in the capital programme and those in development managed by a PMO project manager. Once a project mandate is approved, the project will be	In progress Assistant Director Strategy

				<p>on Verto and this will guide users through the necessary steps to provide governance and assurance around the project.</p> <p>The Service will be responsible for managing the subject matter expertise and highlighting other, key information that exists but that information will be held on Verto. Likely that Verto will become the one source of information relating to a project.</p> <p>The Public Realm contract will now be required to report into the Major Infrastructure Programme Board but the majority of work elements are day to day contract work and not managed as projects.</p>		
Home Point 2019/20	<p>1.1 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, 	3	<p>31-Dec-20</p> <p>Revised date 31-May-21</p>	<p>Final versions of new guidance and documentation are due to be completed w/c 5th April. New Capital Board Structure now agreed by Management Board - 23/03/21 and will be implemented from May onwards (according to Board Schedule). Meetings with the new Chairs to be held in April to outline new Terms of Reference, agendas and management of meetings ie:</p>	In progress	Assistant Director Strategy

	<ul style="list-style-type: none"> Whether revenue project meetings require an agenda. 			by exception reporting. The intranet redesign is ongoing.		
Home Point 2019/20	1.2(1) 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.	2	31-Dec-20 Revised date 31-May-21	Verto changes are in the process of being scoped out ready for discussion with software company around implementation and cost.	In progress	Assistant Director Strategy
Income Charging 2019/20	1.1 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-Oct-20 Revised date 01-Jul-21	An income policy was agreed by the target date, the next stage is embedding this and ensuring trading accounts are being completed.	In progress	Head of Management Accounting/Chief Finance Officer
Savings Targets 2019/20	1.1 We recommend that the Chief Finance Officer ensures that all savings proposals are supported with a formal documented plan/proposal that includes: <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-Oct-20 Revised date 01-Jul-21	Currently considering the most appropriate method to monitor savings and ensure management board oversight, control and awareness of risks and slippage, the savings will continue to form part of the quarterly finance reports.	In progress	Head of Management Accounting

	<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	1.2 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-Oct-20 Revised date 01-Jul-21	Currently considering the most appropriate method to monitor savings and ensure management board oversight, control and awareness of risks and slippage, the savings will continue to form part of the quarterly finance reports.	In progress	Head of Management Accounting
Savings Targets 2019/20	1.4 We recommend the Chief Finance Officer ensures consistent regular monitoring of performance targets takes place across the directorates.	3	31-Oct-20 Revised date 01-Jul-21	Currently considering the most appropriate method to monitor savings and ensure management board oversight, control and awareness of risks and slippage, the savings will continue to form part of the quarterly finance reports.	In progress	Head of Management Accounting
Commercial Properties/Rents 2020/21	1.6 We recommend that the Finance Team includes a level of narrative on the monthly reports, which can be discussed and reviewed to assess whether further actions are required.	3	31-Jan-21	Complete		Directorate Accountant (E&P Directorate)
Commercial Properties/Rents 2020/21	1.5 We recommend that the Revenues Team carry out formulae checks prior to issuing Excel spreadsheet reports to ensure the	2	31-Mar-21 Revised date 31-Jul-21	A new report is being developed based on cost code analysis rather than collection codes. The new	In progress	Revenues Manager

	<p>integrity of the information being provided to Council services. The arrears reports should also detail the invoice number and date to clearly identify which invoices are in arrears. Any amounts paid off from individual invoices should also be clearly noted to show any outstanding balances.</p>			<p>report also holds all information on one spreadsheet, with different tabs for each cost code; therefore Property Services will receive one spreadsheet per month, instead of 7. As the reporting is in testing mode and I need to liaise with Property Services some more I have given a revised date of 31.05.2021 to allow time for full completion although it should be complete before this time.</p>		
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Recommendations due after April 2021

Audit	Recommendation	Priority	Target date	Latest update	RAG rating	Owner
Economy and Place						
s106 Agreement	<p>1.1 It is agreed that information in relation to section 106 monies held by council should be reported on a biannual basis to senior management.</p> <p>The council produces an Authority Monitoring Report and this report could provide the basis for a new Management Board report which would offer a more holistic view of the status of all S106 agreements expenditure and activity. The report could also include the following information:</p> <ul style="list-style-type: none"> • Existing balances for all Section 106 agreements with monies exceeding the expiry date clearly identifiable. • Date money received. • Repayment date for money received. • Number of years unspent money held. • Action outstanding for each S106 agreement contribution received, including known reason for money unspent. <p>The councils Project Management Team (within Corporate Services) are in the process of reviewing the Management Board structure and processes of the council. The</p>	2	08-Feb-22	<p>A meeting was held on 18 February 2021 with lead officers in all service areas to discuss who may report to the management board and how information is populated for the report. It was agreed that we need to establish the functionality of Business World to see if individual service areas can populate fields in Business World for a report to be run. Meeting to be arranged with Business World Support Team to establish functionality. I am aware of other service areas that use Business World for reports i.e. Property Services and the contract management team who oversee the work of Balfour Beatty Living Places.</p>	Green	Planning Obligations Manager

	<p>Planning Obligations Manager will contact the Head of Project Management to draw to their attention the need to report corporately on the status of section 106 contributions so that they can consider which management board would be appropriate for the information to be reported to.</p> <p>A virtual meeting has been arranged for 18 February 2021 with lead officers in all the service areas to discuss who may report to the Board and how information is populated for the report.</p> <p>Initial contact has been made with the Business World support team to look at the reporting functions within Business World to see if there is the capability to hold information on section 106 that is currently held on numerous spreadsheets. Initial discussions appear promising as other areas of the council report in Business World. The Planning Obligations Manager will formally ask the Business World support team to commence a piece of work to review the functionality of Business World. This piece of work will need to be built into their development programme and will incur a cost. We will need to consider who bears the cost of the work, whether it is a corporate requirement or a service area requirement.</p>					
s106 Agreement	1.2 It is agreed that information in relation to section 106 spend by the	2	08-May-21	A meeting was held on 18 February 2021 with lead	Amber	Planning Obligations Manager

	<p>council should be reported in an open and transparent manner, irrespective of the value. This can be done through the production of a Record of Officer Decision produced through Mod.Gov and published to the council website.</p> <p>A virtual meeting has been arranged for 18 February 2021 with lead officers in all the service areas to advise of the need to produce a Record of Officer Decision for all section 106 spends and to discuss whether this is reported individually or on a monthly basis with information on what has been spent that month.</p> <p>With regards to reporting on the section 106 monies paid to external organisations, the Planning Obligations Manager will write to those organisations on a biannual basis outlining what money they have received and asking them to advise the council on what the monies have been spent. This information can be held in Civica against the planning application and published to the web against the planning application record. We could also consider how this information can be published to the decision- making section of the website.</p>			<p>officers in all service areas to discuss introducing Record of Officer decisions for spend of section 106 monies. The Capital Commissioning Officer for education already produces Records of Officer Decisions (RoOD) to record decisions on section 106 monies. Other service areas do not spend on a monthly basis an example being Waste and Recycling who draw down monies to buy bins in bulk as the economies of scale means that this is more cost effective rather than buying on a development site basis. In addition, the way that section 106 highway monies are commissioned to deliver schemes is currently being considered by Senior Management. If the decision is to deliver through an open tender process then thought will have to be given as to how the decision to spend is captured (it was previously captured as part of the BBLP Annual Plan). It was agreed that where service areas have a relatively straight forward mechanism for spend i.e. sign off of a requisition for payment then that requisition will be</p>		
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				<p>accompanied by a RoOD to be published to the council website. The RoOD template is available on the council Governance Intranet pages along with an explanatory guide. Not all officers have completed or published a RoOD so I have arranged for Democratic Services to provide a training session on how to complete and publish a RoOD. The completion date will need to be amended so that consideration can be given as to the Governance arrangements for spending section 106 highway monies.</p>		
s106 Agreement	<p>1.3 Initial contact has been made with the Business World support team to look at the reporting functions within Business World to see if there is the capability to hold information on section 106 that is currently held on numerous spreadsheets. Initial discussions appear promising as other areas of the council report in Business World. The Planning Obligations Manager will formally ask the Business World support team to commence a piece of work to review the functionality of Business World. This piece of work will need to be built into their development programme and will incur a cost. We will need to consider who bears the cost of the work,</p>	3	08-Feb-22	<p>Meeting arranged with Senior Management on 20 April 2021 to discuss how the development of the functionality of section 106 reporting in Business World will be funded.</p>	Green	Planning Obligations Manager

	whether it is a corporate requirement or a service area requirement.					
Facilities Management	1.7.2 We recommend that the Commercial and Contracts Manager arranges for further notification be posted onto SharePoint with a backup email sent to all users, detailing the new process. Consideration could also be given to posting a notification on staff notice boards.	3	30-Apr-21	Property Services will liaise with the Commercial and Contracts Manager to review with service provider how the current automated email facility can be improved to allow for further updates and timescales to be communicated, and will continue to address as part of the re-procurement of the new service contract.	Amber	Commercial and Contracts Manager / Strategic Property Services Manager
Staff Car Parking - Business Passes	1.1 We recommend that the Assistant Director for Technical Services ensures that: <ul style="list-style-type: none"> • A solution is identified and implemented to provide a master list of active pass holders with appropriate reports to allow monitoring to be simplified, • All existing pass holders are checked for general compliance with the Staff Car Parking Policy - Business Passes April 2019 annually. 	2	30-Apr-21	A solution utilising the existing parking permit management system (Chipside) is to be utilised for the issue of business permits, much like a resident permit. As this system is designed to administer permits for parking it has full capability to allow active / live permits to be tracked, reports to be collected, and details / notes for each case to be assigned. Business world will be reserved for the administration of applications from staff members, where details will be entered to Chipside to issue the permit, where the application will be linked via a reference ID.	Red	Parking Strategy and Processing Manager

				<p>Whilst it is difficult to produce an arbitrary method to issue a business permit (i.e. linked to a certain number of miles and employee claims) due to multiple differences between employees jobs roles and employment status, some 'markers' can identify active permits which ought to be reviewed. The first marker used will be mileage, where pass holders with less than 1000 miles in a year will be flagged. Of those flagged, calendars can then be reviewed to ascertain the level of 'direct services residents /clients' being carried in their job role. The residual active permits which appear non-compliant (following the first two checks) can then be sent direct to the employee for the self-declaration process to be repeated where, following their response, this can be reviewed by the approved parking panel to make a decision on whether the employee continues to satisfy the requirements of the policy.</p>		
Corporate Support						
Compliance with Financial,	1.1 We recommend that: <ul style="list-style-type: none"> • The Council in conjunction with 	3	30-Apr-21	Complete		Assistant Director Corporate Support

Procurement and Contract Procedure Rules 2019/20	Hoople Ltd verifies that a full record is retained for all commissioning and contractual information relating to Herefordshire Council contracts procured on behalf of the Council by Hoople Ltd. <ul style="list-style-type: none"> • Hoople Ltd should ensure that all Herefordshire Council contract procured by Hoople Ltd on the Council's behalf are attached to the Herefordshire Council's contract register. 					Head of System Delivery Technology & Transformation
Staff Car Parking - Business Passes	1.2.2 We recommend that the Assistant Director Corporate Support further investigates the leavers process to ensure the Parking Services Team are notified of leavers/changes in role and that this is done promptly.	3	30-Jun-21	Not completed by SWAP. Delayed until quarter 2 or 3 in agreement with the Assistant Director People.	Amber	Assistant Director Corporate Support
Significant Partnerships	1.3 <ul style="list-style-type: none"> • For the summary of partnerships to be published as part of papers to Audit and Governance Committee, • For a simplified significant partnership register to be published but include links to relevant websites, • Evidence of Terms of Reference review and updated when necessary (subject to audit). 	2	31-Jan-22	In plan.	Green	Assistant Director Corporate Support
Members Allowances and Expenses 2019/20	1.3a We recommend the Democratic Services Manager considers including specific guidance amounts for subsistence in the Councillors allowance scheme.	3	31-May-21	The IRP is about to get underway and is aiming to provide a report to council on 21 May.	Green	Democratic Services manager and Democratic Services Officer
Significant Partnerships	1.1 <ul style="list-style-type: none"> • Clarify the definition of a significant 	2	28-Feb-22	Work is underway.	Green	Solicitor to the Council

	<p>partnership and evaluate the refresh required to the Partnership Governance Framework to meet the current and future needs of the Council,</p> <ul style="list-style-type: none"> • Consideration should be given to the presentation of a revised documentation to improve the readability for the intended audience and ensure that good governance management is incorporated into the guidance including a header page, table of contents, document owner, review date and version control, • Effective PGF communication so all link officers of significant partnerships and the management board are aware of the Partnership Governance Framework document, so an improved response to the annual assurance process is achieved, • Training / guidance on the completion of the annual checklist for significant partners should be completed prior to the 2020-21 annual assurance activity. 			Training offered to link officers April and May 2021.		
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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
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Title of report: Re-thinking governance working group

Meeting: Audit and Governance Committee

Meeting date: 4 May 2021

Report by: Monitoring officer

Classification

Open

Decision type

This is not an executive decision.

Wards affected

County-wide

Purpose

To request a deferral of the recommendations from the re-thinking governance working group on changes to the constitution until later in the year.

Recommendation(s)

That:

- a) The recommendations from the re-thinking governance working group in connection with changes to the Council's constitution be deferred until later in the municipal year 2021/22.**

Alternative options

1. Recommendations to date from the re-thinking governance could be considered by the committee. This is not recommended as it would be more effective and efficient for the committee to see the totality of the recommendations from the working group. This would mean that Council at its meeting could approve all changes to the Constitution at one meeting rather than in several meetings.

Key considerations

2. On 11 October 2019, the council resolved to review its governance arrangements to investigate and explore options for the future. The following guiding principles were set by the council:
- To maximise member engagement and participation in decision-making.
 - To ensure decision-making is informed, transparent and efficient.
 - To welcome public engagement.
 - To enable member and officers to perform effectively in clearly defined functions and roles.
 - To assess any resource implications for any proposed changes.
 - The review was undertaken by a cross-party working group, the current membership of which is:

Member	Substitute member	Political Group	Function
Councillor Bolderson		Conservatives	Audit and Governance
Councillor Bartlett	Councillor Toyne	Green	Scrutiny
Councillor Watson	Councillor Hardwick	Herefordshire Independents	Planning and Regulatory
Councillor Seldon	Councillor Harvey	It's Our County (Herefordshire)	Cabinet
Councillor James	Councillor Andrews	Liberal Democrats	Employment Panel
Councillor Matthews	Councillor Mike Jones	True Independents	Scrutiny

3. On 9 October 2020, the Council resolved upon recommendation from this committee:
- “having regard to the work undertaken by the Re thinking Governance working group and the recommendation of audit and governance committee, a hybrid cabinet model of governance is approved with implementation from annual council in May 2021.”
4. The working group have met on a fortnightly basis and at a working group meeting held on 19 April 2021, it was agreed that a request for deferral with regard to making recommendations to the committee at its meeting on 4 May 2021 be sought. The purpose for the request was that further consideration of the enhanced scrutiny arrangements was required. The group had nearly completed their work but wanted to consult again with all members on a proposed structure and will also use the time to consider the impacts of the recent high court children case.
5. The working group will be consulting all members on the preferred option at a briefing to be held on 11 May 2021. The outcome of this consultation will inform the final recommendations of the working group.

6. As part of the work already undertaken, a number of operational changes are planned to take place over the next couple of weeks. These arrangements include the forward plan being more transparent accessible to councillors and members of the public, improved scrutiny pages on the council's website and key decision consultations taking place in a virtual meeting.
7. It is anticipated that these operational changes will maximise member engagement and assist in ensure that decision making is informed, transparent and efficient. The impact of these changes will be monitored to ensure that they are achieving the anticipated effect.
8. The working group have final recommendations in connection with the planning and regulatory and audit and governance committees but consider it to be important that Council consider all the recommendations in one meeting rather than at various meetings.
9. A report on progress will be provided to the July meeting.

Community impact

9. Corporate governance is the term used to describe the systems, processes, culture and values Herefordshire Council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny with a view to improving performance and managing risk. Periodic reviews of the models of governance adopted by the council and the established processes and culture are valuable ways in which we can demonstrate how we uphold the code of corporate governance.
10. This work forms part of a formal corporate delivery plan, 2020 to 2022, commitment to: Complete the review of governance arrangements and implement new arrangements and constitution. This report brings the audit and governance committee up to date with progress toward that objective.
11. The council is responsible, as a corporate parent, for providing the best possible care and safeguarding for children who are looked after by the council, and as part of this must consider the impact of decision making on looked after children and care leavers. Any review of models of governance and mechanisms for stakeholder engagement in decision-making must consider how this responsibility may best be discharged.

Environmental Impact

12. The development of a revised governance model will seek to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance

Equality duty

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

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

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
16. 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. Any review of governance models and decision making processes must ensure this duty is demonstrably upheld and promoted.

Resource implications

17. The review is being undertaken using existing resources.

Legal implications

18. The council is required to have a constitution. The proposed 'hybrid' model will provide the basis for changes to the current constitution to be adopted and implemented at the next annual council meeting.

Risk management

19. The working group are responsible for ensuring that timescales are met and are aware that the deadline will be missed. However, updating the Constitution and the council's governance model should be done as one as otherwise there is a risk that elements will be missed and the required improvements will not implement. It is also important that all members are consulted on the new scrutiny arrangements as they will be key in driving member engagement.
20. There is also a risk that all members are not engaged in the process and their views are not made known to the working group. The establishment of a cross party working group was aimed to address this but it is still important that additional steps are taken to ensure all members are aware of the work being undertaken in the group.

Consultees

21. All political groups are represented in the working group. The non aligned member declined to participate in the working group

Appendices

None

Background papers

None.



Title of report: Work programme update

Meeting: Audit and governance committee

Meeting date: Tuesday 4 May 2021

Report by: Democratic services officer

Classification

Open

Decision type

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.

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.

Resource 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	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, cabcott 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		

