

Agenda

Audit and governance committee

Date: **Tuesday 12 April 2022**

Time: **2.00 pm**

Place: **The Conference Room, Herefordshire Council Offices,
Plough Lane, Hereford, HR4 0LE**

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 Jenny Bartlett
Councillor Dave Boulter
Councillor Peter Jinman
Councillor Bob Matthews
Councillor Yolande Watson

Agenda

		Pages
1.	<p>APOLOGIES FOR ABSENCE</p> <p>To receive apologies for absence.</p>	
2.	<p>NAMED SUBSTITUTES (IF ANY)</p> <p>To receive details any details of members nominated to attend the meeting in place of a member of the committee.</p>	
3.	<p>DECLARATIONS OF INTEREST</p> <p>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.</p>	
4.	<p>MINUTES</p> <p>To approve and sign the minutes of the meeting held on Tuesday 25 January 2022. The action log for the committee is also attached.</p> <p>HOW TO SUBMIT QUESTIONS</p> <p>The deadline for receipt of questions is 5.00 pm on Wednesday 6 April 2022. Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</p> <p>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 www.herefordshire.gov.uk/getinvolved</p>	11 - 28
5.	<p>QUESTIONS FROM MEMBERS OF THE PUBLIC</p> <p>To receive questions from members of the public.</p>	
6.	<p>QUESTIONS FROM COUNCILLORS</p> <p>To receive any questions from councillors.</p>	
7.	<p>AUDITOR'S ANNUAL REPORT 2020/21</p> <p>To present to the audit and governance committee the auditor's Annual Report 2020-21 for information and discussion.</p>	To Follow
8.	<p>INTERNAL AUDIT 1ST QUARTER PLAN 2022-23 AND INTERNAL AUDIT CHARTER</p> <p>To be assured that the level and range of activity within the proposed 1st quarter internal audit plan is sufficient and to approve the internal audit charter for the period 1 April 2022 to 31 March 2023.</p>	29 - 46
9.	<p>ANNUAL GOVERNANCE STATEMENT - ACTION PLAN UPDATE</p> <p>Based on the final version of the Annual Governance Statement agreed in September 2021 an action plan has been formed based on continuous improvement requirements. This report provides a review of the actions as at the end of March 2022.</p>	47 - 58

10. CORPORATE RISK REGISTER

59 - 86

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.

11. WORK PROGRAMME UPDATE

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To consider the work programme for the committee.

12. DATE OF NEXT MEETING

The next scheduled meeting is Tuesday 3 May 2022 at 10.15 am.

The public's rights to information and attendance at meetings

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We will review and update this guidance in line with Government advice and restrictions.

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- 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. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- 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. Information about councillors is available at www.herefordshire.gov.uk/councillors
- 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. The council's constitution is available at www.herefordshire.gov.uk/constitution
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The location of the office and details of city bus services can be viewed at:
www.herefordshire.gov.uk/downloads/file/1597/herford-city-bus-map-local-services-

**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 and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

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 (Chairperson)	Conservatives
Councillor Christy Bolderson (Vice-Chairperson)	Conservatives
Councillor Jenny Bartlett	The Green Party
Councillor Dave Boulter	Independents for Herefordshire
Councillor Peter Jinman	Independents for Herefordshire
Councillor Bob Matthews	True Independents
Councillor Yolande Watson	Independents for Herefordshire

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;
- (e) reviewing the constitution and recommending any necessary amendments to Council as appropriate;
- (f) reviewing the corporate risk register.

Minutes of the meeting of the Audit and governance committee held in The Conference Room, Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Tuesday 25 January 2022 at 10.15 am

Committee members present in person and voting: **Councillors: Jenny Bartlett, Christy Bolderson (Vice-chairperson), Dave Boulter, Sebastian Bowen, Peter Jinman, Nigel Shaw (Chairperson) and Yolande Watson**

Others in attendance: B Baugh (Democratic services officer), J Bharier (Independent person), S Cann (Democratic services officer), K Charlton (Interim head of legal services), J Gooding (Assistant director, South West Audit Partnership), Councillor Liz Harvey (Cabinet member - finance, corporate services and planning), A Lovegrove (Director of resources and assurance), C Marshall (Project manager), J Nelson (Counter fraud specialist), J Preece (Democratic services technical support officer), J Rushgrove (Head of corporate finance), G Turner-Radcliffe (Audit manager, Grant Thornton) and C Ward (Director of governance and law)

61. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillor Bob Matthews.

62. NAMED SUBSTITUTES

In accordance with paragraph 4.7.171 of the council's constitution, Councillor Sebastian Bowen attended the meeting as a substitute member for Councillor Matthews.

63. DECLARATIONS OF INTEREST

Councillor Yolande Watson declared an 'other' interest in relation to the agenda item 'Annual report on code of conduct' (agenda item 11, minute 71 below) by virtue of being the ward member for Kerne Bridge which included Walford parish.

64. MINUTES

The minutes of the last meeting were received.

An updated action log was circulated in supplement 2 to the agenda. It was noted that the director of governance and law was to share the action log with the chief executive's management board in order to expedite the actions that were overdue.

Committee members commented on the need for due dates to be realistic, for action owners to share any difficulties in delivering the actions, and for consistent entries in the 'reported complete' column.

The vice-chairperson drew attention to action 97, in relation to the role of the committee in terms of performance and the budget, and the progress update - 'To be considered as part of rethinking governance work stream'. With the activity of the working group drawing to a

conclusion, it was questioned how this action could be addressed in the most effective way. The chairperson made reference to the observation in the Grant Thornton document '[Lessons from recent Public Interest Reports 2021](#)' that 'Sometimes we find that audit committee structures are hindered by having too wide a brief'. The director of governance and law advised that further work was needed on the functions of the committee and this matter could be considered by the working group.

RESOLVED:

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

65. QUESTIONS FROM MEMBERS OF THE PUBLIC

A question received from a member of the public and the response provided was circulated in supplement 2 to the agenda and is attached in the appendix to the minutes; no supplementary question was received.

66. QUESTIONS FROM COUNCILLORS

No questions had been received from councillors.

67. EXTERNAL AUDIT PROGRESS UPDATE

The committee received a progress update of the work being undertaken by the external auditor, Grant Thornton UK LLP, and a general sector update; a slight update to the 'Audit Progress Report and Sector Update' document had been issued in supplement 1 to the agenda which provided updated hyperlinks to referenced materials.

The audit manager advised that the annual report was the next deliverable and that issues had been found which reflected the continuation of issues discussed previously around capital and children's services. The audit manager said that recent guidance from the Department for Levelling Up, Housing and Communities on 'Measures to improve local audit delays' would be shared with the committee.

In response to a question from the chairperson on the section 'Local authority Covid-19 pressures' (agenda page 37), the director of resources and assurance advised that the council submitted updates to government and a breakdown of the returns could be provided to committee members. The cabinet member - finance, corporate services and planning said that information on the pressures and government funding were reported in the quarterly budget and performance reports to cabinet. A committee member commented on the additional costs of service delivery in rural areas and there was a brief discussion about comparing different local authorities.

In response to a question about the clause shown on the contents page (agenda page 28), the audit manager explained that: any matters identified as part of the audit planning process would be brought to the attention of the committee; there could not be full assurance over everything, so audit was undertaken to a level of materiality; and the committee should gain assurance from the totality of assurance providers, i.e. external audit, internal audit and other mechanisms. It was noted that materiality for the next financial year would be stated in the external audit plan.

Resolved:

That the external audit progress update, appendix A to the report, has been reviewed.

Action(s):

Action 134 Grant Thornton to share a document from the Department for Levelling Up, Housing and Communities in relation to the key actions arising from the Redmond Review.

This is available via the following link:

www.gov.uk/guidance/asures-to-improve-local-audit-delays

Action 135 The director for resources and assurance to provide a breakdown of returns in relation to additional expenditure due to Covid-19.

68. PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The committee received a report on the progress of internal audit work; an updated 'Report of Internal Audit Activity' document had been issued in supplement 1 to the agenda which included updated charts and graphics.

The assistant director of South West Audit Partnership (SWAP) introduced the report, the principal points included:

- i. Since the previous update (27 October 2021, minute 42 refers), twelve audits had been finalised, with a total of eighteen audits completed for 2021/22.
- ii. Eleven audits were at draft report stage and there were fifteen audits in progress.
- iii. There was a noted delay completing the green homes grant testing, as the council had requested an extension to the scheme to 31 January 2022.
- iv. Community testing funding grant work had been completed for January to September, with an under claim of just under £30k identified and notified.
- v. For the twelve audits completed, one returned a substantial assurance, one returned a reasonable assurance, three were limited assurance, and seven were reasonable – grant certification.
- vi. For the three audits with limited assurance (Education Health Care (EHC) Plans, payroll and contract management), five priority 2 actions had been agreed.
- vii. Following a request from the committee, the section 'Outturn to Date – 2021/22' (supplement 1, page 27/28) now included the audit objective for each audit.
- viii. The section 'the Headlines for audits completed to date' highlighted the thematic findings as 'the need to update strategy and protocol documents' and in relation to 'quality of data from systems'; the findings had been discussed at the chief executive's management board.
- ix. Planned work continued to be impacted by Covid, including additional audits in relation to grant determinations.
- x. Both community testing funding grant and Test and Trace support payment audits would continue into quarter 4.

Responses were provided to questions from committee members, the key points included:

1. Payroll (supplement 1, page 23): The head of corporate finance advised that, in terms of 'acceptable tolerance', differences of less than £100 were monitored on a monthly basis, with differences exceeding £100 investigated. The chairperson requested that details of the quantum of differences that had been written off be circulated to committee members. The head of corporate finance confirmed that enhanced reconciliation checking had commenced from the target date of 31 December 2021.

In response to further questions about payroll, the head of corporate finance provided an overview of the live integrated payroll system, the complications associated with leavers and employees on sick leave or maternity leave, the reconciliation process, and the purpose of the holding code.

The vice-chairperson questioned the 'longstanding issues with the reconciliation of the holding accounts' and how this had been reflected in previous internal update progress reports. The assistant director of SWAP said that clarification would be provided about the timeline involved.

2. Education Health Care (EHC) Plans – Preparation for Adulthood (supplement 1, page 23): The assistant director of SWAP said that clarification would be sought on the treatment of priority 2 findings in terms of the risk register and improvement plan activities.
3. Action Plan to the OFSTED and Care Quality Commission Report (supplement 1, page 24): The assistant director of SWAP said that an update would be sought on the completion of the action by the target date of 30 November 2021.
4. Conclusion (supplement 1, page 33): A typographical error was noted where reference to '2021/11' should be to '2021/22'. In response to a request for clarification, the assistant director of SWAP confirmed that the report provided an update on internal audit plan progress for 2021/22 and on the finalisation of audits from 2020/21. The impacts of Covid and additional work in relation to grant determinations were reiterated. It was reported that the quarter 4 plan would pick up audits that were deferred from earlier 2021/22 quarters, although it might not be possible to finalise all within the current financial year.
5. SWAP Performance – Summary of Audit Opinions (supplement 1, page 30): The vice-chairperson expressed concerns about the balance of grant certification and other audit work in recent quarters and, excluding grant certifications, the relatively high percentage of limited assurance findings. It was also questioned whether, as discussed at a previous meeting (minute 42 of 27 October 2021 refers), additional resource had been secured to deliver some of the planned work. The assistant director of SWAP outlined the work being undertaken on grant certification and anticipated that there could be a return to normality with the audit plan in 2023/24 but SWAP did not have the additional capacity at present to bring forward any other audits beyond those included in the current plan. The director of resources and assurance commented that the activity of the council over the last two years had been dominated by the Covid response and, given the related grant funding, the work of internal audit work was appropriate and helpful. It was commented that some additional capacity had been obtained from SWAP but the ability to service work was finite, particularly given the increased demands from other clients.
6. Counter Fraud Update (supplement 1, page 45): A committee member commented that the counter fraud activity was to be applauded and could be brought to the wider attention of the public; this was explored further under the anti-fraud and corruption annual report (minute 69 below).

7. Internal Audit Work Plan Qrt 2 2021-22 (supplement 1, page 39): The assistant director of SWAP advised that the work on the 'Hereford City Centre Transport Package – Investigation' was nearly concluded and the final report was to be issued to the director of resources and assurance imminently, with a decision to be taken subsequently about the level of detail to be provided to committee members.

Resolved: That

- a) **performance against the approved plan has been reviewed and areas for improvement identified;**
- b) **the assurances provided and the recommendations which the report makes have been considered and commented upon;**
- c) **the proposed 4th quarter internal audit plan 2021-22, on page 22-23 of appendix A to the report, has been reviewed and the committee has considered the level and range of activity proposed in order that the work carried out may give a satisfactory level of assurance over the council's corporate governance arrangements; and**
- d) **The corporate fraud update be noted.**

Action(s):

- Action 136 Information to be circulated on the quantum of write offs in relation to payroll.
- Action 137 Confirmation to be provided of treatment of priority 2 findings in terms of the risk register and the current status with meeting the target dates for the identified actions.
- Action 138 An update be provided on the 'longstanding issues with the reconciliation of the holding accounts', particularly in the context of previous internal update progress reports.

69. ANTI-FRAUD AND CORRUPTION ANNUAL REPORT

The committee received an annual update on counter fraud activity.

The head of corporate finance introduced the report, drawing attention to: the summary of the position in relation to Covid-19 business support grants (agenda page 77); the introduction of a mandatory 'fraud awareness and prevention' e-learning module for staff; comprehensive fraud risk assessments being undertaken with services across the council; a new fraud awareness intranet page, with a new fraud referral form on the platform; and the examples of successful outcomes shown at paragraphs 19 - 22 (agenda page 76).

The main points made during the discussion included:

- i. The head of corporate finance advised that the new fraud referral form had been in place since November 2021 and had been utilised, adding that a similar process was being developed for the public to use via the council's website and this was due to go live from April 2022.

- ii. The chairperson congratulated the counter fraud specialist for being a finalist for the 'Outstanding Young Professional of 2021' at the 'Tackling Economic Crime Awards'.
- iii. The head of corporate finance said that there was a published flowchart process to filter referrals appropriately.
- iv. A number of attendees welcomed the high quality of the report and the progress that had been made.
- v. A committee member commented on the value of local government involvement in managing and recovering business grants.
- vi. The head of corporate finance said that government funding for new burdens had been fully utilised in the Covid-19 grant activity.
- vii. Referring to paragraph 31 (agenda page 77/78), a committee member questioned how the detection of instances of fraud would be reflected in the relevant risk registers. The counter fraud specialist confirmed that the council had been working closely with internal audit on fraud risk assessments which would underpin the approach and feed into the new risk register system that was in development.
- viii. The director of resources and assurance praised the work of the counter fraud specialist and the wider team, particularly in managing the risks associated with Covid business grants, raising fraud awareness across the council, and in building strong links with other agencies and sharing intelligence. In response to a question from the chairperson, the director considered that the balance was right in terms of support resource but would wish to look at this a year after the Covid arrangements had come to an end.
- ix. The cabinet member - finance, corporate services and planning also congratulated officers on this work and noted the need for high levels of vigilance and motivation, especially given the creative and changing ways in which some people attempted to defraud public bodies and other organisations.
- x. The chairperson commented that the report was full of relevant interest and suggested that the successful outcomes should be communicated to the public. Other committee members commented on the potential to publicise counter fraud activity as a deterrent to others and to reassure the public that the council was providing as much security as it could.

Resolved: That

- a) the annual report has been reviewed; and**
- b) the department works with the communications team to produce a press release about ongoing counter-fraud activity and the successes during the past year.**

Action(s):

Action 139 As per recommendation b) above.

[Note: To assist with the efficient transaction of business, the agenda item 'Re-thinking governance' was considered before the agenda items 'Annual governance statement 2020-21 actions' and 'Annual report on code of conduct' but the original agenda order has been maintained in the minutes for ease of reference]

70. ANNUAL GOVERNANCE STATEMENT 2020-21 ACTIONS

Further to the annual governance statement agreed on 27 September 2021 (minute 33 refers), the committee received an update on the mid-year actions and on the future arrangements for producing the annual governance statement.

The main points made during the discussion included:

- i. Action 13, Produce a Covid Recovery Plan (agenda page 87): It was questioned how the recovery plan would link to wider resilience plans, particularly in terms of adult social care. The director of resources and assurance said that this would be queried with the relevant officers.
- ii. Significant Partnerships (agenda page 82): It was questioned whether the relevant portfolio holder should be included in the significant partnerships self-assessment forms. The director of governance and law advised that the partnership governance framework was to be reviewed, as shown in Action 8 (agenda page 86).
- iii. The chairperson noted the key on status (with each action marked as complete, part complete or not complete) and commented that, in view of the number of actions, it was difficult to ascertain which actions should have more priority than others.
- iv. Action 21, Promotion of becoming a council member reflective of flexibility with increased virtual meetings (agenda page 88): the chairperson noted that statement that 'remote meeting regulations have not continued in operation' and the status of this action and others could be further reviewed.
- v. The vice-chairperson considered that there should be more information included in the 'evidence of complete' to reflect the work being undertaken and progress made; as an example, attention was drawn to Action 16, Implement improvement plan for value for money on the public realm contract (agenda page 87) which stated 'Improvement board overseeing improvement process'.
- vi. Noting that some actions would be undertaken in the longer term, the chairperson said that an anticipated date by which each action should be completed could focus management attention and suggested that the chief executive's management board be invited to consider whether this would be helpful.

Resolved: That

- a) the mid-year actions based on the identified continuous improvement points in the 2020-21 annual governance statement be noted; and**
- b) the arrangements for the 2021-22 annual governance statement be noted.**

Action(s):

Action 140 With reference to Action 13, an update be provided on how the Covid Recovery Plan will link to wider resilience plans, particularly in terms of adult social care.

Action 141 That the chief executive's management board be invited to consider whether the senior action leads should be asked to include projected

anticipated dates for completion, particularly to ensure that the position with longer term actions is clear.

71. ANNUAL REPORT ON CODE OF CONDUCT

The committee received an annual update on the code of conduct and on the arrangements for dealing with complaints.

The director of governance and law introduced the report, the principal points included:

- i. two independent persons had resigned but four independent persons continued to play an important role in the process;
- ii. the Local Government Association (LGA) 'Model Councillor Code of Conduct' was appended to the report (agenda pages 101 – 116) and it was recommended that consultation be undertaken with all members of this council, together with all parish and town councils, on adopting the model code and related arrangements;
- iii. attention was drawn to the number of complaints handled (paragraph 25, agenda page 94), with the primary cause for complaint relating to lack of respect;
- iv. the implications of councils holding remote meetings during the Covid pandemic in terms of accessibility and conduct were explored briefly;
- v. there had been three upheld complaints;
- vi. there were parish councils with a number of complaints but the monitoring officer could only assist with code of conduct complaints;
- vii. focus on the Covid response had resulted in some delays which had been reported to the standards panel;
- viii. it was important to be mindful of the 'Nolan Principles' and, at the recommendation of the committee, the seven principles of public life were published in the agenda for meetings held in public;
- ix. attention was drawn to the recommendations action tracker appended to the report (agenda page 117/118), particularly to the actions on hold due to the work of the LGA on the model arrangements; and
- x. training for councillors would be recommenced during the current year.

The chairperson made a number of comments, including:

- The independent persons were thanked for their work in supporting the monitoring officer and in offering support to councillors who were subject to complaints.
- It was suggested that the dispensations granted to Herefordshire Council councillors be summarised in a single location on the council's website.
- It was suggested that the number of complaints referred to the police be included in the complaints received table in future reports.
- Noting the additional recommendation c) about consultation on the model code, the chairperson suggested the inclusion of the Herefordshire Association of Local Councils as part of this activity.

- In response to a question, the director of governance and law said consideration would be given to the support that was available for potential complainants who did not speak English as a first language.

In response to other questions from committee members, the director of governance and law advised that: in relation to recommendations from the standards panel (agenda page 99), a range of scenarios, such as referrals from chairpersons of committees, would be considered in terms of making 'it clear who can make a complaint'; a breakdown of the general origins of complaints could be provided to Walford Parish Council; failure to submit a completed registration of interests form within 28 days of a councillor's election or appointment to office would represent a breach of the code of conduct; training was mandatory for Herefordshire Council councillors but was advisory for parish and town councillors; training could be recommended more than once in response to complaints; it was noted that the model code included an undertaking by councillors to 'undertake Code of Conduct training provided by my local authority' if so adopted by the relevant council; and the principal differences between the model code and the existing local code related to the estimated value of any gift or hospitality to be registered and to the matters included in schedule 2 interests.

Later in the meeting, Jake Bharier, an independent person that was in attendance, commented on the level of public interest in standards currently and the challenges arising from the Localism Act 2011 which had effectively taken parish and town councils out of any formal structure for monitoring and support.

Resolved: That

- a) **the annual report on code of conduct complaints has been reviewed;**
- b) **the recommendations from the standards panel, appendix 1 to the report, following their annual sampling exercise, be adopted as appropriate into the action tracker;**
- c) **consultation with all members of this council, together with all parish and town councils, and the Herefordshire Association of Local Councils, on adopting the LGA Model Code of Conduct and arrangements is commenced; and**
- d) **the progress outlined in the code of conduct action tracker, appendix 3 to the report, be noted.**

Action(s):

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|------------|---|
| Action 142 | That dispensations granted to Herefordshire Council councillors be summarised in a single location on the council's website. |
| Action 143 | The number of complaints referred to the police, even if nil, be included in the complaints received table in future reports. |
| Action 144 | A breakdown of the general origins of complaints be provided to Walford Parish Council. |

72. RE-THINKING GOVERNANCE

The committee considered a report on the suggested amendments to the council's constitution proposed by the re-thinking governance working group for recommendation to Council; 'The Planning Rules and Code' were issued in supplement 1 to the agenda.

On behalf of the committee, the chairperson thanked the re-thinking governance working group for the work that had been undertaken and explained that a workshop had been held for committee members on the amendments.

The director of governance and law introduced the report, the principal points included: in 2019, Council had resolved to review its governance arrangements and had subsequently resolved to retain and improve the cabinet model of governance; the guiding principles were outlined and it was confirmed that these had been applied throughout the process; the key changes were outlined, including the introduction of a new scrutiny management board, an annual effectiveness review of committees, and revisions to the public questions procedure; the audit and governance committee functions were being examined in view of new guidance and would be presented to a future meeting; the planning rules and code had been combined; adjustments had been made to the employment panel functions; and various other changes had been made, as shown in the tracked changes documents appended to the report.

The interim head of legal services provided an overview of the changes that had been made following the workshop, including in relation to: the composition of each committee; the responsibilities of the scrutiny management board; the role of a scrutiny committee; joint arrangements; scrutiny committee and management board remits; the audit and governance committee functions; the glossary that was being developed; the retention of the wording as drafted for 'who may sit in a scrutiny committee?'; the planning rules and code; and the employment rules.

The director of governance and law also outlined a number of operational changes that were planned to take place, including revisions to the council's forward plan, scrutiny web pages, and key decision consultation process.

The main points made during the discussion included:

- i. Individual officers and individual members were thanked for their considerable efforts in support of this project.
- ii. It was commented that all political groups should be engaged in the ongoing work.
- iii. In response to a question about the ability of a chairperson to reject a supplementary question (paragraph 5.8.23, agenda page 294), the director of governance and law said that the wording 'on any of the grounds detailed in the section above' could be reinstated.
- iv. It was suggested that the audit and governance committee functions could be considered at a special meeting of the committee in February 2022. The director of governance and law confirmed that the section was a standalone document; therefore, the documents presented at this committee meeting could be recommended to full Council for adoption.
- v. The chairperson expressed concerns about the resourcing of the new committees, commented on the need for sufficient project management, and suggested that further consideration be given to the resourcing to ensure that the new arrangements could start in a positive, proactive and successful way. The director of governance and law said that it was planned that there would be dedicated resource to support this work.

Resolved: That

- a) **having regard to the work undertaken by the re-thinking governance working group, the revised constitution as set out at appendices 1 to 27 of the**

agenda pack, plus the Planning Rules and Code included in supplement 1 to the agenda and subject to the reinstatement of the words 'on any of the grounds detailed in the section above' in constitution paragraph 5.8.23 (as shown on agenda page 294), be recommended to full Council for adoption, with implementation with effect from 20 May 2022; and

- b) authority be delegated to the director of governance and law to make technical amendments (grammatical, formatting, and consistency) necessary to finalise the revised constitution.**

73. WORK PROGRAMME UPDATE

The committee noted the work programme.

Further to minute 72 above, the potential for a special meeting of the committee in February 2022 to consider the audit and governance committee functions was explored.

[Note: the special meeting was cancelled subsequently, with this item likely to feature at the scheduled 3 May 2022 meeting]

Resolved:

That the work programme for the audit and governance committee be agreed.

74. DATE OF NEXT MEETING

The next scheduled meeting was to be held on 15 March 2022, 10.15 am.

The meeting ended at 1.09 pm

Chairperson

Questions from members of the public

Audit and governance committee, 25 January 2022

Question from Claire Trumper

Does the audit and governance committee agree that the council's formal complaints process against councillors and co-opted members does not give a defendant licence to disregard UK laws on privacy, data protection and defamation and that in practice this means that in their written defence statement a defendant

- (i) may not make defamatory statements
- (ii) may only write about matters relevant to the complaint
- (iii) and when writing about relevant matters may not be reckless with regard to privacy and confidentiality?

Response

Under the council's code of conduct arrangements, the member subject to a complaint, will be asked to make a written representation to the monitoring officer, which must be taken into account when deciding how the complaint is dealt with.

That written reply is a matter for them and they are responsible for the content which should not breach any UK laws.

COMPLETED ACTIONS WILL BE MOVED TO 'REPORTED COMPLETE' ONCE THEY HAVE BEEN NOTIFIED AT AUDIT AND GOVERNANCE COMMITTEE MEETING

**RED TEXT INDICATES UPDATES MADE SINCE THE LAST MEETING
BLUE TEXT INDICATES NEW ACTIONS ADDED AT THE LAST MEETING
PURPLE TEXT INDICATES ACTIONS UPDATED SINCE 7 MARCH 2022**

25

Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
89	16 March 2021	Corporate risk register	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.	Director of Environment and Economy	Environment and Economy	Escalated with E&P directorate This has been re-challenged, with a view to being updated. These are risks owned by directorates and signed off via their processes	04/05/2021 01 August 2021 8 February 2022	Yes
91	16 March 2021	Corporate risk register	Consider how corporate centre will look at the aggregation of similar risks in or across directorates.	Head of Corporate Performance	Corporate Services	A process to define the approach to aggregation of risks, both horizontal and vertical, needs further definition and testing. This was planned as part of the annual refresh of the Risk Management Plan, which has been delayed due to staffing issues. This will now need to be re-scheduled for the coming months.	01/11/2021 31 May 2022	
94	04 May 2021	Update on internal audit recommendations	The head of corporate performance and interim deputy monitoring officer agreed to look at the processes for ensuring internal audit actions are brought to the attention of new post holders.	Head of Corporate Performance and interim DMO	Corporate Services	An updated process is currently being developed which will ensure regular review of internal audit actions, as part of directorate DLTs. This will escalate the importance and delivery of audit recommendations due to regular review by SMTs, and ensure staff recognise where they transfer between officers. Completion of this process has been delayed due to staffing issues. As part of this years' service business plan guidance, audit recommendations will be included within service business plans and progress updated regularly, with reports going to relevant management teams quarterly, as well as to cabinet members as part of their portfolio briefings.	28/06/21 01/09/21 30 April 2022	
95	04 May 2021	Update on internal audit recommendations	The committee suggested that a discussion with internal audit take place at the next meeting with regard to sampling of priority 3 actions are followed up by internal audit in line with the same way as priority 1 or 2 recommendations.	SWAP internal audit services	Corporate Services	SWAP advise 'Internal Audit follow up the significant findings priority 1 and 2. Priority 3 are through self-assessment from officers. The Council provides a report every 6 months on progress against all actions which includes priority 3 actions' The committee is invited to identify whether a further update should be included in an existing or new work programme item.	28/06/21 30 September 2021 [To be discussed]	
97	04 May 2021	Corporate risk register	The deputy S151 officer also explained that performance and budget were reported to Cabinet on a quarterly basis but that consideration would be given to the role of the audit and governance committee.	Section 151 Officer	Corporate Services	To be considered as part of rethinking governance work stream.	28/07/2021 30 September 2021 3 May 2022	
99	04 May 2021	Corporate risk register	The committee agreed that there would be need to be further consideration of identifying 1 or more risks in the directorate risk registers and undertake a deep dive to provide assurance that the risk management framework was being applied appropriately.	Head of Corporate Performance	Corporate Services	Discussed at the Risk Management Plan review session with committee on 25 June 2021 To be confirmed as part of Risk Management plan review.	25/06/2021 30 April 2022	
101	28 June 2021	Progress report on internal audit activity	That training be arranged for councillors in relation to Section 106, including the facility to access publicly available information and the processes involved.	Lead Development Manager	Environment and Economy	A mandatory training session for Members on the subject of Planning was held on Friday 1st April 2022. 25 members were in attendance. A second mandatory training session will be held. Once this training session has been completed, a bespoke member session on Section 106 will be held.	31/12/2021 June 2022	
102	28 June 2021	Progress report on internal audit activity	Information on the position with Section 106 monies held, including timelines and quantification of the value of unspent money which exceeds the repayment dates be circulated to committee members.	Lead Development Manager	Environment and Economy	The review of the spreadsheet is ongoing and will be shared with committee members once completed.	30/09/2021 30 April 2022	
103	28 June 2021	Progress report on internal audit activity	Information on the treatment of Section 106 monies for transport / highways be circulated to committee members.	Lead Development Manager	Environment and Economy	Action 103 – A Specialist Programme Officer has been appointed to the Project Management Office to progress delivery of the section 106 highway monies.	31 December 2021	Yes

Audit and governance committee action log, as at 4 April 2022

Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
106	28 June 2021	Progress report on internal audit activity	That follow-up audits completion be captured in action tracking by the head of corporate performance.	Head of Corporate Performance	Corporate Services	As per line 94, a refreshed process for consideration of Internal Audit recommendations is being pulled together. This has been delayed due to staffing capacity and availability. The intention is that the service business plans will 'feed' the master audit recommendation log, which will be shared with SWAP prior to any audit follow-ups.	24/11/2021 30 April 2022	
109	30 July 2021	2019/20 external audit findings report	Training be arranged for committee members on the changes to regulations, particularly in relation to the value for money audit	Democratic Services Manager / Section 151 Officer	Corporate Services	It is intended that a training session for committee members be held in June 2022.	24/11/2021 1 July 2022	
110	30 July 2021	2019/20 external audit findings report	A briefing note on the management of council estate be provided to committee members	Interim Head of Property Services	Corporate Services	Further observations from the councillor that raised the issue have been forwarded to the action owner, with a briefing note to be provided to committee members.	24/11/2021 30 April 2022	
115	27 September 2021	Corporate risk register	The Head of Corporate Performance to consider the increase of housing developments in rural areas and the impact these may have on the risk register	Head of Corporate Performance	Corporate Services	Feedback on potential impact on rural housing provided to the service for their consideration. This will also feed in to the Strategic Risk sessions due for MB.	24 November 2021	Yes
119	27 September 2021	Work programme update	The s151 to write a briefing note for the Committee on sources of funding for the Council over the preceding few years.	Section 151 Officer	Corporate Services	A report was submitted to general scrutiny detailing the sources of funding, as part of the budget presentation, 27th January 2022	30/11/2021 27 January 2022	Yes
120	27 September 2021	Work programme update	The Chief Executive be invited to the next meeting of the Committee to discuss the risks that the Council is carrying	Democratic Services Manager	Corporate Services	Potential for attendance at a future meeting when the risk register is considered.	[Date to be confirmed]	
122	27 October 2021	Progress report on internal audit activity	The new Transformation Director be invited to meet with the Audit and Governance Committee to discuss where and how efficiencies following internal audit processes are being applied to Council working.	Democratic Services Manager	Corporate Services	Potential for attendance at a future meeting when internal audit recommendations are considered.	[Date to be confirmed]	
125	27 October 2021	Progress report on internal audit activity	The S151 Officer to explore and report back to the Committee on who in the Council undertakes the Carbon Audit.	Section 151 Officer	Corporate Services	Potential for attendance at a future meeting when the risk register is considered.	28 February 2022	Yes
126	27 October 2021	Audit and governance - committee effectiveness and performance, skills matrix	A date to be set for a workshop after the full Council meeting seeking agreement for the new constitutional changes.	Democratic Services Manager	Corporate Services	The proposed changes to the constitution were considered by the committee on 25 January 2022 and by Full Council on 4 March 2022.	May 2022	
129	24 November 2021	Update on internal audit recommendations	That information on relevant internal audit recommendations be circulated regularly to scrutiny committee members.	Head of Corporate Performance	Corporate Services	In progress to be aligned to proposed new arrangements for scrutiny committees	31 March 2022	
130	24 November 2021	Update on internal audit recommendations	Consideration be given to collating internal audit recommendations on specific topics by subject heading.	Head of Corporate Performance	Corporate Services	To consider in wider arrangements for presenting SWAP actions	31 March 2022	
131	24 November 2021	Update on internal audit recommendations	That action owners be encouraged to make responses SMART and to provide appropriate updates prior to the due date.	Head of Corporate Performance	Corporate Services	Guidance available through the Performance Management Framework and reminders have been sent.	28 February 2022	Yes
132	24 November 2021	Corporate risk register	That horizontal linkages between risk registers be made more evident in risk descriptions.	Head of Corporate Performance	Corporate Services	It is suggested that this action be removed, as it is considered a duplication of action 91.	-	Suggested removal
133	24 November 2021	Corporate risk register	That officers be encouraged to review and refresh the wording of risk descriptions where appropriate.	Head of Corporate Performance	Corporate Services	Request made to service areas.	28 February 2022	Yes
134	25 January 2022	External audit progress update	Grant Thornton to share a document from the Department for Levelling Up, Housing and Communities in relation to the key actions arising from the Redmond Review.	External auditors	Grant Thornton	Please find below a link on the updates coming from the Redmond Review: https://www.gov.uk/guidance/measures-to-improve-local-audit-delays	28 February 2022	Yes
135	25 January 2022	External audit progress update	The Director for Resources and Assurance to provide a breakdown of returns in relation to additional expenditure due to Covid-19.	Section 151 Officer	Corporate Services	A report was submitted to general scrutiny detailing Covid grants, 27 January 2022	27 January 2022	Yes

Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
136	25 January 2022	Progress report on internal audit activity	Information to be circulated on the quantum of write offs in relation to payroll.	Section 151 Officer	Corporate Services	For 2020/21 in total £ 13,383.21 was written off against a payroll cost of £107,902,514.82	07 March 2022	Yes
137	25 January 2022	Progress report on internal audit activity	Confirmation to be provided of treatment of priority 2 findings in terms of the risk register and the current status with meeting the target dates for the identified actions.	Assistant Director (SWAP) and Director, Children and Young People	SWAP Internal Audit Services / Children and Young People Directorate	<p>SWAP Internal Audit Services requested updates from the directorate. The following responses have been provided by the Head of Additional Needs.</p> <p>1) Has this risk been added to the Childrens risk register? No, I do not believe it is appropriate for the individual risks to be included in the risk register. The appropriate risk would be that we are unable to demonstrate that the Ofsted/CQC recommendations have been met in full. This is only one part of those recommendations which number 32.</p> <p>2) Has the action been added to the Childrens Improvement Plan? The CIP is an overview plan. Again this audit focussed on one quite a detailed aspect of the SEND work. This is more appropriately captured in the SEND Strategy and Action Plan (currently draft). The CIP has an action plan to get the overall SEND Strategy agreed through the multi-agency governance routes.</p> <p>3) Has the action been completed as the Target date is 30 November 2021? The action for the end of Nov 2021 was for an internal review of the cases used in the audit. This was internal review was carried out. Internal colleagues found greater assurance in some of the small number of cases than was found by the SWAP audit, but, as with the SWAP audit, the sample size and the restricted breadth of the sample means that any conclusions are of limited validity. The HOS recommends some further audit work to be carried out by someone with significant experience of EHC Plans as the conclusions of the non-specialist auditor were not relevant in terms of the Ofsted recommendations.</p>	31 March 2022	Yes
138	25 January 2022	Progress report on internal audit activity	An update be provided on the 'longstanding issues with the reconciliation of the holding accounts.', particularly in the context of previous internal update progress reports.	Section 151 Officer SWAP internal audit services	Corporate Services SWAP Internal Audit Services	To be provided by SWAP.	June 2022	
139	25 January 2022	Anti-fraud and corruption annual report	The department work with the communications team to produce a press release about ongoing counter-fraud activity and the successes during the past year.	Section 151 Officer	Corporate Services	Press release issued.	25 January 2022	Yes
140	25 January 2022	Annual governance statement 2020-21 actions	With reference to Action 13, an update be provided on how the Covid Recovery Plan will link to wider resilience plans, particularly in terms of adult social care.	Interim Director of Public Health	Corporate Services	To provide an update on the action plan at end of year.	31 May 2022	
141	25 January 2022	Annual governance statement 2020-21 actions	That the chief executive's management board be invited to consider whether the senior action leads should be asked to include projected anticipated dates for completion, particularly to ensure that the position with longer term actions is clear.	Service Director Corporate Services	Corporate Services	Raised with Management Board and confirmed these are annually based activity.	28 February 2022	Yes
142	25 January 2022	Annual report on code of conduct	That dispensations granted to Herefordshire Council councillors be summarised in a single location on the council's website.	Director of Governance and Law	Corporate Services	A link to the dispensations will be provided under the 'Declarations of interest' section of the council's website.	31 March 2022	Yes
143	25 January 2022	Annual report on code of conduct	The number of complaints referred to the police, even if nil, be included in the complaints received table in future reports.	Director of Governance and Law	Corporate Services	Information will be included in the next annual report which will be due in September 2022.	September 2022	Yes
144	25 January 2022	Annual report on code of conduct	A breakdown of the general origins of complaints be provided to Walford Parish Council	Director of Governance and Law	Corporate Services	Information provided to Councillor Yolande Watson.	28 February 2022	Yes



Title of report: Internal Audit 1st Quarter Plan 2022-23 and Internal Audit Charter

Meeting: Audit and governance committee

Meeting date: Tuesday 12 April 2022

Report by: Director of resources and assurance / Head of internal audit

Classification

Open

Decision type

Non-key

Wards affected

(All Wards)

Purpose

Internal Audit 1st Quarter Plan 2022-23

To be assured that the level and range of activity within the proposed 1st quarter internal audit plan is sufficient to provide assurance over the council's corporate governance arrangements and provides appropriate coverage of key business objectives, associated risks, and risk management processes.

To ensure the council complies with recommended best practice as set out in the PSIAS.

Internal Audit Charter

To approve the internal audit charter for the period 1 April 2022 to 31 March 2023.

To ensure compliance with good practice as set out in the International Professional Practices Framework of the Institute of Internal Auditors and the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Recommendation(s)

That:

- (a) **the proposed 1st quarter internal audit plan 2022-23 at Appendix 1 be reviewed and the Committee determine any recommendations it wishes to make regarding the level and range of activity proposed in order that the work carried out may give a satisfactory level of assurance over the council's corporate governance arrangements; and**
- (b) **the Internal Audit Charter at Appendix 2 be approved.**

Alternative options

- 1. There is no alternative option to an internal audit plan as it is a requirement of the public sector internal audit standards (PSIAS).
- 2. The content of the plan may be amended; however, in doing so regard should be had to the overall prioritisation of resources, level of risk and/or evidence of control weakness.
- 3. The alternative option is to not approve the internal audit charter. As this is a requirement of the arrangements between Herefordshire Council and the South West Audit Partnership (SWAP) it would put us in breach of our agreement.

Key considerations

- 4. The plan (Appendix 1) sets out the some of the work required for internal audit to give an opinion on the adequacy and effectiveness of the council's risk management, governance and internal control arrangements. The plan has been developed in conjunction with senior management and consideration has been given to audits deferred from 2021-22 as well as areas suggested by the audit and governance committee.
- 5. The Internal Audit Charter (Appendix 2) sets out the nature, role, responsibility, status and authority of internal auditing within Herefordshire Council, and to outline the scope of internal audit work.

Community impact

- 6. The council's Code of Corporate Governance commits the council to managing risks and performance through robust internal control and strong public financial management and to implementing good practices in transparency, reporting, and audit to deliver effective accountability. By ensuring robust management responses to identified risks, the council will be better able to meet its corporate plan priority to secure better services, quality of life and value for money.
- 7. The Internal Audit Charter sets out the reporting arrangements to the audit and governance committee demonstrating the council's openness and transparency in providing reports that are published in the public domain.

Environmental impact

- 8. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental

sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

9. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

10. 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.
11. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a progress report, we do not believe that it will have an impact on our equality duty.

Resource implications

12. The council is a SWAP partner, and the Section 151 Officer (Chief Finance Officer) is the council's nominated director on the Board of South West Audit Partners Ltd. It is a Partnership arrangement and resources are equalised across the Partnership. The legal agreement sets out the delivery which as a minimum should be 90% of the plan. SWAP has delivered 100% of the plan since the council became a partner in 2014.
13. The council's revenue budget includes appropriate budget to fund the equivalent of 900 audit days from SWAP. There is no planned reduction in the number of audit days from previous years.

Legal implications

14. In accordance with section 5 of the Accounts and Audit (England) Regulations 2015, the council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance.
15. The council is under a duty to make adequate arrangements for its internal audit functions and has chosen to appoint an external partner to assist with the discharge of this function.

16. The charter forms part of the legal agreement which the Council has entered into with SWAP. Both parties have committed to refreshing the charter on an annual basis to establish a clear expectation of the annual priorities and processes by which the audit service will be provided.

Risk management

17. There is a risk that the level of work required to give an opinion on the council's systems of internal control is not achieved. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.
18. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is reported to this committee every six months.
19. Without an approved charter there is a risk that the SWAP will not have:
- the support of management and the council
 - direct access and freedom to support to senior management including the chief executive and the audit and governance committee
 - access to any records, personnel or physical property of the council for audit work

Consultees

None

Appendices

Appendix 1 Quarter 1 Internal Audit Plan 2022-23

Appendix 2 Internal Audit Charter

Background papers

None identified

Appendix 1

Herefordshire Council

Proposed Quarter 1 Internal Audit Plan 2022-23 and Internal Audit Charter

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The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2022/23 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.



Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.



To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

Approach to Internal Audit Planning 2022/23

A revised approach to Annual Planning was presented to this Committee in January 2021 to move to quarterly planning implementing a more flexible and agile approach to audit planning which is also recognised as best practice by the internal audit profession.

A quarterly planning process will provide the same assurances as an annual plan but should better reflect the changing risk landscape.

It was agreed audit planning meetings will be held with relevant officers and the plan for each quarter will be agreed with the Chief Finance Officer prior to presenting to this Committee. The quarter 1 plan will include those auditable activities deferred from the 2021-22 plan as well as considering any key risk areas discussed with management.

The quarter 1 audit plan was presented to and discussed with Management Board on 8th March 2022.

The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.



Approach to Internal Audit Planning 2022/23

As per last year, for the remaining three quarters planning meetings will be held with management to discuss the audit plan. The first of the meetings will take place in April 2022. It is likely that the meetings will lead to a 12 month 'rolling wave plan' place-marking key areas of coverage to support the annual opinion. This is then underpinned by quarterly risk-based work plans which draw from meetings with management and the 'rolling wave plan' throughout the financial year to ensure we are auditing the right areas, with the correct scope, at the right time - and reported through our quarterly progress updates.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's AGS.

It is the responsibility of the Authority's Management Board and the Audit and Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed Quarter 1 audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by the Management Board and Audit and Governance Committee?
- Is sufficient assurance being received within the plan to monitor the organisation's risk profile effectively?

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss, or fraud.

The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.



Approach to Internal Audit Planning 2022/23

The following factors will be considered when putting together the plan for each quarter for 2022/23:



Due to the pace of change within Local Authorities, quarterly planning should enable the audit work to more accurately predict longer-term key organisational risks. The precise scope of each audit will be determined at the start of the review, in line with local risk factors at that time.

The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

As above, it is the responsibility of the Authority's Management Board and the Audit and Governance Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



Internal Audit Annual Risk Assessment

Our 2022/23 internal audit programme of work is based on a risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register will be considered in this process.

Below we have set out a summary of some of the risks:



The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 24 public sector partners, crossing eight Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Audit Resources

The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Herefordshire Council are:

Jacqui Gooding, Assistant Director – Jacqui.gooding@swapaudit.co.uk, Tel: 0787250675

Amy Probert, Principal Auditor – amy.probert@swapaudit.co.uk, Tel: 07801672647

Conformance with Public Sector Internal Audit Standards

SWAP's framework and methods comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. Every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the Public Sector Internal Audit Standards. An annual self-assessment process confirms ongoing compliance.

Conflicts of Interest

We are not aware of any conflicts of interest within Herefordshire Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

Internal Audit Charter

The nature, role, responsibility, status and authority of internal auditing within Herefordshire Council and an outline of the scope of internal audit work is provided in the Charter at Appendix 2.

The Internal Audit Plan: Approach

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership
- Communication of fraud alerts received both regionally and nationally
- Annual Member training sessions



Your Internal Audit Service

Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption and have included some focused proactive fraud work in the plan. We have a dedicated counter fraud resource available to undertake specific investigations and proactive fraud work if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit and Governance Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit and Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

Internal Audit Performance:

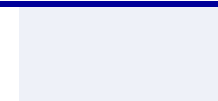
As part of our regular reporting to senior management and the Audit and Governance Committee, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

Performance Measure	Performance Target
<u>Delivery of Annual Internal Audit Plan</u> Completed at year end	>90%
<u>Quality of Audit Work</u> Overall Client Satisfaction: <i>did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation</i>	>95%
<u>Outcomes from Audit Work</u> Value to the Organisation: <i>client view of whether our audit work met or exceeded expectations, in terms of value to their area</i>	>95%

Herefordshire Council Proposed Quarter 1 Internal Audit Plan 2022/23

Audit Area	Corporate Risk/Reason for Inclusion	Planned Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium		
						Recommendation		
						1	2	3
Corporate Centre (including ICT)								
Leavers Process	Deferred from 2021/22	1	Not Started					
Data Quality/Data Management	Response from management board to thematic issue in the 2021/22 Internal Audit Progress Reports	1	Not Started					
Payroll Follow Up	2020/21 full audit completed in 2021/22 therefore follow up to be completed in 2022/23.	1	Not Started					
Local Authority Community Testing Funding Grant Determination 2020/21: January, February, March	Grant Certification	1	Not Started					
Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No:31/5789 (January, February, March)	Grant Certification	1	Not Started					
Public Health Grant – Review of processes	Request of Chief Finance Officer.	1	Not Started					
Local Authority Covid 19 Test and Trace Contain Outbreak Management Fund Grant Determination 2021/22: No 31/5518	Grant Certification	1	Not Started					
Economy and Place								
Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 1 (Yearly Report)	Grant Certification	1	Not Started					
Children’s and Families								

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Herefordshire Council Proposed Internal Audit Plan 2022/23

Schools Thematic Audit – Impact of Covid on Budgets and Funding	Deferred from 2021/22 for SWTP LEP Settlement Audit. Request of schools theme by AD Education, Development & Skills	1	Not Started					
Supporting Families – Monthly Review – Quarterly Report – Quarter 1	Grant Certification	1	Not Started					
Condition Funding Grant Determination (2021): No 31/5501	Grant Certification Deferred from qrt 4 2021/22 for Protect and Vaccinate Grant.	1	Not Started					
Adults and Communities								
Disabled Facilities Grant Capital Grant Certification	Grant Certification	1	Not Started					

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It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

The Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Herefordshire Council, and to outline the scope of internal audit work.

Approval

This Charter was approved by the Audit and Governance Committee on 16th March 2021 and is presented to the Committee today 15th March 2022 to ensure it remains accurate and up to date.

Provision of Internal Audit Services

The internal audit service is provided by the SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by Herefordshire Council, in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the organisation's level of contribution to SWAP. This is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation's operations. It helps Herefordshire Council accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management, Audit and Governance Committee and Internal Audit

Management¹

Management is responsible for ensuring SWAP has:

- the support of management and the organisation; and
- direct access and freedom to report to senior management, including the Chief Executive and the Audit and Governance Committee
- notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

Audit and Governance Committee

¹ In this instance Management refers to the Management Board and Statutory Officers.

The Audit and Governance Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

Internal Audit

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work.

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP, the Executive Director and Assistant Director also report to the Section 151 Officer and reports to the Audit and Governance Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the Audit and Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Herefordshire Council.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;

- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary.
- at the specific request of management, internal audit may provide consultancy services (including fraud investigation services) provided:
 - the internal auditor's independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined, and management have made proper provision for resources the work.
 - management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the Audit and Governance Committee for approval, quarterly internal audit plans, setting out the recommended scope of their work in the period.

The quarterly plans will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will agree actions to be taken as a result with the appropriate manager and Director. SWAP will report at least two times a year to the Audit and Governance Committee or as agreed. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Audit and Governance Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Section 151 Officer and to other relevant line management.

The Assistant Director will submit an annual report to the Audit and Governance Committee providing an overall opinion of the status of risk and internal control within Herefordshire Council based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors and Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit and Governance Committee, the organisation's Chief Executive Officer or the External Audit Manager.



Title of report: Annual Governance Statement – action plan update

Meeting: Audit and governance committee

Meeting date: Tuesday 12 April 2022

Report by: Service Director - Corporate Services

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

Based on the final version of the Annual Governance Statement agreed in September 2021 an action plan has been formed based on continuous improvement requirements. This report provides a review of the actions as of the end of March 2022.

Recommendation(s)

That:

- a) **The updated actions are noted.**

Alternative options

1. That the committee wait until the actions are updated in May 2022 when the draft annual governance statement is submitted.

Key considerations

2. The annual governance statement for 2020-21 was agreed by the audit and governance committee on 27 September 2021 as a statement of the controls the council has in place to manage risks in the delivering of outcomes and governance.

3. As part of the statement there were a number items under “continuous improvements” that have formed the action plan for improvement. A list of actions was presented to committee on 25 January 2022, with concern raised that actions were not complete so far into the year. There has now been movement on some of the actions though it remains likely that some will continue next year or become part of operational activity (this will be outlined in the report to the audit and governance committee in May 2022).
4. The requirements to produce the 2021-22 annual governance statement (note retrospective view) has started and due to be completed in May 2022. On Tuesday 1 March 2022 Management Board was notified of the action required including assurance statements by directors and statutory officers; register of significant partnerships; and managers’ checklists.

Community impact

5. Corporate governance is the term used to describe the systems, processes, culture and values the council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny to improve performance and manage risk.
6. The annual governance statement is a self-reflection that the organisation makes effective decisions in supporting the achievement of the council’s vision and county plan priorities.

Environmental impact

7. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire’s outstanding natural environment.
8. Whilst this is a decision to agree the AGS which is a back office function 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

9. 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 the delivery of services. As this is a factual progress report, we do not believe that it will have an impact on our equality duty.

Resource implications

10. Whilst the recommendations themselves do not have a direct resource implication, some of the actions may result in additional expenditure. Where this is the case separate governance will take place. The AGS does take resources to produce and deliver action plans but these are from existing staffing.

Legal implications

11. The Accounts and Audit (England) Regulations 2015 include a requirement for all councils to produce an AGS, and set out the timescales by which they must be published. Approval of the statement ensures that the council will comply with these requirements.

Risk management

12. The statement itself identifies any high level or strategic governance risks and the action plan provides mitigation to those risks. The risks listed below are based on half year update:

Risk / opportunity	Mitigation
Actions not complete due to pressure on other areas of delivery.	Understand priorities within the council and balance competing demands.
Assurance risk highlighted during the year.	To be raised in the future AGS, and address in year if need immediate action.
Resources to implement.	Though no direct resource implications additional activity may lead to a resource impact.

Consultees

13. Internal consultation and completion of the actions by officers named in the action plan.

Appendices

Appendix A - AGS action list, 1 April 2022

Background papers

None identified.

[This document shows track changes made since the last update received by the committee on [25 January 2022](#)]

Annual Governance Statement

Action ~~plan~~Plan for delivery in 2021-22

Update ~~January~~March 2022

~~From the 2020-21 AGS agreed by Audit and Governance Committee in September 2021 a number of continuous improvement actions were outlined and these have been formed into an action plan as below.~~

~~A key on status is below:~~

~~Please provide an update of the actions being delivery this financial year coming from the AGS for 2020-21 (at the end of the document for reference). The report will be published as part of the Audit and Governance Committee in January – the deadline for action update is 10th January 2022). Even if not complete please select the status bar so committee will know the item has been reviewed by the action owner.~~

Key

~~Complete: fully completed and no more action on the item~~

~~Part complete: item of the action complete but not fulfilled the whole action. This could also include “on-going” work which will continue into the following year.~~

~~Not complete: action or outcome not met to date ~~or~~(this is not updated-an update on progress)~~

~~Evidence should be specific including dates of decision, any related facts and figures~~

~~From the AGS for 2020-21 a number of actions and improvement have been outlined. These will be shared with Audit and Government Committee who agreed the AGS in September 2021. For further reference see link.~~

The actions link to the principles outlined in the AGS, namely:

- Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B: Ensuring openness and comprehensive stakeholder engagement
- Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits
- Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E: Developing the organisation’s capacity including the capability of its leadership and the individuals within it
- Principle F: Managing risks and performance through robust internal control and strong public financial management
- Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Key

~~Complete: fully completed and no more action on the item~~

~~Part complete: item of the action complete but not fulfilled the whole action~~

~~Not complete: action or outcome not met to date (this is not an update on progress)~~

Evidence should be specific including dates of decision, any related facts and figures

1. Action	Deliver the objectives and recommendations of the Children's Services Improvement Board; and make significant change to the culture and practice in children's social care supported by the wider organisation	
Principle A	Senior Lead: Corporate Director Children and Young People	Status: Not Part complete- (ongoing)
Evidence of complete: <u>See quarter update on 20 January 2022 that outlined progress and approved Strategic Improvement Plan.</u>		

2. Action	Implement Rethinking Governance recommended changes to the constitution and oversee operational procedures	
Principle A and E	Senior Lead: Director of Legal Governance and Legal Services	Status: Part complete Complete.
Evidence of complete: see papers attached to the same meeting of Audit and Governance Committee recommending changes to the constitution and time line in appendix for work to be completed. <u>presented to Council on 4 March 2022.</u>		

3. Action	New CRM system for complaints and review the Unreasonable Behaviour and Complaints policies	
Principle A	Senior Lead: Service Director Corporate Services	Status: Complete
Evidence of complete: <u>Unreasonable Behaviour Policy; Complaints Policies; and decision on CRM system for FOI and complaints.</u>		

4. Action	Introduce anti-fraud training for all staff	
Principle A	Senior Lead: Director of Resources and Assurance	Status: Complete
Evidence of complete: E-learning and intranet site available to all staff. Fraud awareness week (week of 15 November 2021) included widespread awareness with information on the intranet on information, advice and new strategy.		

5. Action	A revised code of conduct for members and new arrangements for dealing with allegations that members have breached the code	
Principle A	Senior Lead: Director of Legal Governance and Legal Services	Status: Part complete Complete
Evidence of complete: See papers attached to the same meeting of Audit and Governance Committee recommending consultation on new code new arrangements and guidance. <u>Considered again in annual report on code of conduct to Audit and Governance Committee in January 2022 (item 71). Consultation currently open with all Herefordshire Councillors (including town and parish) due to be considered at Audit and Governance Committee in May 2022 for adoption at AGM.</u>		

6. Action	Review annual governance statement based on new guidelines and lessons learnt-	
Principle A	Senior Lead: Service Director Corporate Services	Status: Part complete-
Evidence of complete: Review new guidance from the Centre for Governance and Scrutiny on the Governance Risk and Resilience Framework.		

7. Action	Run member and officer working together training sessions	
Principle A	Senior Lead: Director of Legal Governance and Legal Services	Status: Part complete - <u>In progress</u>
Evidence of complete: Pending review by Chief Executive. Effective officer and member relationship – are we getting it right? Sessions held with management board and Cabinet in autumn 2020 –put on hold with arrival of new CEX- sessions restarted in March 2022 raised with management board and cabinet.		

8. Action	Partnership governance framework to be reviewed	
Principle B	Senior Lead: Director of Legal Governance and Legal Services	Status: Not complete.
Evidence of complete: Moved to 2022-23.		

9. Action	New Communication and Engagement Strategy	
Principle B	Senior Lead: Service Director Corporate Services	Status: Part complete <u>Complete</u>
Evidence of complete: In preparation for a decision in <u>Agreed at Cabinet on 31st March 2022, with all members briefing beforehand.</u>		

10. Action	Deliver on arrangements for co-optee appointments	
Principle B	Senior Lead: Director of Legal Governance and Legal Services	Status: Complete
Evidence of complete: Approved protocol agreed for co optees from May 2021 see https://councillors.herefordshire.gov.uk/ielssueDetails.aspx?Id=50038627&Opt=3		

11. Action	To instigate a pipeline of policies and strategies linked to governance decision making	
Principle C	Senior Lead: Service Director Corporate Services	Status: Part complete-
Evidence of complete: List of policies created and when due for renewal; <u>form part of the joint planning for management board and governance; built into service planning and decision making. Likely implementation 2022-23.</u>		

12. Action	Embedded new structure in public health to address the continued responses to Covid 19 whilst addressing other public health priorities	
Principle C	Senior Lead: Director of Public Health	Status: Part complete Complete.
Evidence of complete: New structure implemented and appointment of Director of Public Health. Structure for outbreak control hub developed and implemented. Structure discussed with Strategic Planning Group and agreed by CFO/S151. Staff from other areas of Council directly working on the outbreak response (e.g. environmental health, public health, corporate services) returned to substantive roles.		

13. Action	<u>Produce a Covid Recovery</u> Produce a Covid Recovery Plan	
Principle C	Senior Lead: Director of Public Health	Status: Not complete Complete.
Evidence of complete: <u>Annual DPH report used to highlight the areas of impact of COVID and inform recovery. COVID-19 health and wellbeing recovery programme and economic recovery programme developed and agreed with Cabinet.</u>		

14. Action	Produce the Estates Strategy for the use of council buildings	
Principle C	Senior Lead: Director of Resources and Assurance	Status: Not Part complete .
Evidence of complete: <u>Presented to management board on 1 March 2022.</u>		

15. Action	Update the Procurement and Commissioning Strategy	
Principle D	Senior Lead: Service Director Corporate Services	Status: Part complete-
Evidence of complete: In draft pending decision due by Cabinet Member in March 2022 <u>Drafted for political group consultation and management board final agreement.</u>		

16. Action	Implement improvement plan for value for money on the public realm contract	
Principle D	Senior Lead: Director of Resources and Assurance	Status: Part complete Complete
Evidence of complete: Improvement board overseeing improvement process.		

17. Action	Deliver on recommendation of Peer on Peer spotlight review	
Principle D	Senior Lead: Corporate Director Children and Young People	Status: Part complete Complete (on going)
Evidence of complete: Guidance to schools : https://www.herefordshire.gov.uk/schools-education/bullying-1- <u>Reconsolidation Service commissioned.</u>		

18. Action	Implement programme management board decision and assurance framework	
Principle D	Senior Lead: Assistant Director Strategy	Status: Complete
Evidence of complete: <u>Link</u> to intranet pages		

19. Action	Implement the Member Development training plan	
Principle E	Senior Lead: Director of Legal Governance and Legal Services	Status: Part Complete <u>In progress</u>
Evidence of complete: Linked to operational changes identified through re <u>Re</u> -thinking governance review. Independent Remuneration panel recommendations in May 2021 council agreed new approach for mandatory training see item 9 https://councillors.herefordshire.gov.uk/mgAi.aspx?ID=58166 <u>Member working group meeting in March 2022</u>		

20. Action	Additional training and development for Children and Young People Scrutiny	
Principle E	Senior Lead: Director of Legal Governance and Legal Services	Status: Complete.
Evidence of complete: Development offer from LGA accepted by committee on 21 October see item 40 https://councillors.herefordshire.gov.uk/ielListDocuments.aspx?CId=954&MId=8369&Ver=4		

21. Action	Promotion of becoming a council member reflective of flexibility with increased virtual meetings	
Principle E	Senior Lead: Director of Legal Governance and Legal Services	Status: Part complete <u>Not progressing</u>
Evidence of complete: remote meeting regulations have not continued in operation.		

22. Action	Revised training and guidance for officers on decision making	
Principle E	Senior Lead: Director of Legal Governance and Legal Services	Status: Complete.
Evidence of complete: - revised decision making training provided since March 2020		

23. Action	Wider IT training for staff	
Principle E	Senior Lead: Service Director Corporate Services	Status: Part complete <u>Complete (on-going)</u>
Evidence of complete: Services on training on MS Teams <u>promoted on CE's updates other othe IT training available on IT systems. Part of business as usual going forward.</u>		

24. Action	Implement changes to portfolio briefing and review effectiveness	
Principle E	Senior Lead: Service Director Corporate Services	Status: Part complete
Evidence of complete: Changes agreed in April 2021 at Cabinet Member Briefing and introduction of capital item on each agenda. Review of facilitation for when new Corporate Directors are in place.		

25. Action	Revised recruitment policy; publication of the ex-offenders policy; review market forces guidance to ensure fit for purpose	
Principle E	Senior Lead: Director of HR and OD	Status: Not complete
Evidence of complete: <u>Moved to 2022/23</u>		

26. Action	Embed a risk management culture and practice in the organisation	
Principle F	Senior Lead: Director of Legal Governance and Legal Services	Status: Part complete.
Evidence of complete: risk maturity audit currently being undertaken		

27. Action	External funding strategy produced	
Principle F	Senior Lead: Acting Corporate Director Community Wellbeing	Status: Not complete.
Evidence of complete: <u>Review of where this fits within the organisation based on directorate.</u>		

28. Action	Updated continuity planning in light of Covid-19 and lessons learnt from flooding emergencies	
Principle F	Senior Lead: Director of HR and OD	Status: Part complete Complete
Evidence of complete: In view of the lessons learned, business continuity planning has been reviewed and a review of the council's emergency planning arrangements was carried out by the Emergency Planning Manager in September 2021. The key outcome is business continuity planning is now focused on critical services. In Dec 2021, management board agreed its list of critical services and management board is ensuring a robust plan is in place for all critical services.		

29. Action	Oversight of external grants and grants register created.	
Principle F	Senior Lead: Assistant Director Corporate Services	Status: Part complete.
Evidence of complete: Register created within Grants and Programmes Team-; <u>confirming funding for a Corporate Grants lead.</u>		

30. Action	Ensure details of significant partnership profiles are up-to-date on the council's website	
Principle G	Senior Lead: Assistant Director Corporate Services	Status: Complete
Evidence of complete: Published on the website ; and presented to Audit and Governance Committee on 27 September 2021 with one outstanding partnership subject to internal audit.		

31. Action	Implement improved and ease of access performance information for staff, members and the public	
Principle G	Senior Lead: Assistant Director Corporate Services	Status: Part complete- <u>(on going)</u>
Evidence of complete: New dashboards shared with management board <u>and cabinet members.</u> <u>Implications linked to Delivery Plan for 2022-23.</u>		

32. Action	Make the most of new features on Modern.gov	
Principle G	Senior Lead: Director of Legal Governance and Legal Services	Status: Part complete.
Evidence of complete: part of rethinking governance identified operational changes		

33. Action	Capture number of meeting where public are that were excluded. <u>from public meetings</u>	
Principle G	Senior Lead: Director of Legal Governance and Legal Services	Status: Complete.
Evidence of complete: This is captured and reported in the leaders report, first one will be January 2022.		

Title of report: Corporate Risk Register

Meeting: Audit and governance committee

Meeting date: Tuesday 12 April 2022

Report by: Head of Corporate Performance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the performance management framework.

Recommendation(s)

That:

- a) **The committee determine any recommendations it wishes to 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 as part of daily council business, self-assessment as part of business planning processes, as well as a result from regulator and audit activity. As these risks are identified, they are 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 therefore holds the highest, most immediate 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

- NB: Risks that appear on the Corporate Risk Register will also appear on their relevant Directorate and Service Risk Registers

4. 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

5. The heat map below shows the current risks on the council's Corporate Risk Register as at the end of February 2022. References and the full details of the risks can be found at appendix A. At the request of the committee, changes in the Corporate Risk Register have been identified in red text in the appendix.

Corporate Risk Register - February 2022

		IMPACT			
		4		5	
LIKELIHOOD	5	CRR.66 *		CRR.67 ↑E	
	4	CRR.61 -- CRR.63 -- CRR.69 *		CRR.60 -- CRR.64 ↑ CRR.68 *	
		Directorate RR (9 - 15)	Service RR (5 - 8)	Service RR (1 - 4)	Closed
		CRR.52 ↓D CRR.65 ↓D	CRR.62 ↓D		

-- No Change
 E Escalated
 D De-escalated

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

6. Since the last report to committee (November 2021), there have been 3 new corporate risks, 1 risk escalated to the corporate risk register, and 3 risks de-escalated as follows:
- A new risk in relation to receiving an adverse Ofsted inspection (CRR.66);
 - A new risk in relation to the availability of new waste collection vehicles in readiness for the new waste collection service (CRR.68);
 - A new risk in relation to the Hereford City Centre Improvement programme being delivered to programme (CRR.69);
 - An escalation of the risk in relation to the possible onset of Ash Dieback within the county (CRR.67);
 - CRR.52 – the risk in relation to high risk notable cases within the courts has been reduced to a directorate risk; court skills training with legal services and the local judiciary has been developed, and case tracking of all legal cases, with senior management oversight panels are now embedded.
 - CRR.62 – the risk in relation to availability of workers for waste collections has been reduced to a service risk; the business continuity plan has been reviewed and service provision will be prioritised if required.
 - CRR.65 – the risk in relation to the multi-agency safeguarding hub has been reduced to a directorate risk; progress has been made around the standard operating procedure review and a new multi-agency referral form has been agreed.
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*
Community Wellbeing	1	16
Children and Young People	3	10
Economy and Environment	4	29
Corporate Support	-	33
Total	8	88

* Includes corporate risks

8. Directorate risk registers can be found at appendices B-E. A summary of changes across directorate risk registers is found in the table below.

	Community Wellbeing	Children and Young People	Economy and Environment	Corporate Support
New risk		1	2	1
Closed risk				
Escalated			1	
De-escalated from DRR	1		1	
Increased score		2	2	
Reduced score		2		
No change	16	5	24	32

* 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.

Risk Management Maturity Assessment

9. As previously reported to the audit and governance committee, the team has recently worked with SWAP on a risk management maturity assessment. This was completed as a facilitated self-assessment and the final report has now been completed; the summary can be found at appendix F.
10. This report was scoped as a maturity assessment, rather than a full audit, and as such does not have a formal judgement. However, the report helpfully provides an indication of areas that could be strengthened as part of the continual roll out of the Risk Management Plan.

11. The report suggests that the existing risk framework provides a good foundation for risk management within the council. There are of course areas for improvement, in particular embedding risk management within services; this is likely to be completed through a range of training and workshop sessions. One of the key focusses of these sessions must be about turning risk into actions which aim to increase meaningful controls and reduce the residual risk.
12. This report will be considered and a plan for the ongoing embedding of risk management within the council will form part of the business intelligence team's annual service business plan.

Community impact

13. 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

14. This decision itself has minimal environmental impacts, however effective risk management will increase the likelihood of the council achieving its strategic objectives, including to "protect and enhance our environment and keep Herefordshire a great place to live".

Equality duty

15. 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 duty 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.

Risk management

19. There are no direct risk as a result of this report. It is clear that we still have some way to go to embed the new approach. By reviewing the corporate risk register on a regular basis, greater assurance is given that the council manages its risk effectively.

Consultees

16. None.

Appendices

Appendix A Corporate risk register

Appendix B Community wellbeing directorate risk register

Appendix C Children and young people directorate risk register

Appendix D Economy and environment directorate risk register

Appendix E Corporate centre directorate risk register

Appendix F Risk maturity assessment

Background papers

None.

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.60	Development of Sufficiency strategy to support best value model IF: the sufficiency strategy is not effective in a timely manner in order to meet outcomes for C&YP THEN: high costs demands in order to meet service need will continue within the budget	Jun-21	25 (5*5)	Panels have been implemented to ensure robust monitoring and approval of all placements.	20 (4*5)	Further mitigation required	Working with Adults All Age Commissioning to support the review of contracts and inform future sufficiency and needs by March 2022 . Revision of the sufficiency strategy in progress. Reviewing of current contracts to ensure value for money. Implementing a recruitment and retention model to increase fostering, short breaks / respite provision and emergency foster care. Commissioning to urgently liaise with local providers to increase the capacity in the interim Develop options and business case for potential future residential provision	Interim Service Director, Early Help and Safeguarding
CRR.61	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there will be a significant impact on availability of services - this is currently affecting the Domiciliary care sector in particular and qualified nurse and management and other roles amongst care homes.	Mar-17	16 (4*4)	External market workforce project launched. The council is in receipt of a £450,000 workforce development grant series of work streams using this funding are about to commence. It will now work collaboratively with local NHS partners and others to deploy innovative and proactive approaches to attracting people to careers in the Health and Care sectors. Regular provider forums with commissioned services and close monitoring of market capacity and responses.	16 (4*4)	Further mitigation required	Ensuring that the Adult Social Care agenda is high on priority list for other Directorates and wider system partners. Working with economic partners on master planning to shape the future market. The council will use its new contractual arrangements from 2021 onwards to support the care sector in sustaining and developing the workforce by encouraging providers to enhance the terms & conditions and pay rates of care workers. Taking all opportunities to highlight through regional and national networks the need for different approaches to enabling sufficient supply of workers into the care workforce.	Acting Corporate Director, Community Wellbeing

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.63	<p>Hereford City Centre Transport Package</p> <p>IF the balance of land payments and costs for the BP garage and associated interests (Arrow Plant & Lincoln Properties) is higher than the allocated budget THEN this could result in the land budget being exceeded which would further reduce the budget available for the remaining scheme elements. If this further reduction was too significant then it may not be possible to meet the objectives of the business case without further capital funding.</p> <p>This increase would arise from both an increase in value of the claim and also possible costs associated with the matter being referred to the upper land tribunal.</p>	Oct-20	20 (4*5)	<p>Continue to pursue a negotiated settlement in conjunction with specialist agents.</p> <p>Consider mediation as an alternative to settling through upper land tribunal</p> <p>Seek specialist CPO legal support to rebut claim through tribunal.</p>	16 (4*4)	Further mitigation required	Weekly discussions continuing with LSH, PM and BW. Further planning and Counsel advice being sought.	Interim Service Director, Environment, Highways and Waste

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.64	<p>Inability to recruitment and retain social care staff and other key roles within the service</p> <p>IF: Unable to retain and recruit social care staff and other key roles</p> <p>THEN: Retention and recruitment to critical key roles of experienced staff will not be achieved</p>	Jun-21	25 (5*5)	<p>A refreshed approach to communicating with staff has been put in place to encourage open and honest conversations throughout the service, this should help with retention as we will better understand our workforce.</p> <p>We have a small, dedicated recruitment team in Children's Services to ensure recruitment is consistently done in a timely manner</p>	20 (4*5)	Further mitigation required	<p>Develop a unique employer identity and recruitment microsite.</p> <p>Refresh our regional comparator work to understand how our total reward package compares to others in the region - look at other features and benefits e.g. green lease cars.</p> <p>Entering a strategic partnership with Community Care from Feb 2022 to raise the profile and reputation of Herefordshire regionally and nationally. Compass Jobs Fair in Birmingham in March 2022. Blanket exception for MOU for social work post with a review after six months.</p> <p>Complete the job families and career progression work; ensure the learning offer supports this; advertise as part of our employment offer.</p> <p>Use up to date research to understand generational and cultural needs of our own and prospective staff.</p> <p>Get the People and OD strategy signed off and agree the action plan for the remainder of the year.</p> <p>This work now needs to be implemented to mitigate the risks.</p>	Corporate Director, Children and Young People
CRR.66	<p>Ofsted inspection</p> <p>IF: There is an adverse Ofsted inspection outcome Then: This will have an impact on staffing and the progress on improvement</p>	Dec-21	20 (5*4)	<p>Preparations continue in respect of inspection readiness</p> <p>Support for preparations is being provided by Sector Led Improvement Partner</p>	20 (5*4)	Further mitigation required	<p>Work is being completed to produce an accurate self evaluation</p> <p>OFSTED preparedness is being kept under review</p>	Corporate Director, Children and Young People

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.67	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.	Oct-16	25 (5*5)	Cross service "working group" being set up to assess the situation and pull together a council wide response to the risk. 2016 Report and 'way forwards' plan produced for relevant consultation and refinement. Draft 'endorsed' by national advisor to DEFRA, DEFRA and FERA officers and more progressed local authorities (Devon, Suffolk, Kent). Hfds Chalara Action Plan being kept updated ready for use as needed. The concern raised to DMT. BBLP working on programme of work for network improvement with respect to trees on the network. This is plan Once programme of work is understood HC will look to fund and mitigate further.	25 (5*5)	Further mitigation required	Review of current controls in place, and risk assessment to be completed by March 22, due to the unknown number of Ash Trees and location, high level of risk remains.	Interim Service Director, Environment, Highways and Waste
CRR.68	Waste Collection Vehicles - lead time for supply of new vehicles IF: Supply chain issues continue THEN: there is a risk that we will not be able to secure the required new waste collection vehicles in time for the mobilisation of the new waste collection service in Nov 23.	Feb-22	25 (5*5)	Soft market testing undertaken to engage potential suppliers - confirmed supply chain risks and potential 12 month+ lead times. ITT currently live for technical support to develop service spec in order to commence procurement for collection contract Identified at Project Board as a risk for escalation to the programme board	20 (4*5)	Further mitigation required	Contacting Local Authority Recycling Advisory Committee (LARAC) to ask members for their current experience or knowledge of delivery expectations. Contacting the Chartered Institution of Wastes Management to ask for their current experience or knowledge of delivery expectations. Contacting the Environmental Services Association to ask for their current experience or knowledge of delivery expectations. Contacting vehicle suppliers directly through market engagement exercise. (Extend current contract with SLR who have just completed soft market test). FCC to provide cost outline for extending current collection service to April 2024.	Interim Service Director, Environment, Highways and Waste

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.69	Hereford City Centre Improvement (HCCI) Programme IF Delivery of HCCI is not delivered to programme THEN this could increase revenue pressure on Public Realm	Nov-21	16 (4*4)	Regular monitoring of project costs undertaken through the Verto project management system and reported to project board on a monthly basis.	16 (4*4)	Further mitigation required	Need to understand the potential revenue pressure and work in to annual plan and funding requirements	Interim Service Director, Environment, Highways and Waste
Risks de-escalated from the corporate risk register								
CRR.52	High Risk Notable Cases within the courts IF: the current cohort of High court notable cases in respect of legacy practice results in a further critical judgement or adverse media attention THEN: Herefordshire council may face human rights cost claims and formal DfE statutory intervention	Jun-21	12 (3*4)	Service level protocol in development with legal services setting out legal support and overview and scrutiny through the director of children services and the head of legal services including fortnightly meetings between the client and provider (children services and legal services). The development of court skills training with legal services and the local judiciary. Case tracking of all legal cases and senior management oversight panels are embedded. There is increased confidence from the judiciary due to improved compliance and this will continue to be monitored.	12 (3*4)	Further mitigation required	Develop and Implement Communications strategy in respect of possible media attention.	Corporate Director, Children and Young People
CRR.62	Waste collections - HGV drivers and labour availability IF: FCC Environment continue to see high absence levels and are unable to recruit to HGV driver and labourer positions THEN: This will severely impact the waste collections service. This is likely to become a larger and more significant risk as we approach Xmas when there is more competition for HGV drivers and the national shortage is unlikely to be resolved.	Oct-21	16 (4*4)	FCC Environment increased their salary offering for HGV drivers in Sept and are actively recruiting on a continual basis. They are however having limited success as a number of applicants are declining posts after inductions. If we experience a reduction in available crews service provision has been prioritised as per our business continuity plan - eg bin swaps postponed in favour of household collections. Jan - little effect of this currently but remains a risk due to ongoing COVID	8 (2*4)	Further mitigation required	Consideration will need to be built into future contract spec for development and recruitment of drivers as nation industry problem grows.	Interim Service Director, Environment, Highways and Waste
CRR.65	Multi Agency Safeguarding Hub IF: We do not create an integrated MASH then there will be inconsistent decision making will occur Then: Children will not be safeguarded in a timely manner	Oct-21	16 (4*4)	All referrals are now monitored by social work manager; new MASH Safeguarding board monitoring development and progress; Improve decision making. A new Multi Agency Referral Form has been agreed	10 (2*5)	Further mitigation required	Ensure that all partners have appropriate staffing capacity / IT access in new location Progress is ongoing around the standard operating procedures review. Progress has been made on location; final details being confirmed.	Interim Service Director, Early Help and Safeguarding

Community Wellbeing Directorate Risk Register February 2022

		Impact				
		2	3	4	5	
Likelihood	5					
	4	N/A		AC.01 --		
	3	N/A	AC.09 -- AC.10 -- AC.11 -- AC.12 -- AC.13 --	AC.14 -- AC.15 -- AC.16 --	AC.02 -- AC.03 -- AC.04 -- AC.05 -- AC.06 --	
	2	N/A	N/A	N/A	AC.07 -- AC.08 --	

Reference	Description	Corporate Risk
AC.01	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there will be a significant impact on availability of services - this is currently affecting the Domiciliary care sector in particular and qualified nurse and management and other roles amongst care homes.	Yes (CRR.61)
AC.02	Conclusion of NHS funding for discharge to assess IF The current NHS funding of discharge to assess model to manage hospital discharges during the Covid 19 outbreak concludes September 2021 (extended to early 2022). 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.03	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.04	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.05	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.06	<p>Staffing & Recruitment IF: we are unable to recruit to key operational worker roles THEN there will be a risk to delivering our services placing residents at risk</p>	
AC.07	<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.08	<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.09	<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.10	<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.11	<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.12	<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.13	<p>Housing Benefit Decision Making</p> <p>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.</p>	
AC.14	<p>ICES Stock supply</p> <p>Due to the impact of Covid 19 and Brexit bent metal products supply chain is causing delays to orders being fulfilled to dates as prescribed.</p>	
AC.15	<p>Capital aspects of Project Brave - Multiple capital projects are key to delivering the long term and transitional housing essential for the Brave vision.</p> <p>IF the various barriers to capital funding or housing development delay the creation of additional accommodation at the required scale THEN revenue funding from Government maybe reduced particularly relating to the net costs of B&B accommodation</p>	
AC.16	<p>Domestic Abuse Act implementation</p> <p>IF the recent delays and imperfect clarity in relation to guidance and funding announcements from Government continue THEN it will remain challenging for the Council to ensure full compliance with the Act and coherent commissioning of new and sustainable services.</p>	

Children and Young People Directorate Risk Register February 2022

		Impact			
		2	3	4	5
Likelihood	5		CF.06 --	CF.10 *	
	4	N/A			CF.01 ↑ CF.02 ↑
	3	N/A		CF.03 ↓D CF.07 -- CF.08 --	CF.05 --
	2	N/A	N/A	N/A	CF.04 ↓D CF.09 --

Reference	Description	Corporate Risk
CF.01	Inability to recruitment and retain social care staff and other key roles within the service IF/AS: Unable to retain and recruit social care staff and other key roles THEN: Retention and recruitment to critical key roles of experienced staff will not be achieved	Yes (CRR.64)
CF.02	Development of Sufficiency strategy to support best value model IF: the sufficiency strategy is not effective in a timely manner in order to meet outcomes for C&YP THEN: high costs demands in order to meet service need will continue within the budget	Yes (CRR.60)
CF.03	High Risk Notable Cases within the courts IF: the current cohort of High court notable cases in respect of legacy practice results in a further critical judgement THEN: Herefordshire council may face human rights cost claims and formal DfE statutory intervention	
CF.04	Multi Agency Safeguarding Hub IF/AS: We do not create an integrated MASH then there will be inconsistent decision making will occur Then: Children will not be safeguarded in a timely manner	
CF.05	School Assets IF: The condition of school estate continues to deteriorate with insufficient budget to maintain school assets proactively THEN: There may be an increase in costs due to unplanned significant spend	

CF.06	<p>Special School Demand IF: 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>	
CF.07	<p>Storing and recording of records IF: We fail to store records in the correct manner and comply with information governance policy THEN: Critical key data in respect of the child's journey could be lost, mislaid or not used; which, would potentially impact on the outcomes for the child and family</p>	
CF.08	<p>ICT Systems IF: The technology ICT systems/ platforms are not utilised to the full potential THEN: We fail to provide consistent service delivery for children and families in Herefordshire</p>	
CF.09	<p>Non-Statutory Notice to improve IF: We are unable to demonstrate and or meet the Department for Education's (DFE) expectations as set out in the non-statutory notice to improve THEN: We could face more formal statutory intervention with the risk of the removal of children services from the councils control into a children's trust</p>	
CF.10	<p>Ofsted inspection IF: There is an adverse Ofsted inspection outcome Then: This will have an impact on staffing and the progress on improvement</p>	Yes (CRR.66)

Economy and Environment Directorate Risk Register February 2022

		Impact			
		2	3	4	5
Likelihood	5		EP.02 -- EP.03 -- EP.04 -- EP.21 --		EP.22 ↑E
	4	N/A	EP.10 -- EP.11 -- EP.12 --	EP.01 -- EP.29 *	EP.28 *
	3	N/A	EP.23 -- EP.24 -- EP.25 -- EP.26 -- EP.27 ↑E	EP.13 -- EP.14 -- EP.15 -- EP.16 -- EP.17 --	EP.18 -- EP.19 -- EP.20 -- EP.05 -- EP.06 -- EP.07 -- EP.08 -- EP.09 --
	2	N/A	N/A	N/A	

Reference	Description	Corporate Risk
EP.01	<p>Hereford City Centre Transport Package</p> <p>IF the balance of land payments and costs for the BP garage and associated interests (Arrow Plant & Lincon Properties) is higher than the allocated budget THEN this could result in the land budget being exceeded which would further reduce the budget available for the remaining scheme elements. If this further reduction was too significant then it may not be possible to meet the objectives of the business case without further capital funding.</p> <p>This increase would arise from both an increase in value of the claim and also possible costs associated with the matter being referred to the upper land tribunal.</p>	Yes (CRR.63)
EP.02	<p>Cost increase in providing special transport</p> <p>IF: there is increasing demand for special transport (SEN/LAC/PRU) THEN: there will be significant budget pressures to the transport service.</p>	
EP.03	<p>Covid results in significant financial and operational pressures for passenger transport services</p> <p>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.</p>	
EP.04	<p>Green Homes Grant Local Authority Delivery (GHG LAD) project</p> <p>IF: Funding is not defrayed for green home measures by project end THEN: allocated Herefordshire funding will need to be returned to central government (Business, Energy and Industrial Strategy, BEIS).</p>	
EP.05	<p>Phosphate Pollution in Lugg Catchment</p> <p>IF: A way forward cannot be found in relation to the moratorium on</p>	

Reference	Description	Corporate Risk
	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.06	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.07	Waste management services contract IF: we do not appropriately resource the review THEN: there is a risk that we may not meeting the tight timescales to be able to re--procure a new service in time	
EP.08	Wetlands IF: Wetlands are to deliver the required phosphate reduction to enable housing development in the Lugg catchment areas THEN: The delivery of these wetlands must be driven at pace to ensure that (1) the effective moratorium is unblocked ASAP and (2) the requirement to spend £1m of the LEP grant by 31/3/22 is met so that the £1m LEP funding does not have to be returned.	
EP.09	Ecology Resource IF: The ecology team does not get additional resource THEN: The delivery of their statutory role in planning consultations will not be met and the internal expertise to deliver many of the council's environmental actions within the corporate plan will also be at risk.	
EP.10	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.	
EP.11	Herefordshire on street cycle hire scheme (Beryl). IF: we are unable to secure additional external funding THEN: the current project will finish in 31 March 2022. This presents a significant political risk as the project is very successful and popular. This also presents a risk to delivering the sustainable transport objectives in the local transport plan and corporate delivery plan. Funding to procure on street cycle hire was from the DfT Access Fund but in in the absence of grant funding it may be possible to access internal funding.	
EP.12	Corporate Energy Bills IF: Forecasted energy prices for next year do not start to decline THEN: The cost of energy bills for the council's corporate estate will rise considerably next year (in the region of 17-19% for gas and 11-14% for power).	
EP.13	Economic Resilience - Covid 19 IF: Covid 19 has and will continue to have a very significant impact on	

Reference	Description	Corporate Risk
	the local economy THEN: businesses will close, and unemployment will rise.	
EP.14	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.	
EP.15	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.	
EP.16	Hereford City Centre Improvements: IF A new location for the WPD substation and the replacement works are not progressed. THEN The ability to progress the next phase of construction and meet the LEP spend requirements for 21/22 financial year may be compromised.	
EP.17	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.	
EP.18	Hereford City Centre Transport Package IF there is a delay to concluding the claim received for the BP Garage THEN significant costs may be incurred if the matter is taken to a tribunal.	
EP.19	CCTV funding IF the PCC do not continue to provide funding for the service beyond 31 October 2021 THEN there is a possibility that the service will cease delivery, or need to provide a reduced service.	
EP.20	CCTV funding IF funding isn't available to upgrade or provide additional CCTV cameras in Hereford city due to the installation of trees impeding the views of CCTV THEN there is a possibility that the service will cease delivery, or need to provide a reduced service.	
EP.21	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.	
EP.22	Ash Dieback (Chalara) IF: An action plan is not adopted to deal with the onset of Ash Dieback within the County boundaries THEN: the authority faces significant unplanned financial burden linked to removal of a	Yes (CRR.67)

Reference	Description	Corporate Risk
	significant percentage of tree stock and an increased liability linked to personal injury and third party damage claims.	
EP.23	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.	
EP.24	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.	
EP.25	Food Hygiene Inspection Program IF: there is non-compliance with the Food Standards Agency (FSA) Code of Practice with regards to the interventions at D & E rated food businesses THEN: possible FSA intervention and increased public health risk	
EP.26	Warm Homes Fund- Delivery and funding drawdown IF: Supply chain issues continue THEN: there is a risk that delivery will not be completed in line with targets and funding will not be maximised.	
EP.27	Solar PV for Schools IF: Schools have roof condition surveys and PV install not go ahead THEN: The project will not be able to realise full spend	
EP.28	Waste Collection Vehicles - lead time for supply of new vehicles IF: Supply chain issues continue THEN: there is a risk that we will not be able to secure the required new waste collection vehicles in time for the mobilisation of the new waste collection service in Nov 23.	Yes (CRR.68)
EP.29	Hereford City Centre Improvement (HCCI) Programme IF Delivery of HCCI is not delivered to programme THEN this could increase revenue pressure on Public Realm	Yes (CRR.69)

Corporate Centre Directorate Risk Register February 2022

		Impact			
		2	3	4	5
Likelihood	5				
	4	N/A	CS.01 -- CS.02 -- CS.03 -- CS.04 -- CS.05 -- CS.06 --		
	3	N/A	CS.18 -- CS.25 -- CS.19 -- CS.26 -- CS.20 -- CS.27 -- CS.21 -- CS.28 -- CS.22 -- CS.30 -- CS.23 -- CS.32 -- CS.24 --	CS.07 -- CS.14 -- CS.08 -- CS.15 -- CS.09 -- CS.16 -- CS.10 -- CS.29 -- CS.11 -- CS.31 -- CS.12 -- CS.33 * CS.13 --	
	2	N/A	N/A	N/A	CS.17 --

Reference	Description	Corporate Risk
CS.01	Mandatory IG and IS Training IF staff do not complete their mandatory IG and IS training before being given access to business systems THEN this may lead to data breaches or the mis-management of information and risk referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	
CS.02	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.	
CS.03	New projects expectations and requirements IF insufficient capacity in procurement team to support due to increasing demand through new project and expectations THEN tender strategies and approaches may fall short of best practice and policy requirements.	
CS.04	Legal resourcing Inability to control external fees spend within allocated budget of £400k	

Reference	Description	Corporate Risk
CS.05	SARS Requests IF SARS requests continue to increase to the council THEN there will be increased workload for staff.	
CS.06	Access to the dentist If access to dentists remains a challenge in the county, then there is a risk to the work to improve oral health which includes messaging about visiting dentists for check-ups and access to fluoride varnish etc.	
CS.07	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.	
CS.08	Recruitment Strategy IF: the council is unable to recruit and retain the level and scale of staff required 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.09	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.10	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 a risk of failure to meet statutory and/or legal duties and powers.	
CS.11	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.12	Procurement Support IF tenders are not adequately planned or resourced reflecting addition in grant funded projects and new escalated delivery THEN there may not be sufficient resources within the team to support the procurement process, which could result in delays to projects, inadequate application of best practice, potential for mistakes, business continuity issues and delivery of council goals.	
CS.13	Records Management If staff do not comply with records management policy, practice and procedures - including using the systems available THEN important information can be lost including for court cases, subject access searches and FOI.	
CS.14	Major Capital Projects IF: We don't deliver Major Capital Projects within budget or within	

Reference	Description	Corporate Risk
	timescale THEN: this will lead to increased costs and reputational damage	
CS.15	EU exit IF: there is uncertainty, inflation and resource restrictions THEN: there may be an impact on the economic and social programmes of the Council and its partners which would impact affordability and result in resource gaps	
CS.16	NHS Health checks stopped due to service requirements during pandemic. If these are not restored 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.17	Evacuation of buildings IF we do not have sufficiently trained fire wardens to assist in the evacuation of staff from buildings during a fire THEN the employer may fail in their duty of care to make sure anyone using our buildings can safely evacuate	
CS.18	IT budget If it is not clear on the spend for IT with links to contracted spend THEN there is a risk of overspend.	
CS.19	Public Health staff capacity If PH staff capacity is not sufficient then we won't be able to deliver our objectives.	
CS.20	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	
CS.21	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.	
CS.22	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	
CS.23	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.	
CS.24	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	

Reference	Description	Corporate Risk
	staff redeployment to backfill and maintain critical services. Failing to respond effectively to major emergencies/incidents could result in a loss of public confidence through adverse publicity, loss of life to public or council employees, loss of service, economic damage or environmental impacts. Lack of trained staff (deployed or other) means we may not respond as quickly/effectively as we should.	
CS.25	PH delivery of grant spend If recruitment to vacant roles remains challenging there is a risk to spend of universal funding granted to Turning Point.	
CS.26	Medium Term Financial Strategy IF: the Council does not deliver its MTFS strategy, either through poor budgetary control or inflationary pressures THEN: there is a risk that the organisation will not achieve a balanced budget and risk service failure	
CS.27	Legal recruitment Inability to recruit to the new structure will lead to challenges in managing the demand for legal support	
CS.28	Accountability for grants IF the council does not properly manage grants THEN: the council could be liable for financial and reputational risks	
CS.29	Information governance IF: staff do not treat the information they access appropriately THEN: this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	
CS.30	Staff Retention in Property Services IF: Staff leave/retire THEN: Key knowledge, programme delivery and statutory compliance will be compromised	
CS.31	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)	
CS.32	Winter maintenance plan IF: we have no maintenance plan THEN: we will be unable to prioritise limited budgets to ensure continued service delivery	
CS.33	Complaints not being dealt with IF: complaints are not being investigated in a timely manner by the services THEN: then time scales will be missed and escalated to the LGSCO	

Risk Maturity Assessment – Final Report - March 2022

Risk Maturity of the Themed Areas (based on ISO risk categories)

The requirements assessed in relation to risk maturity were split across seven thematic areas in line with ISO 27001 Risk Management Categories. The results of this review are as follows:

Area	Assessment
Risk Maturity	Risk Defined
Risk Identification	Risk Defined
Risk Analysis	Risk Managed
Risk Evaluation	Risk Defined
Risk Treatment	Risk Aware
Risk Reporting	Risk Managed
Assurance	Risk Defined

Risk Maturity Definitions

Risk Maturity Definitions outlined below for the purposes of this review:

Risk Naïve	No formal approach developed for risk management
Risk Aware	Scattered silo-based approach to risk management
Risk Defined	Strategy and policies in place and communicated. Risk appetite defined.
Risk Managed	Enterprise approach to risk management developed and communicated.
Risk Enabled	Risk management and internal controls fully embedded into the operations across the organisation.

Scope and Ambition

This assessment is a high-level corporate view of risk maturity within the organisation. The SWAP Risk Maturity Tool has been completed as a facilitated self-assessment in liaison with the Head of Corporate Performance, identified risk lead officers and directorate performance officers. To some requirement assessments responders selected two levels of risk maturity, for the purposes of this assessment the lower-level maturity assessment was recorded.

It is recommended that the risk maturity assessment is repeated in twelve months to evaluate progress made to embed risk management in the Council and increase the Council's Risk Maturity. SWAP audit was advised that an annual appraisal of risk maturity is to be completed, so an independent audit will verify the outcome.

In 2022/23 the aim is for SWAP to complete a risk management audit to determine how well the risk management framework is embedded across the organisation.

Supporting documents to this report include:

- Appendix 1 - Detailed risk maturity assessment, with a summary of comments from officers.
- Appendix 2 – Cross Partner Comparison Results

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Key Findings



Whilst there have been a number of organisational challenges and significant organisational change, the council recognises the need to further improve on risk management across the organisation.



The current framework provides a good foundation and training has taken place in the last 12 months. However, additional engagement, education and training is needed throughout the Council at all levels to embed risk management and embed the level of expertise and understanding required by officers to fulfil their role. This is supported by the range of responses provided to some of the requirements by officers who participated in the risk maturity assessment.



Regular meetings with Risk Leads to continue to allow the opportunity to provide strategic and operational input into the planned risk management development. The relevant output from this communication should be conveyed at the appropriate level to provide both strategic and operational direction.



The need for officers to see risk management as a 'business as usual' activity rather than a separate task to be undertaken.

Title of report: Work programme update

Meeting: Audit and governance committee

Meeting date: Tuesday 12 April 2022

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.

- 5 Since the last audit and governance committee meeting, the general scrutiny committee on 27 January 2022 (minute 53 refers), in considering 2022/23 budget setting, recommended to the executive that:

‘The Audit and Governance Committee be invited to consider the use of consultants and information providers.’

The executive response, agreed by Cabinet on 31 January 2022 (minute 82 refers), resolved that:

‘Cabinet will invite the Chair of Audit and Governance Committee to add this to the Committee’s work programme.’

Community impact

- 6 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

- 7 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

- 8 This report does not impact on this area.

Resource implications

- 9 There are no financial implications.

Legal implications

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

Risk management

- 11 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

- 12 The chief finance officer, monitoring officer, chairperson and vice-chairperson contribute to the work programme.

Appendices

Appendix 1 Work programme for audit and governance committee

Background papers

None identified.

Audit and 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) Internal Audit Annual Opinion			Opinion					Audit 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
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	Tracking Report				Tracking Report	Update on internal audit recommendations		
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 Auditor's Annual Report External Audit Annual Plan	Audit Fee						Annual Plan	Annual Audit Letter Auditor's Annual Report
b	To consider specific reports from the External Auditor.	External Audit progress update	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.	Accounting Policy Update Contract & Finance Procedure Rules Re-thinking Governance	Re-thinking governance report on audit and governance committee functions		Accounting Policy Update (if required) Contract and Financial Procedure Rules					
b	To monitor the effective development and operation of risk management and corporate governance in the council.	Work programme Corporate Risk Register	Work programme Risk Register	Work programme	Work programme	Work programme Risk Register	Work programme Corporate Risk Register	Work programme Corporate Risk Register	Work programme Risk register	Work programme Risk register
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		Anti-fraud update as part of internal audit progress report			Whistleblowing	Annual update on anti-fraud and corruption strategy	Anti-fraud update as part of internal audit progress report	
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	Draft		Final					
f	The council's arrangements for corporate governance and agreeing necessary actions to ensure compliance.	Annual Governance Statement Progress Report							Progress Update	
g	To annually review the council's information governance requirements.	Information Governance Review						Annual review of information access / governance		

Audit and Governance Committee Constitution		Report	May	June	July	September	October	November	January	March
h	To agree the annual governance statement (which includes an annual review of the effectiveness of partnership arrangements together with monitoring officer, s151 officer, calcicott guardian and equality and compliance manager reviews).	Annual Governance Statement Annual Governance Statement Progress Report								Progress Report
i	To adopt an audit and governance code.									
j	To undertake community governance reviews and to make recommendations to Council.	On an ad hoc basis only								
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							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								
c	To keep the code of conduct under review and recommend changes/replacement to Council as appropriate.	Part of Re-thinking Governance Review								
d	To publicise the adoption, revision or replacement of the Council's Code of Conduct.	Part of Re-thinking Governance Review								
e	To oversee the process for the recruitment of the Independent Persons and make recommendations to Council for their appointment.	Recruitment done on an as required basis and not currently scheduled.								
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							Annual code of conduct report	
g	To grant dispensations under Section 33 (2)(b)(d) and (c) Localism Act 2011 or any subsequent amendment.	On an ad hoc basis only								
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								
3.5.15	Accounts									
	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 and Report			Statement of Accounts External audit findings report		