

Minutes of the meeting of the Audit and Governance Committee held in Conference Room 1, Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Tuesday 23 July 2024 at 2.00 pm

Committee members present in person and voting: Councillors: Chris Bartrum, Frank Cornthwaite, Peter Hamblin, Robert Highfield, David Hitchiner (Chairperson), Aubrey Oliver and Mark Woodall (Vice-Chairperson)

Others in attendance:

R Bamberger	Director of Continuous Improvement, South West Audit Partnership
G Hawkins	Senior Manager, Grant Thornton
D Nickson	Senior Lawyer
S O'Connor	Head of Legal Services and Deputy Monitoring Officer
J Preece	Democratic Services Officer
R Sanders	Head of Strategic Finance
Pete Stoddart	Cabinet Member Finance and Corporate Services
J Tranmer	Chief Accountant

109. APOLOGIES FOR ABSENCE

No apologies were received.

110. NAMED SUBSTITUTES (IF ANY)

There were no substitutes.

111. DECLARATIONS OF INTEREST

No declarations of interest were made.

112. MINUTES

RESOLVED:

That the minutes of the meeting held on 11 June 2024 be confirmed as a correct record and signed by the chairman.

113. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received from members of the public.

114. QUESTIONS FROM COUNCILLORS

No questions had been received from councillors.

115. CODE OF CONDUCT FOR COUNCILLORS - 2023/24

The Head of Legal Services (HLS) introduced the report the following points were highlighted:

- There had been a 50% increase in complaints over the previous year, the majority of which continued to be against Parish/Town Councillors and was not surprising considering the numbers of Parish/Town Councillors.
- 70% of complaints had been registered by residents with 22% of complaints having been registered by parish and town councillors. The high number of complaints from parish / town councillors was an improvement from the previous 6 months however it was still disappointing as the scheme is meant to be in place primarily for members of the public.
- 60% of complaints in the year related to 3 councils which included Herefordshire Council.
- 70% of all complaints included disrespect and 25% of the complaints related to a failure to disclose an interest. Attention was drawn to [appendix 4](#) of the report which provided the guidance circulated by the Monitoring officer to Parish/Town Clerks in April 2024 in an effort to raise awareness of councillors' commitment under the Code of Conduct to treat others with respect.
- 39 complaints had been resolved during the period, only two of those had amounted to a formal breach of the code after an investigation and a decision by the monitoring officer. The remainder of those required no further action.
- The average time taken in days from receipt of a complaint to the initial decision of the Monitoring Officer had decreased significantly from 61 days to 15 days.
- The response time for the Independent Persons to provide their views on matters is currently an average of 3.6 days which is considered to be exceptional and in many cases have been received the same day.
- The Independent persons had been consulted on the report and had provided their comments.
- Attention was drawn to [appendix 1](#), over 50% of the 158 complaints related to 44 councils, which was felt to be negative however only 11 parish councils had received more than two complaints during that same period which was felt to be positive given the number of parish councils in Herefordshire (137).
- The arrangements for dealing with complaints about the code of conduct for member's had been redrafted at [appendix 2](#) which was thought to be clearer, more streamlined and sequential. A step by step flow chart of the process was included at [appendix 3](#) of the report.
- The HLS and Chair expressed their thanks to the Independent persons and Cllr Woodall for their contributions.

In response to committee questions, it was noted:

1. The HLS would look to improve the visibility of the keys included within the charts for future reports.
2. The process for dealing with multiple complaints about the same incident was provided.
3. The guidance issued to Town/Parish councils in relation to disrespect be circulated to all ward councillors.
4. The HLS would look to incorporate a note to highlight where multiple complaints were concerning the same incident in future reports.
5. It was explained that the monitoring officer was responsible for determining an investigation officer by assessing the nature of the breach. Usually internal solicitors would be used based on their expertise or alternatively this could be outsourced to external providers.
6. It was noted that a notice period of 5 working days for a standards hearing to be heard would be given and was chosen merely as part of the minimum requirement of the Local Government Act 1972. It was practice for a date to be

chosen ahead of publication that suited all parties as long as it was within a reasonable amount of time.

7. The HSL would look in to ways to address the issue of welfare to a councillor in receipt of a complaint but was noted currently that a councillor could make contact with the paralegals dealing with their case and that there were contact details provided on their notice. It was noted that before a notice was issued to a councillor where the case was thought to be complex, lengthy and potentially overwhelming, contact would be made with them prior to sending the notice giving them advance warning it was coming and the next steps and process to be taken.

Resolved that the Committee:

- a) **noted the update on the Code of Conduct complaints arrangements in respect to 2023/24 and guidance issued to Town/Parish council in relation to Disrespect;**
- b) **approved the updated Code of Conduct arrangements as set out in Appendix 2 & Appendix 3 to this report and delegated to the Head of Legal Services provision to make any formatting, typographical or consequential additions or changes as necessary to give effect to this decision;**
- c) **requested the guidance issued to Town/Parish council in relation to Disrespect be circulated to all ward Councillors with a covering note and;**
- d) **a letter to be sent to Ministers to address the changes needed to better impose sanctions.**

Action(s)

2023/24-033 The HLS would look to improve the visibility of the keys included within the charts for future reports.

2023/24-034 The HLS would circulate the report issued by Solace to committee members.

2023/24-035 The HSL would look in to ways to address the issue of welfare to a councillor in receipt of a complaint

2023/24-036 The HLS in consultation with the chair and vice chair respond to comments received from Cllr Harvey.

116. 2023/24 FINANCIAL STATEMENT AUDIT PROGRESS

The Chief Accountant introduced the report, the principle points were noted:

- The report updates the Committee on the Progress of the external audit of the draft financial statements for the year end, 31st of March 2024.
- The draft financial statements were published in line with the statutory deadline of the 31st of May.
- The audit had been able to begin three weeks earlier than planned and is progressing in line with the audit plan.
- To date, no material errors had been found by the auditors in the draft financial statements.
- Grant Thornton (GT) had committed to completing the external audit to enable them to present the audit findings report and opinion to this committee in September enabling the Council to publish the audited financial statements by the statutory deadline of the 30th of September.

The Senior Manager (SM), GT highlighted a change since the audit plan which had been caused by the increase in spend for the Council. Herefordshire had exceeded the £500m

threshold and therefore resulted in being treated as a major local audit. Members would see an increase in areas of focus and samples in the audit and the audit findings report.

In response to committee questions, it was noted

1. The scale fee is set by the Public Sector Audit Appointments (PSAA).
2. The SM confirmed there was a team of 6 working on the audit and a large team behind that working on detail.
3. An explanation of ISA 315 was provided. It was explained that there would be more focus on IT systems, understanding the controls and business processes. When the PSAA set the scale fee this had not come into place yet which was why it was outlined as an additional fee line within the report.
4. With regards to preventing failure in local government the SM confirmed from attending previous meetings, viewing past minutes prior to joining she had no concerns with the functioning of the committee, that they challenged auditors and were risk focused.
5. The Head of Strategic Finance highlighted that as part of GT's value for money work, one of the key areas that is looked at is those charged with governance and the governance arrangements which includes the effectiveness of the role of audit and Governance Committee. To date the only recommendation made from GT was the appointment of an independent person on to the committee.
6. The chair recommended councillors reading the [councillor's workbook on community leadership](#).
7. The SM was meeting with the councils specialist grants team to check on the progress of the housing benefit subsidy certification and hoped this would be concluded in September.

Resolved that:

- e) **The progress of the external audit of the financial statements for the year ended 31 March 2024 were noted.**

117. INTERNAL AUDIT UPDATE REPORT QUARTER 1 2024/25

The Director of Continuous Improvement (DCI), South West Audit Partnership SWAP) introduced the report, the following principals point were noted;

- The indicative opinion was of reasonable assurance, with a sound system of governance, risk management and control in place.
- No high organisational risks had been identified.
- Six audit reviews had been completed since the last progress report.
- Customer satisfaction continued to increase with recent surveys having feedback of succeeds expectations.
- There had been no limited or no assurance audits issued since the last committee in June
- The committee were reminded of their access to Auditboard where they could access full audit reports on any reports.
- Progress had been made with action tracking with historic or those actions no longer relevant having been cleansed. It was noted that 88 actions remained but these would likely be reduced once managers had updated SWAP on their progression. Swap would be responsible for coordinating, tracking and monitoring actions, the DCI emphasised they were not responsible for the completion of the actions.

In response to committee questions, it was noted;

1. The DCI would look to incorporate place holders against risks where no coverage had been identified to provide the committee with some indication of when they are likely to be reviewed.
2. The Head of Strategic Finance (HSF) highlighted that where an item features on the strategic risk register, it did not automatically mean that it would be included in the audit coverage because they could have mitigating risks against them that were being managed naturally through risk management arrangements and would only require internal audit to review if it was deemed something that needed extra focus as part of their rolling programme. The registers would be looked at ahead of the September meeting to ensure there is assurance over the coverage which enables the committee to challenge areas that did not receive internal audit focus.
3. An explanation of a non-opinion audit was provided.
4. The HSF re-emphasised the DCI introductory comments that the process of tracking actions had changed, that whilst it appeared that many actions were still outstanding it was thought this was due to action tracking being out of date opposed to the delivery of the activity. The council is very much focused on completing these actions and this should be evidenced in the next report.

The chair thanked the DCI for his contributions to the committee as the principal auditor would now be taking a leading role moving forward.

Resolved that the committee;

(a) Reviewed the areas of activity and concern and were satisfied that necessary improvements are outlined and delivered;

(b) Noted the report and considered the assurances provided and the recommendations which the report makes, commenting on its content as necessary.

Action(s)

2023/24-037 The DCI would look to incorporate place holders against risks where no coverage had been identified to provide the committee with some indication of when they are likely to be reviewed.

118. UPDATE ON THE RECRUITMENT OF AN INDEPENDENT PERSON ON THE AUDIT AND GOVERNANCE COMMITTEE

The Democratic Services Officer provided the committee with an update of the progress in appointing an Independent Person to the Committee.

It was noted after a failed attempt to attract viable candidates during the first advertisement for the position it was reported that since re-advertising a strong application had been received and it was hoped that this would lead to an interview and the potential to recruit to the committee. It was highlighted that the deadline for applications was 1 September 2024.

119. WORK PROGRAMME

The committee's updated work programme was presented, the chair highlighted the following updates:

- The Corporate Risk Registers had been delayed till September.

- The Annual review of the Council's use of the Regulation of Investigatory Powers Act 2000 (RIPA) had been added to the work programme for October.
- The Annual review of Information access/ Governance had been brought forward from January to September.

RESOLVED

That the updated work programme was agreed.

120. DATE OF NEXT MEETING

Wednesday, 18th September 2024, 2pm.

The meeting ended at 3:34pm

Chairperson