

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 15 July 2025 at 2.00 pm

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

Non-Voting Committee Person: K Diamond

[Note: Committee members participating via remote attendance, i.e. through video conferencing facilities, may not vote on any decisions taken.]

Others in attendance:

G Hawkins	Senior Manager, Grant Thornton
J Nelson	Counter Fraud Manager
S O'Connor	Head of Legal Services and Deputy Monitoring Officer
P Stoddart	Cabinet Member Finance and Corporate Services
J Tranmer	Chief Accountant
J Preece	Democratic Services Officer
C Smith	Public Sector Audit Manager. Grant Thornton
L Cater	Head of Internal Audit, South West Audit Partnership

70. APOLOGIES FOR ABSENCE

Apologies were received from Cllr Frank Cornthwaite.

71. NAMED SUBSTITUTES (IF ANY)

Cllr Richard Thomas attended the meeting as a substitute member for Cllr Frank Cornthwaite.

72. DECLARATIONS OF INTEREST

There were no declarations of interest.

73. MINUTES

RESOLVED:

That the minutes of the meeting held on 10 June 2025 were confirmed as a correct record and signed by the chairperson.

74. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received from members of the public.

75. QUESTIONS FROM COUNCILLORS

No questions had been received from councillors.

76. CODE OF CONDUCT FOR COUNCILLORS - SIX MONTHLY REVIEW

The Head of Legal Services (HLS) introduced the report, which he split into two parts. The following principal points were noted.

Code of Conduct

- 4 complaints had been received about Herefordshire Council councillors which was a marked decrease from previous years.
- No complaints had been received from Herefordshire members about another member.
- 29 complaints had been received for Parish and Town Councils which was a reduction of 25%,
- [Appendix 1](#) was highlighted. Over the past 6 years, 85 Parish and Town Councils had received no complaints and only 9 had generated more than 5 complaints. Although it may seem numbers were high, it should be taken into account the number of Parish and Town Councils there were. Acknowledgement was given to Bartestree with Lugwardine Parish Council who had received no complaints in the last administrative year, having historically received high numbers.
- In relation to Key Performance Indicators, from the receipt of a complaint to the issuing of the initial assessment had reduced from 31 days to 26 since Q4.
- Response times from Independent Persons (IP) remained exceptional at 1 day.
- There had been two cases of a complaint that had reached a standards panel one had taken 39 calendar days, and the other 53 from Initial Assessment to Outcome, the variation showed that it was very much dependent upon the circumstances, availability of witnesses etc. The councillors in both hearings were found by the standards panel to be in breach of the code of conduct making recommendations to the Parish council and to the councillor to remedy the breach, unfortunately, neither councillor had complied, and both had indicated that they would not comply with the recommendations calling in to question again the adequacy of sanctions.
- A standards panel having not convened for 7 years had to adopt a new process and train new panel members. It was thought that the process went as well as expected and following lessons learnt, a meeting had been set up with the current panel members to see where the process could be improved.
- 40% of all complainants during the 2024/25 period were generated by Parish/Town Councillors against other councillors. This was disappointing because the majority could and should have been dealt with between the members themselves and caused unnecessary work and time of the service.
- 60% of all complaints had respect or a lack of respect featuring as part of the complaint.
- Although an extremely low number of Parish/Town councils had signed up to the NALC/SLCC civility and respect pledge (7) previously, it was reported that 5 additional councils had signed up since January.
- The IP expressed their satisfaction with how the process was working and offered her compliments to the HLS and his team.

Following committee discussion it was noted.

1. Feedback is received, noted and acknowledged from dissatisfied complainants and dissatisfied subject members about complaints, however there is no right of appeal unless they feel the Council has failed to follow process and can appeal to the Local Government Ombudsman.

2. The IP explained in her personal experience with cases she had not differed significantly in opinion from officers and that if feedback was being received it would be interesting for that to be shared with the IP's.
3. With regards to Councillors Bradford and Sinclair not complying with the recommendations of the standards panel it was confirmed that there was no further action that could be taken. Change in legislation on sanctions was expected from Government over the next 12 months.
4. The cases of Councillor Bradford and Sinclair were not the norm; the HLS never having experienced a member not accepting the findings of a standard panel before and highlighted that most similar cases were dealt with at the initial investigation stage with most Councillors offering to or already having apologised meaning the complaint ended there and then.

Informal Resolution Process

- It was proposed that a threshold be considered that must happen before a complaint is received by Herefordshire Council and dealt with under the Code of Conduct Process.
- A proposed draft could be found at [Appendix 2a](#) and [Appendix 2b](#)
- The proposal had come after two years' worth of data highlighting a trend of majority of complaints being around a lack of respect and categorised as minor, meaning that most complaints are resolved at the initial assessment and not the types of complaints that should be coming to the monitoring officer to deal with under the Code of Conduct. Most of these are generated by parish/town councillors.
- The Standards Panel had also voiced a similar view from a recent case they had seen and felt it could have been dealt with better at an early stage informally.
- This was just a concept and pending agreement from the Committee to continue, the Monitoring Officer in consultation with the Chair would bring a proposal back to this committee as soon as possible.

Following committee discussion it was noted.

1. There would be no data collected on the number of complaints received using this informal process as it was envisaged that there would be resolution by the Parish and Town Council and no need for the Councils' involvement.
2. It was clarified that an informal resolution did not result in anybody being found in breach of the code or not in breach of the code. The infraction would be resolved informally and hopefully with the outcome being a better relationship going on in future, which was thought could work for both members of the public and councillors.
3. It was noted that it should be an informal resolution procedure, which could be optional for the complainant.
4. It was queried whether the protocol would be effective and the amount of officer time spent pulling the process together be worth it.

RESOLVED

The committee proposes further development to the Informal Resolution Protocol (IRP) and delegates to the Monitoring Officer (in consultation with the Chair of Committee) to bring a preferred option proposal back to the committee.

77. ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND FRAUD RESPONSE PLAN

The Counter Fraud Manager (CFM) presented the report, the purpose of which was for the Audit and Governance Committee to review and approve the updated Anti-Fraud, Bribery and Corruption Policy, the new Fraud Response Plan and Flowchart. The following principal points were noted.

- The policy undergoes a review every three years, and it had been updated in line with the Council's corporate branding and the content itself had been streamlined to ensure that it was clear and concise.
- The updated legislation within section 12 of the policy was highlighted, which included the new failure to prevent fraud offence which is being introduced on the 1st of September 2025.
- The policy now incorporated the recently updated 6 strategic pillars to include deterrence and protect.
- The fraud response plan had been separated from the policy to be a standalone document.

Following committee questions, it was noted.

1. Concern was raised on paragraph [12.2](#) of the Anti-fraud, Bribery and Corruption Policy (appendix 1). The CFM explained that it is not feasible or expected that all organisations prevent every single case of fraud, but the expectation is to increase the onus on larger organisations specifically to ensure that they have got robust controls and considerations around how they manage the risk of fraud. Section 13 (taken from the Home Office guidance) outlined six bullet points that providing the council are comfortable assurances around those six criteria are in place, then the council are protecting themselves as an organisation against the new legislation.
2. The Annual Fraud report presented to the committee normally in January provides the committee with detailed breakdowns and an overview on all counter fraud activity across the Council's services throughout the previous calendar year and represents an up-to-date account of the work undertaken, including progress and outcomes aligned with the strategy and core objectives.
3. The CFM was the only dedicated resource in the team and reported directly into the Section 151 officer who would take on his duties in his absence.
4. The Head of Internal Audit explained that when an audit is undertaken, they always look for any potential fraud and if they did find something that would be reported straight to the CFM.
5. Second home premiums were being monitored closely with the council tax and revenues department. A risk assessment was in place to ensure adequate controls are in place to try to detect and react to issues.
6. Herefordshire Council had successfully completed the Cyber Assessment Framework ('Get CAF Ready') scheme and received a recognition grant award of £15,000 from Ministry of Housing, Communities and Local Government (MHCLG) for the good progress made and were now in a strong position ahead of the expected mandatory introduction in Summer 2026.
7. The Cabinet Member Finance and Corporate Services felt the Council was in a good position and that Cabinet would be reviewing the corporate risks which included Cyber Security and providing an update on those in September.

RESOLVED

The committee approved the updated Anti-Fraud, Bribery and Corruption Policy and recommends for adoption by the cabinet member for finance.

78. INTERNAL AUDIT UPDATE REPORT QUARTER 1 2025/26

The Head of Internal Audit (HIA) South West Partnership (SWAP) introduced the report the purpose of which was to update the committee on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. The following principal were noted.

- Two reports had been finalised since the last committee, the CQC Inspection Readiness and VfM Assessment Public Realm & Minor Works Framework.

- Five reports were at draft stage, with two having been completed since publication of Q1. These would be included in the committee's next update and two reports were in progress.
- Attention was drawn to the action tracking, showing the open agreed actions and the number that have been closed since the Q4 report.

Following committee discussion, it was noted.

1. The HIA would confirm who was responsible for the delays in obtaining information and clarification during the CQC Inspection Readiness audit.
2. It was queried if it was normal for the Council's first self-assessment to be seen halfway through the year and if the piece of work was worth doing given the audit had to stop midway through as the inspection was happening. Confirmation would be given that this was already included on the Audit Plan.
3. Work carried out by SWAP in connection with the embedding of VfM in the Public Realm Contract indicated that further work was required to identify how this could be assessed.

The committee noted the report.

Action(s)

2025/26-01 The HIA would confirm who was responsible for the delays in obtaining information and clarification during the CQC Inspection Readiness audit.

2025/26-02 The HIA would confirm if the CQC Inspection Readiness audit was included on the audit plan.

79. 2024/25 FINANCIAL STATEMENT AUDIT PROGRESS

The Audit Manager (AM) Grant Thornton (GT) presented the report, the purpose of which was to report progress on the external audit of the council's 2024/25 draft financial statements. The following principal points were noted.

- Work had started earlier than planned.
- Significant testing had started earlier in the year at planning stage.
- Most samples had been issued; GT were awaiting officers to pull together evidence.
- The audit was ahead of where they would expect it to be, and very much on track at that point to complete the audit by the end of September.
- Significant risk areas that were identified during audit planning included management override of controls which is a standard significant risk across all audits, valuation of the Council's property, plant and equipment and the Council's investment properties, valuation of the pensions.

Councillor Stoddart, Cabinet Member Finance and Corporate Services issued his thanks to the Director of Finance and her team for publishing the draft statement of accounts a month in advance of the deadline and one of the first in the country, which has enabled GT to make an earlier start and in a good place to complete the audit by the end of September.

The Chief Accountant felt the audit was progressing well, the finance team, were working hard to reply with evidence, samples and responses to queries. They were pleased to have received a site visit from GT which was felt to be beneficial on both sides and that they were looking to repeat another visit in August.

In response to committee questions, it was noted.

1. The Senior Manager GT confirmed that they were not experiencing any resource squeezes due to the impact of devolution of district councils and that they were not seeing any movement for mergers in the regional area at the moment.
2. The AM worked remotely from Glasgow with the auditor in charge based in India. It was hoped that pending visas the auditor in charge would travel to the UK for the month in August and join the rest of the team in another site visit to Herefordshire. It was noted that the audit was completed fully remotely last year, and it did not cause any major problems.

The committee noted the report.

80. WORK PROGRAMME

The committee's work programme was noted.

81. DATE OF NEXT MEETING

Thursday, 25 September 2025 10am

The meeting ended at 3.51 pm

Chairperson