

## **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 28 October 2025 at 2.00 pm**

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

J Bollen	South West Audit Partnership
S Carter	Head of Strategic Finance (deputy S151)
L Cater	Head of Internal Audit, South West Audit Partnership
S O'Connor	Head of Legal Services and Deputy Monitoring Officer
G Hawkins	Senior Manager, Grant Thornton
L Kemp	South West Audit Partnership
P McInerney	Risk and Assurance Manager
J Preece	Democratic Services Officer
R Sanders	Director of Finance
Cllr P Stoddart	Cabinet Member Finance and Corporate Services
D Thornton	Governance Support Assistant

### **96. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Peter Hamblin.

### **97. NAMED SUBSTITUTES (IF ANY)**

Councillor Richard Thomas attended the meeting as a substitute member for Councillor Peter Hamblin.

### **98. DECLARATIONS OF INTEREST**

The chairperson declared a non-registrable interest in respect of any discussions about the bypass and highlighted he resided near where the road may be built and that he had a dispensation to speak and take part in meetings that discussed that matter.

### **99. MINUTES**

#### **RESOLVED:**

**That the minutes of the meeting held on 25 September 2025 were confirmed as a correct record and signed by the chairman.**

## **100. QUESTIONS FROM MEMBERS OF THE PUBLIC**

Questions received and responses given are attached as appendix 1 to the minutes.

## **101. QUESTIONS FROM COUNCILLORS**

There were no questions from Councillors.

## **102. 2024/25 UPDATED EXTERNAL AUDIT FINDINGS REPORT**

The Head of External Audit (HEA) introduced the report. It was noted that this report had been considered by the Committee at the September meeting. All findings remain unchanged with the exception of the fee analysis for 2024/25 which included final fee variations.

The additional fee of £23,344 for additional investigation work was required above and beyond the contract to ensure there was sufficient assurance on both the value for money and financial statements opinion reporting.

As per a new requirement from PSAA for any additional fees above the scale fee, a breakdown of details per grade and for the hours taken looking at a specific task could be found on [page 63](#) of the report. Data could be reconciled directly back to internal timesheets. All additional fees are subject to scrutiny and approval by PSAA before anything is billed to the Council.

In response to committee questions, it was noted:

1. The Director of Finance confirmed she was satisfied with the schedule of the hours and seniority of the level of work that had been completed and that it was a reasonable charge.

### **Resolved**

**The committee noted the report.**

## **103. INTERNAL AUDIT UPDATE REPORT QUARTER 2 2025/26**

The Head of Internal Audit (HIA) introduced the report, the following principal points were noted.

- Two audits had been completed in respect of the MERS (Mutual Employment Recognition Scheme) and Polygamous Working Follow-Up.
- Three audits were waiting for management response and sign off.
- A number of audits were in progress with one having just been issued as a draft report and would come to the next meeting of the committee.
- There had been good progress with agreed actions, fifteen having been completed since the last meeting.

In response to committee questions, it was noted:

1. The Director of Finance (DOF) explained that the success of MERS and the delivery of the savings was not included in the scope of the audit however the reporting of the achievement of the savings target was considered. The MERS savings target was estimated at £4.5M, of which the Council reached £2.375M. It was explained that the savings gap was monitored through quarterly monitoring reports to Cabinet and had been fully mitigated.
2. MERS is an ongoing scheme which employees can apply for, and the council will consider. The scheme was widely promoted to staff in 2024/25 as a method of accelerating savings but there was no plan for a targeted MERS as an individual savings and proposal in the 26/27 budget.

3. The nature of the three audits awaiting management response / sign off were highlighted and that the actions were across multiple services which would impact the time to respond. The findings would be considered from those reports and a plan to identify actions to respond to the risks and weaknesses Grant Thornton had identified.

**Resolved**

**The committee noted the report.**

**104. REGULATORY INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE**

The Head of Legal Service & Deputy Monitoring Officer introduced the report. The following principal points were noted.

- The policy had not been used by the Council in the last year.
- The policy was updated and agreed by the committee in October 2024. An officer had reviewed the policy since and has indicated there is no further changes required.
- It was recommended that updates as noted at point 8 of the report be delegated to the monitoring officer and that the committee only received a report on the use of RIPA as and when it had been utilised.

**Resolved**

**The committee delegates certain updates to the RIPA Policy to the Monitoring Officer as set out in the report and agrees that further reports about the use of RIPA need only to be reported once RIPA has been utilised by the Council.**

**105. WHISTLEBLOWING UPDATE**

The Head of Legal Services & Deputy Monitoring Officer introduced the report. The following principal points were noted.

- The Committee reviewed and approved the existing Whistleblowing Policy on 23 June 2023, and it is not considered at this time to require any further updates.
- Five disclosures had been received in 2024/25.
- A typographical error at paragraph 10 of the report was highlighted and should have read “three of the five disclosures did not relate to the Council “
- The other two disclosures made in that year, were investigated in full by the directors in the relevant departments. Both disclosures did have substance and were valid. Recommendations were made by the investigation officers in relation to process, policy and training. It was confirmed that the corrective action had since been implemented by the relevant departments.
- Five disclosures had been received in 2025/26.
- Investigations into two disclosures were ongoing.
- One disclosure had been investigated in full by the manager and director and no findings had been made.
- The final two disclosures were on hold and with the persons raising the concern.

In response to committee questions, it was noted:

1. As part of the outcomes process the department would follow up any disclosure with the whistle-blower. The whistle-blower in this instance was part of the department and were therefore aware of the investigation and aware that their concerns had been listened to and upheld.
2. The frequency on reporting to the committee on whistleblowing was not specified in the constitution however the Head of Legal Services & Deputy Monitoring Officer with agreement from the committee would continue to provide a yearly update.

**Resolved**

**The committee noted the report.**

#### **106. ANNUAL GOVERNANCE STATEMENT PROGRESS UPDATE**

The Director of Finance (DOF) introduced the report the purpose of which was to provide an update on progress in respect of actions identified to deliver continuous improvement in governance arrangements. Attention was drawn to [appendix 1](#) which showed the area for improvement and activity taken against each of the seven core principles of good governance as identified in the Chartered Institute of Public Finance (CIPFA).

In response to committee questions, it was noted.

1. The DOF would share the AGS updates with all members to encourage understanding in the governance arrangements and how it is strengthened throughout the year with a view to answering any questions they may have.
2. Further details of the signing of 50 schools to Let's go Zero would be obtained from relevant officers.
3. The independent review being commissioned to provide assurance of the capacity and capability of the Council to deliver major projects was explained with results expected sometime in November.

**Resolved**

**The committee noted the report.**

Actions:

2025/26-05 The DOF to share the AGS with all members.

2025/26-06 Further details on "Let's go Zero" to be obtained and circulated to the committee.

#### **107. UPDATE ON RISK MANAGEMENT ACTIVITY**

The Director of Finance (DOF) introduced the report. Attention was drawn to the corporate risk register at [Appendix A](#) which identified the controls and mitigations that were in place against each 9 identified corporate risks. The report provided an update on the activity that had been undertaken in quarter 1 to embed the revised risk strategy and risk appetite statement across service directorates and project risk registers and to improve the culture of risk management across the council. It also identified some planned work for the remainder of the financial year to continue the strengthening of risk management across the Council.

In response to committee questions, it was noted:

1. The committee was reminded that its remit was not to consider specific risks. However, assurances were sought and given with regards to a major project, as specified in the public questions that had been received, that mitigations were in place for identified risks and they were being managed effectively.
2. The process and reasoning behind "R9 Risk of financial failure of major supplier" being added to the strategy was explained.
3. Consideration would be given to the wording used in R9, to consider "key" or "critical" rather than "major" when it is next reviewed by cabinet.
4. Risk of over reliance on a single supplier would be expected to be included on a directorate or service level risk register.

**Resolved**

**The committee noted the report and agreed to continue receiving updates quarterly.**

#### **108. ENERGY FROM WASTE LOAN UPDATE**

The Director of Finance (DOF) introduced the report the purpose of which was to update the committee on the status of the energy from waste loan arrangement to enable the committee to fulfil its delegated functions. The principal points included:

- Repayments had been made as planned.
- The loan balance was reducing with the balance as of October 2025 being £27 million.
- It was explained to the committee that financial covenants look at the position and performance of the borrower and provide assurance over the risk of their ability to meet future debt repayments. It was confirmed no ratios were forecast to be below the agreed compliance.

In response to committee questions, it was noted:

1. The DOF explained that the loan repayments that are shown in the report are for the term of the loan and that there would be a large payment for the outstanding balance in full due at the end in line with the legal loan agreement.
2. There had been no concerns / risks raised with the contract management and effectiveness of the contract.

#### **Resolved**

**The committee noted the report.**

#### **109. WORK PROGRAMME**

**The work programme was noted.**

#### **110. DATE OF NEXT MEETING**

Tuesday 27 January 2026. 2pm.

The meeting ended at 3.16 pm

**Chairperson**