Herefordshire Council

Minutes of the meeting of the Audit and Governance Committee held in Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Tuesday 21 July 2026 at 2.00 pm

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

L Cater	Head of Internal Audit, South West Audit Partnership
S Carter	Head of Strategic Finance (Deputy S151)
S O'Connor	Head of Legal Services and Deputy Monitoring Officer
O Edwards	Manager, Grant Thornton
C Jacobs	Information Governance Manager
T Page	Complaints Manager
J Preece	Democratic Services Officer
R Sanders	Director of Finance
P Stoddart	Cabinet Member Finance and Corporate Services

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. NAMED SUBSTITUTES (IF ANY)

There were no substitutes.

3. DECLARATIONS OF INTEREST

Councillor Frank Cornthwaite declared an interest in item 9.

4. MINUTES

RESOLVED:

That the minutes of the meeting held on 9 June 2026 be confirmed as a correct record and signed by the chairman.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

There were no questions received from members of the public.

6. QUESTIONS FROM COUNCILLORS

There were no questions received from Councillors.

7. EXEMPTIONS FROM CONTRACT PROCEDURE RULES 1 APRIL 2025 - 31 MARCH 2026

The Committee received a report providing assurance that exemptions to the Contract Procedure Rules were being appropriately managed and that robust controls were in place. The following principal points were noted;

1. During 2025/26, 17 exemptions were approved compared with 5 in the previous financial year.
2. Most exemptions related to statutory utilities, works that could only be delivered by a single provider, and cases involving urgency or community and public safety considerations.
3. There were 2 exemption requests that were not supported, as it was considered that procurement could have been planned earlier in the project timeline. These related to Active Travel measures; however, the service proceeded with the existing designers, with the Director determining that the associated risk was low as the contracts fell below the relevant legislative threshold.

In response to questions, it was noted;

i. The exemption for the removal of waste from the A49 Green Lane site was supported due to the urgency of removing a substantial accumulation of hazardous waste, which posed risks to public safety, the local environment and the nearby River Lugg. It was noted that delaying action could have increased both the environmental impact and the eventual cost of remediation. Information on the preventive and deterrent measures in place to reduce further fly tipping at the green lane site and similar locations would be provided to members. **Action 2026/27-13**

ii. The increase in exemptions during 2025/26 were linked to statutory works, public safety requirements and other one-off circumstances, rather than indicating a broader trend.

iii. Exemption requests were monitored on a quarterly basis through the procurement pipeline and contract management processes to ensure procurement opportunities are identified at an early stage and that value for money is achieved.

iv. Under the Council's Constitution, Directors may proceed in certain circumstances, particularly where risks are considered low and contract values fall below procurement thresholds, however, it was emphasised that should the Section 151 officer or the monitoring officer have significant concerns they can push back on the decision escalating through senior officer group if necessary.

The committee noted the report.

8. ANNUAL REVIEW OF THE COUNCIL'S INFORMATION REQUESTS & COMPLAINTS 2026

The committee received a report outlining the performance in the areas of complaints, data incidents and requests for information made to the council over the municipal year 2025/26. The following principal points were noted;

1. The Council handled 922 Freedom of Information (FOI) requests and 247 Environmental Information Regulation (EIR).
2. An overall 97% response rate was achieved, exceeding the Council's target of 95% and comparing favourably with other local authorities.

3. Information requests continued to rise during the year. To manage demand more efficiently, the Council proactively published information online, maintained a disclosure log with over 3,000 requests and responses, and provided informal responses where information was already publicly available. These measures enabled 213 requests to be handled outside the formal Freedom of Information process, resulting in faster responses for requesters and reduced administrative workload for Council services.
4. 13 cases were referred to the Information Commissioner's Office (ICO) with the Council's decision being upheld in 6 cases and the 7 cases remaining still under investigation.
5. 234 Subject Access Requests (SARs) were received, primarily relating to social care records. The response rate was 78%, below target, reflecting the complexity of reviewing and redacting large volumes of sensitive information.
6. 307 data security incidents, near misses and alleged breaches were reported. 1 incident met the threshold for reporting to the ICO, with no further action taken against the Council.
7. Lessons learned from incidents were used to improve training, communications, procedures and processes.
8. The Council processed 482 formal complaints, down from 560 in the previous year.
9. 48 complaints were referred to the Ombudsman, compared with 55 the previous year.
12. Complaints raised through third parties increased from 174 to 310.
13. Overall complaint numbers had continued to decline over the last four years, suggesting improvements in early resolution.
14. The introduction of the Complaint Handling Code had improved consistency, transparency and complaint management across the Council.
15. The most common complaint category remained service failure, although this reflected the complainant's perception and did not necessarily indicate an actual failure.
16. In Corporate Services, the largest complaint category related to delays and incorrect information, mainly concerning council tax matters.
17. Performance within Community Wellbeing and Economy and Environment remained an area of concern, with targeted support being provided.
18. Of the 482 Stage 1 complaints, 100 were escalated to Stage 2.
19. 38% of Stage 2 investigations were completed outside the required timescales, it was thought the implementation of the new complaints procedure and shorter response deadlines had contributed to delays.
20. Most Ombudsman referrals were either closed at the initial enquiry stage or found to be outside the Ombudsman's jurisdiction.
21. Complaints upheld by the Ombudsman mainly related to nationally recognised pressures in SEND and housing services.
22. The recommendations that were made as part of the annual report were noted.

In response to questions, it was noted;

I. The response rate in SARs was lower than the target of 95%, largely due to the high volume of requests relating to Children's Services, particularly from care leavers and parents. These requests were often complex and time-consuming because large numbers of documents had to be reviewed and redacted to remove third-party and confidential information. While some requesters were understanding of the delays, others are less sympathetic and were keen to receive their information as quickly as possible.
II. Complaints were viewed as an opportunity to learn and improve services. Whilst some recurring complaint themes, such as council tax, are predictable, many complaints were unique.
III. The different stages of the complaints process were explained.

IV. Complaints regarding SEND (Special Educational Needs and Disabilities) continued to reflect national pressures, particularly around delays in assessments and statutory timescales. The Council often implemented remedies following complaints in line with Ombudsman expectations. Communication with families was reported to be strong, with delays being the main issue rather than communication failures.

V. For operational complaints such as missed bin collections, the Council first sought practical resolution through service requests. Repeat issues were formally investigated to identify underlying causes and prevent recurrence.

VI. Where officers suspected a complaint was submitted using AI tools, it was explained that contact was made with the complainant to clarify the specific issues being raised to ensure complaints were properly understood and investigated.

VII. Complaints data and compliments were currently analysed through officer review rather than AI tools, with officers emphasising the importance of understanding the detail behind feedback.

The committee noted the report.

9. CODE OF CONDUCT FOR COUNCILLORS - 2025/26

The Committee received an update on Code of Conduct complaints and investigation arrangements for 2025/26 (to March 2026). The following principal points were noted:

1. 51 Code of Conduct complaints were received during the reporting period, compared to a typical annual average of around 30.
2. 24 complaints arose from 3 complaints against groups of members, contributing significantly to the increase.
3. To improve efficiency, complaints involving groups of members were now managed collectively rather than investigated individually, reducing the impact on officer and member time.
4. 1 complaint was received against a Herefordshire councillor, which was not upheld.
5. 25% of complaints were submitted by parish and town councillors against other parish and town councillors and it was reiterated from previous years that most complaints could have been resolved locally through internal procedures.
6. Of the parish and town council complaints received, only 1 progressed to a formal investigation during the current year. Over the last 3 years, only 3 of 35 complaints from this category had required formal investigation.
7. The councils generating the highest number of complaints during the year were Ross Town Council, Kings Caple and Ledbury Town Council.
8. Of the 51 complaints received, 4 proceeded to full investigation, with breaches found. The remaining complaints were closed following initial assessment, either due to insufficient evidence or because the member concerned had accepted fault and taken corrective action, such as issuing an apology.
9. The increasing use of artificial intelligence (AI) in drafting complaints were highlighted.
10. Following Council approval of the Committee's recommendation to adopt a voluntary local resolution process, parish and town councils were notified, 4 councils had requested the template and support, while 2 councils had indicated they did not intend to adopt the process.
11. It was suggested that focus should be given to supporting the councils that voluntarily adopted the local resolution processes and on councils generating higher complaint volumes, rather than undertaking a universal awareness campaign across all parish and town councils.
12. The introduction of the government's national code of conduct framework was noted, with indications that local resolution arrangements may become a mandatory component, although further details were awaited.

13. The Committee were invited to consider options for encouraging greater uptake of local resolution processes and to explore the reasons why some councils remain reluctant to adopt them.

The principal points of the subsequent discussion are summarised below:

I. Efforts should be focused on councils that repeatedly generated higher numbers of complaints, rather than adopting a countywide approach.
II. An earlier proposal for ward councillors to assist with local resolution had not gained support, as many ward councillors were reluctant to become involved in disputes within parish councils.
III. It was confirmed that around a dozen councils had requested copies of the local resolution template since it was first proposed, indicating some appetite for the approach.
IV. There should be further engagement with HALC (Herefordshire Association of Local Councils) to better understand its concerns and reasons for opposing the proposal.
V. Members suggested that successful examples of local resolution could be shared at future Parish Council Summits to demonstrate the benefits of the approach and encourage wider adoption.
VI. There was willingness to engage directly with parish councils where appropriate, although previous experience suggested such discussions did not always lead to positive outcomes.
VII. It was clarified that all parish and town councils had already been informed that template documentation was available. Councils had been invited to request the documents, and those that responded had been sent the information.
VIII. The Head of Legal services agreed to analyse complaint trends, focus resources where they would have the greatest impact, and report back to the committee with the outcomes of the engagement work.

Resolved

That the committee noted the update on the Code of Conduct complaints arrangements in respect to the year-end 2025/26; that Council had agreed changes to the arrangements allowing Local Resolution; and agreed that; there be further engagement with HALC to discuss its reservations and identify whether barriers to adoption can be overcome, continue support for councils that had requested local resolution documentation, to write to councils that had generated the highest numbers of complaints to offer support and encourage adoption of local resolution arrangements and to seek feedback from councils that have declined to participate in order to understand and address their concerns.

10. UPDATE ON RISK MANAGEMENT ACTIVITY

The committee received an update on risk management activity. At Quarter 4, Risk 7 relating to the council's ability to respond adequately to a significant emergency was increased from a score of 9 to 12, reflecting a possible likelihood and major impact rating. The increase followed consideration by CLT and extended leadership team of the continuing and evolving cyber security threats facing the council. Updates to mitigating actions were also included within the report.

In response to questions, it was noted.

1. In relation to R9, it was explained that previous analysis of supplier dependency data had identified some limitations and, due in part to cost considerations, the council had not progressed with an external service previously considered. However, robust procurement processes remained in place, including financial assessments of suppliers, and further consideration would be given to whether additional analysis of supplier exposure was required.

2. In relation to R6 regarding workforce recruitment and retention, it was highlighted the council's strong retention rates and organisational development offer. The leadership programme supported career progression, leadership development and succession planning across the organisation, while employee survey feedback is used to inform future workforce development initiatives. It was noted that not all employees seek progression, but opportunities are available for those wishing to develop their careers.
3. In relation to R8 and environmental risks, it was acknowledged that recent climate-related events could inform future reviews of risk ratings and confirmed that the impact of such events would be considered as part of future updates. It was noted that current information from Welsh Water indicated no immediate risk of water shortages or hosepipe bans in the county.
4. In relation to R3, risks relating to children's placements. It was confirmed whilst local capacity remained a challenge, out-of-county placements continued to be used to meet demand. Further information on wider out-of-county placement capacity would be sought and reported back with consideration for its inclusion on the risk register. **Action 2026/27-9**

The committee noted the report and confirmed its frequency to be brought to the committee quarterly, following each Cabinet meeting, at which the Risk Register is considered.

11. 2025/26 FINANCIAL STATEMENT AUDIT PROGRESS

The committee received an update on the progress of the external audit of the council's 2025/26 draft financial statements. The following principal points were noted.

1. The draft accounts were published ahead of the statutory deadline, and the audit therefore had started earlier than planned.
2. Audit work was progressing in line with the agreed timetable, with no material errors or significant concerns identified to date.
3. Grant Thornton confirmed their intention to complete the audit in time for the audit findings report and audit opinion to be presented to the committee in September 2026, enabling publication of the audited accounts ahead of the statutory deadline.
4. Value for money work was ongoing, and no public enquiries had been received during the public inspection period for the accounts.

In response to questions, it was noted.

I. Grant Thornton advised that it had experience of both in-house and externally provided internal audit arrangements and had not observed any significant difference in the quality of work delivered, although it could not comment on potential cost implications.
II. The main audit change for 2025/26 related to revised requirements for the valuation of property, plant and equipment, including the use of indexation between cyclical valuations. It was explained that specialist external valuers provided the indices used by the council and noted that the changes were intended to reduce the audit burden across the sector. It was further noted that annual changes to the CIPFA code of practice may result in future amendments to accounting and audit requirements.
III. In relation to the transfer of the public realm contract from Balfour Beatty to M Group, it was confirmed that this would have no impact on the 2025/26 accounts, as the contract change took effect after the financial year-end.

The chairperson on behalf of the committee thanked the finance team and auditors for their work in preparing and progressing the accounts.

The committee noted the report.

12. INTERNAL AUDIT UPDATE REPORT Q1 2026/27

The committee received an update on Internal Audit activity undertaken since the previous meeting. The following principal points were noted;

1. 3 final audit reports had been completed relating to Court Protection, Payroll, and Licensing Temporary Event Notices.
2. Progress was also reported on the Transport Hub audit, with a number of agreed actions proposed for closure, subject to final sign-off.
3. Further audit reports, including the Public Protection and Treasury Management, were expected to be presented at the next meeting.
4. An update was provided on the monitoring of agreed audit actions. Current audit work was progressing well, and a number of outstanding actions would likely to be closed following completion of follow-up work.

In response to questions, it was noted.

I. The transport hub audit was substantially complete and awaiting final sign-off from the relevant director.
II. The treasury management audit was nearing completion, with only minor information needed before sign-off.

Both final reports would be circulated to committee within 14 days of the date of this meeting and presented for discussion at the next committee meeting in September. **Action 2026/27-10**

III. Internal Audit worked with Hoople to provide assurance to the council on services which Internal Audit were asked to look at and which Hoople delivered on the Council's behalf. Audit recommendations issued in these reviews were advisory in nature and were intended to support service improvement and strengthen controls.
IV. The court of protection audit had focused on the adequacy of processes and controls rather than individual cases. It was noted that the findings from the audit were being used to support wider service improvement work within the council.
V. Responding to concerns about a number of long-standing outstanding audit actions, officers acknowledged the need for further analysis and agreed to review the historic recommendations, assess whether they remained relevant, and provide members with a detailed analysis of overdue actions and the reasons for delay at the next meeting. **Action 2026/27-11**
VI. A potential emerging risk associated with proposed changes to foster carer approval arrangements which was being introduced by Central Government would be considered with the relevant service area as part of ongoing risk and audit planning to decide whether further audit activity was required. **Action 2026/27-12**

The committee noted the report and agreed the timeframe of two weeks for the completed transport hub and treasury management audits to be circulated.

13. INTERNAL AUDIT PLAN 2026/27

The committee received the proposed Internal Audit Plan for 2026/27. Members were advised that the plan had been developed following discussions with directors and had been informed by the corporate risk register and other sources of assurance. The proposed programme of work was designed to provide coverage across key corporate risks and service areas, and officers noted that further areas for review, including emerging risks identified during the meeting, would continue to be considered to ensure appropriate audit coverage across all directorates.

In response to questions, it was noted.

1. Assurance was requested about audit coverage of Children's Services. Officers and the Cabinet Member emphasised that maintaining and sustaining improvements within the directorate remained a key priority and focus. It was explained that, although the proposed Internal Audit Plan included limited audit work in this area, a range of other assurance and quality assurance arrangements were in place to monitor performance and ensure improvements continued. Officers confirmed that additional audit work in Children's Services could be considered and that there would be no resistance to further review if required.
2. Adult services was currently an area where further improvement work and assurance activity may be beneficial, particularly given the operational and financial challenges faced by the service.
3. Whilst the plan was informed by corporate risks, not every audit had a direct connection to a specific risk. Some reviews were undertaken to provide assurance on compliance, governance, service changes or grant requirements.
4. The committee was assured that sufficient audit coverage existed across key risk areas and that any amendments to the audit plan would continue to be reported through regular updates.

Resolved that the committee agreed the audit plan.

14. WORK PROGRAMME

The committee noted the work programme.

15. DATE OF NEXT MEETING

Tuesday 29th September 2026.

The meeting ended at 4.02 pm **Chairperson**