Herefordshire Council

Agenda

Audit and Governance Committee

Date: **Tuesday 21 July 2026**

Time: **2.00 pm**

Place: **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 David Hitchiner**
Vice-chairperson	**Councillor Mark Woodall**
	Councillor Chris Bartrum
	Councillor Frank Cornthwaite
	Councillor Peter Hamblin
	Councillor Robert Highfield
	Councillor Aubrey Oliver
	Kerry Diamond - Independent Expert

Agenda

Pages

1. APOLOGIES FOR ABSENCE

To receive apologies for absence.

2. NAMED SUBSTITUTES (IF ANY)

To receive details of any councillor nominated to attend the meeting in place of a member of the committee.

3. DECLARATIONS OF INTEREST

To receive declarations of interest in respect of items on the agenda.

4. MINUTES 11 - 22

To approve and sign the minutes of the meeting held on Tuesday 9 June 2026.

HOW TO SUBMIT QUESTIONS

The deadline for the submission of questions for this meeting is 5.00 pm on Wednesday 15 July 2026.

Questions can be submitted via the Online questions portal Further information and guidance is available at Get involved - Herefordshire Council

Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting.

Full details about asking questions and the deadlines at public meetings can be found here: constitution of the council.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

To receive any questions from members of the public.

6. QUESTIONS FROM COUNCILLORS

To receive any questions from councillors.

7. EXEMPTIONS FROM CONTRACT PROCEDURE RULES 1 APRIL 2025 - 31 MARCH 2026 23 - 32

To provide an update on the number of exemptions (waivers) to Contact Procedure Rules (CPRs) which have been granted for the period 1 April 2025 to 31 March 2026 and provide assurance that exemptions are robustly controlled, appropriately justified, and compliant with governance requirements.

8. ANNUAL REVIEW OF THE COUNCIL'S INFORMATION REQUESTS & COMPLAINTS 2026 33 - 62

To inform the committee of performance in the areas of complaints, data incidents and requests for information made to the council over the municipal year 2025/26.

9.	**CODE OF CONDUCT FOR COUNCILLORS - 2025/26** To enable the committee to be assured that high standards of conduct continue to be promoted and maintained. To provide an overview of how the arrangements for dealing with complaints are working together.	63 - 72
10.	**UPDATE ON RISK MANAGEMENT ACTIVITY** To provide assurance of the adequacy of the council's risk management framework and internal controls in 2025/26.	73 - 88
11.	**2025/26 FINANCIAL STATEMENT AUDIT PROGRESS** To report progress on the external audit of the council's 2025/26 draft financial statements.	89 - 108
12.	**INTERNAL AUDIT UPDATE REPORT Q1 2026/27** To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To assure the committee that action is being taken on risk related issues identified by internal audit. This is monitored through acceptance of agreed management actions and progress updates in implementing the action plans. In addition, occasions where audit actions not accepted by management are documented if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.	109 - 128
13.	**INTERNAL AUDIT PLAN 2026/27** To present the updated Internal Audit Plan for 2026/27 for approval by Committee.	129 - 134
14.	**WORK PROGRAMME** To consider the work programme for the committee.	135 - 138
15.	**DATE OF NEXT MEETING** Tuesday 29 September 2026.	

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- 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
- Access to this summary of your rights as members of the public to attend meetings of the council, cabinet, committees and sub-committees and to inspect documents.

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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/hereford-city-bus-map-local-services-

Herefordshire Council

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.

Herefordshire Council

Guide to the Audit and Governance Committee

The Audit and Governance Committee comprises seven members of the council and may also include an independent person who is not a councillor but is appointed by council.

Councillor David Hitchiner (Chairperson)	Independents for Herefordshire
Councillor Mark Woodall (Vice Chairperson)	The Green Party
Councillor Chris Bartrum	Liberal Democrats
Councillor Frank Cornthwaite	Conservative Party
Councillor Peter Hamblin	Conservative Party
Councillor Robert Highfield	Conservative Party
Councillor Aubrey Oliver	Liberal Democrats
K Diamond	Independent Person

The Audit and Governance Committee oversees the audit and corporate governance arrangements of the Council including the annual audit plans and reports of the internal and external auditors, the Council's system of internal control, risk management framework and prevention and detection of fraud and corruption. In particular, the Committee has responsibility for considering and approving the annual statement of accounts. Further details about the committees function can be found here.

Herefordshire Council

Minutes of the meeting of the Audit and Governance Committee held in Conference Room 2, Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Tuesday 9 June 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)
V Davies	Director of Finance, South West Audit Partnership
G Hawkins	Senior Manager, Grant Thornton
S O'Connor	Head of Legal Services and Deputy Monitoring Officer
J Preece	Democratic Services Officer
R Sanders	Director of Finance
P Stoddart	Cabinet Member Finance and Corporate Services
J Tranmer	Chief Accountant

136. APOLOGIES FOR ABSENCE

There were no apologies for absence.

137. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

138. DECLARATIONS OF INTEREST

There were no declarations of interest.

139. MINUTES

RESOLVED:

That the minutes of the meeting held on Tuesday 24 March 2026 be confirmed as a correct record and signed by the chairman.

140. QUESTIONS FROM MEMBERS OF THE PUBLIC

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

141. QUESTIONS FROM COUNCILLORS

There were no questions received from councillors.

142. DRAFT ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE

The Chairperson of the committee introduced the report which provided an update on the work undertaken as a committee, during the 2025/26 municipal year.

RESOLVED

That the committee agrees the accuracy of the report and its publication on the Councils website.

143. APPOINTMENT TO STANDARDS PANEL

The Chairperson of the committee introduced the report, the following principal points were noted:

1. The Standards Panel had not needed to meet over the past year, however members had still reviewed officer outputs and provided feedback when required.
2. The committee must reappoint members annually, including two standing members and two substitute members.
3. There was a suggestion that continuity is preferred, with current members continuing if there were no objections.
4. A clarification was made that, although the Audit and Governance Chair liaised with the panel, the actual Chair of the Standards Panel is formally elected at each panel meeting.

RESOLVED

The Committee Notes the appointment of the Chair of Audit & Governance as Chair of the Standards Panel; appoints Cllr Mark Parsons as the Parish/Town Council representative, Cllr Highfield and Cllr Woodall as the standing members of the standards panel with Cllr Hamblin and Cllr Oliver as the two substitute Councillors.

144. UPDATE ON RISK MANAGEMENT ACTIVITY

The Director of Finance introduced the quarter 3 update (Oct–Dec) on the corporate risk register and risk management arrangements. The following principal were noted;

1. The risk register had been reviewed by the Corporate Leadership Team and Cabinet, including risk scores, controls, and mitigating actions.
2. One risk score had changed relating to SEND (Special Educational Needs and Disabilities) due to planned reforms and financial impact.
3. Ongoing risk management activity continued at directorate and service levels, with internal audit aligned to corporate risks.
4. A fuller assessment of risk management effectiveness is included in the Annual Governance Statement (to be discussed later in the meeting).
5. Future reports would highlight changes more clearly (e.g., using colour) for committee members. **(Action 2026/27-1)**

In response to committee questions, it was noted that;

I. Although most risks are rated high, this reflects their inherent significance at a corporate level, not a failure to manage them. Mitigations are applied to reduce their impact and likelihood where possible.

II. The council follows a risk appetite approach, meaning some higher risks are accepted in order to achieve strategic objectives (e.g. transformation), while others (like safeguarding) remain very risk averse.
III. Not all risks will reduce over time, some remain inherently high, even with strong controls in place.
IV. The corporate risk register only includes the top-level strategic risks; additional risks exist at directorate and project levels, with serious ones escalated upward.
V. The committee was reminded that their role was to ensure robust processes and oversight, rather than manage individual risks in detail.
VI. There are ongoing review, training, and potential audit of the risk framework to strengthen assurance and consistency across the organisation.

The committee noted the report.

145. DRAFT ANNUAL GOVERNANCE STATEMENT 2025/26

The Head of Strategic Finance introduced the draft Annual Governance Statement (AGS), which is a statutory part of the Statement of Accounts. The following principal points were noted;

1. The AGS is brought to the committee separately from the financial statements so governance and control arrangements can be reviewed in advance. It is a retrospective review of the 2025–26 financial year, assessing how effective the council's governance and control framework has been.
2. It is structured around the CIPFA Code of Governance and its seven core principles. For each principle, the report describes the arrangements in place, assesses their effectiveness and Identifies areas for improvement.
3. The statement is informed by multiple sources, including Internal and external audit work, risk management processes, directorate assurance statements and ongoing operational activities.
4. It will be reviewed and updated during the external audit process, then finalised and published with the audited accounts (expected September).

In response to committee questions, it was noted.

I. The major projects delivery dashboard is in place, regularly reviewed by Cabinet, and is considered effective for monitoring project performance, risks, and budgets.
II. Clarification was sought on the role of the Chief Executive with regards to "strategic direction". Officers acknowledged this may reflect a statutory definition but agreed to review and clarify wording to avoid confusion with the role of elected members and Cabinet. **(Action 2026/27-2)**
III. The description of the shareholder committee would be reviewed to ensure clarity and accuracy. **(Action 2026/27-3)**
IV. The council has an AI policy and governance arrangements (including an information governance steering group). The terms of reference for the Information Governance Steering Group would be shared with the committee. **(Action 2026/27-4).** Guidance had been issued limiting use to approved tools (e.g. Microsoft Copilot).
V. Officers to consider including quality circles for Children's Services as an example of improved staff engagement and feedback mechanisms. **(Action 2026/27-5)**
VI. The statement is still a draft, and members can propose changes before final approval later in the year following external audit review.

The report was noted.

146. 2025/26 DRAFT STATEMENT OF ACCOUNTS

The Head of Strategic Finance introduced the draft Statement of Accounts for 2025–26, highlighting the significant work completed by the finance team. The following principal were noted;

1. The accounts were published early (29 May), ahead of the statutory deadline (30 June), and the audit had already begun.
2. The aim was to complete the audit and approve final accounts by 29 September, earlier than the statutory deadline (31 January 2027).
3. The Comprehensive Income and Expenditure Statement showed a £0.9m deficit, due to technical accounting adjustments (e.g. asset revaluations, pension liabilities), despite a balanced outturn in management accounts.
4. The Balance Sheet showed net assets of £614.9m, general fund reserves of £10.1m (unchanged) and earmarked reserves of £70.9m.
5. A two-page summary had been included to make the accounts more accessible to non-specialists.

On behalf of the committee, the chair offered his congratulations to the Director of Finance and her wider team for their achievements.

In response to committee questions, it was noted:

I. Comments about government funding pressures were acknowledged, but it was confirmed the document should remain non-political, focusing on factual reporting rather than attributing causes.

II. Regarding the Dedicated Schools Grant (DSG), a SEND reform plan was being submitted to government and if approved, the council could receive funding to cover 90% of the DSG deficit, significantly improving finances. The remaining 10% would be managed over time, with a clear repayment strategy in place.

III. A lack of detailed information regarding the £5.7m Central Treasury Management variance was noted, particularly in relation to investment and contractual income. It was explained that the accounts are required to follow a prescribed format, which does not permit the inclusion of this level of detail which and could be found in separate reports (e.g. cabinet outturn reports).

IV. Concerns about external consultants for transformation were met with assurance that there will be strong internal governance and challenge. External input will be used selectively to provide additional ideas and expertise, not dictate solutions.

V. Changes in reserves were clarified as classification/interpretation issues (e.g. school reserves) rather than unexplained losses.

VI. Officers would review and clarify the wording to better explain how reserves relate to insurance risks. (Page 83 – Narrative Report) **Action 2026/27-6**

VII. Capital expenditure and grants figures are explained through technical accounting treatments, with full detail in supporting notes and subject to audit.

VIII. Questions on treasury management and borrowing confirmed, decisions were actively managed, supported by advisors, and aligned with the approved strategy.

IX. The transition from Balfour Beatty to M Group did not offer a direct cost saving, but a move to better value for money and improved service delivery.

X. Reserves are used to manage specific financial risks (e.g. insurance excesses) and are clearly tracked and reviewed.

XI. It was explained that loss on disposal of non-current assets mainly arose from, academy school transfers (no proceeds) or asset disposals (e.g. vehicles, property).

XII. REFCUS was explained as revenue expenditure funded from capital, e.g. grants spent on residents' homes where no asset is retained by the council.

XIII. PFI arrangements for Whitecross School remained the Council's responsibility, with a formal review planned ahead of contract expiry (approx. 5 years remaining). It was acknowledged that risks can arise from factors such as supplier failure or asset transfer liabilities, but these were being actively assessed as part of forward planning and contract review.

XIV. Potential financial impacts of El Niño and climate change were queried and explained that no precise cost were forecast but risks were recognised and managed within existing financial planning.

XV. It was clarified that Enterprise Zone income related to retained business rates, with incentives provided to businesses to support economic growth.

XVI. Significant capital delivery and financial management improvements were noted as positive outcomes.

XVII. The format and content of the accounts are prescribed by accounting standards (CIPFA Code), limiting flexibility in presentation. Ongoing work at a national level (CIPFA's Better Reporting Group) is seeking to improve clarity and accessibility of local authority financial reporting, with a focus on user needs. The terms of reference of this group would be circulated to members. **Action 2026/27-7**

The committee acknowledged the finance teams award for most improved financial reporting and the Director of finance offered her thanks to her team for the preparation of the accounts and the significant work undertaken by them.

The report was noted.

147. INTERNAL AUDIT OPINION 2025/26

The Head of Internal Audit (HIA) introduced the Internal Audit Annual Opinion for 2025–26. The following principal points were noted;

1. The council has been given **"**reasonable assurance" based on audit work conducted during the year.
2. The report summarises all audits completed, including assurance levels and agreed actions.
3. Updates were provided on specific audits:
    - Court of Protection – nearing completion
    - Treasury Management – being rewritten before issue.
    - Payroll – final report issued.
    - Licensing (Temporary Event Notices) – draft report issued.
4. Several audits are ongoing or newly started, with further work planned.
5. There are 41 open agreed actions, with follow-up work planned in the 2026–27 audit programme to ensure completion.

In response to committee questions, it was noted;

I. Fewer completed audit reports this year (11 vs 17 last year) were acknowledged, with confirmation that more reports are close to completion and a "wave" was expected shortly. Notwithstanding the shortage of completed reports the Committee were assured that a reasonable level of assurance was appropriate.

II. An update and progress report would be provided in July, alongside the new audit plan, to give clearer visibility of progress.

III. The HIA confirmed that there were some delays in officers providing information, though not significant concerns. Delays were due to factors on both sides (e.g. staffing issues, leave, sickness).

IV. Internal audit would continue to push and escalate requests to improve timeliness.

V. Members queried whether internal audit recommendations extend to improving council processes. It was confirmed that audit findings include agreed actions

and recommendations for improvement, owned by the Council. In addition, regular publications (e.g. fortnightly updates "SWAY") are shared with Members highlighting emerging issues and best practice from other authorities, which can also inform service improvements and governance discussions. Members of the Committee where unaware of this publication and would be added to the circulation list. **Action 2026/27-8**

The committee noted the report.

148. INTERNAL AUDIT CHARTER AND MANDATE 2026/27

The Head of Internal Audit (HIA) introduced the Internal Audit Charter and Mandate, a standard document that sets out the framework for how internal audit operates within the council. It clearly defines the roles and responsibilities of the Audit Committee, the Chair, the Head of Internal Audit, and council officers, ensuring clarity around governance and accountability. The document explains how internal audit fits into the wider governance structure and supports effective oversight. It was presented to the committee for approval, although it would usually be brought alongside the audit plan, which will follow at a later meeting once final sign-off is complete.

In response to committee questions, it was noted that;

1. The charter is a standard, globally aligned document, and no major structural changes are considered necessary.
2. Issues with delays in information sharing are recognised, but these are better addressed through improved processes, not by changing the charter wording.
3. A joint working protocol will be developed to strengthen cooperation, including:
    - Clear timelines and escalation processes
    - Possible KPIs and performance measures
    - Greater transparency with the committee
4. There was discussion on improving how audit activity is measured, with recognition that quality, depth, and outcomes matter more than just the number of audits completed.
5. Internal audit already provides recommendations through agreed actions and may introduce best practice suggestions from other organisations to add further value.
6. Overall, the focus is on improving partnership working, clarity, and reporting, while keeping the core charter unchanged.

RESOLVED

The committee approves the Internal Audit Charter and Mandate 2026/27

149. WORK PROGRAMME

The committee's work programme for 2026/27 was presented. The clerk informed the committee that two additional reports from Internal Audit (Plan and a progress report) were to be added to the July meeting as discussed in the previous items on the agenda.

RESOLVED

That subject to the amendment noted, the updated work programme be agreed.

150. DATES OF FUTURE MEETINGS

RESOLVED

The dates of future meetings were agreed.

Tuesday 21 July 2026 2pm
Tuesday 29 September 2026 2pm
Tuesday 3 November 2026 2pm
Tuesday 26 January 2027 2pm
Tuesday 23 March 2027 2pm
Tuesday 8 June 2027 2pm

The meeting ended at 3.56 pm **Chairperson**

PUBLIC QUESTIONS TO AUDIT AND GOVERNANCE – TUESDAY 9 JUNE 2026

Question 1

Mrs Morawiecka, Hereford

To: Chair of Audit and Governance

"The summary SWAP report for March 2026 to this committee was titled "Transport Hub - Final Report - January 2026".
A Freedom of Information request to Herefordshire Council to see the detailed, internal audit report and any independent expert reviews on the Hereford Transport Hub capital project received the response that the information can't be released as the internal audit reports are ongoing and that the requested information is "material in the course of completion, unfinished documents and incomplete data".
However, the Summary of the Internal Audit work 2025/26 for this meeting again says that the Transport Hub report is final, contrary to what has been said to the public.
Officers appear to be contradicting information made in independent reports to this committee.
Why has the Transport Hub internal audit and any expert reports not yet been finalised? "

Response

The SWAP audit report was marked as 'final' as it was the last version issued by SWAP to the Council. However, it is still an internal council document as it has not been through our internal governance approval processes yet. It has been seen by the Audit and Governance Committee but has not yet been to Cabinet for review or determination of actions. Following comments from Audit and Governance Committee it was determined that officers would engage with SWAP to complete a follow up review of the audit to see what progress had been made against the audit recommendations and for this report to be provided to Cabinet alongside the original audit as it would provide Cabinet with further context before making any recommendations regarding the audit. Once the document has been to Cabinet for this review it will then be released as a public document. This work is almost completed, and the item will be scheduled for review by Cabinet before the end of September.

Supplementary Question

"If the SWAP report has not gone through any review or determination of actions, months after it was written, it should be labelled "Interim" on this committee's papers.
For the SWAP report to be issued to Cabinet in September, one month before the Hub is due to open, fails to provide any time for remedial actions and better control of capital projects.

The summary SWAP report appears to repeat problems previously encountered around transport projects eg decisions not being recorded; costs not adequately tracked, a lack of project oversight.

To reduce the "High" risks around capital projects, will this committee recommend that the Cabinet review the detailed Interim report before placing any major capital transport projects, to ensure that financial systems are appropriate and staff have the ability, capacity and training to protect residents from future capital budget overspends?"
"Thank you for explaining that grant funding from the Stronger Towns Fund has been extended to 31st March 2028.

Response

Audit and Governance Committee have agreed that SWAP should be commissioned to update on the recommendations in their initial report. This is being finalised with SWAP and the reports

are due to go to come back to Audit and Governance Committee in July. Officers have informed us that significant progress has been made on all the initial audit recommendations and combining the two reports will provide the committee and Cabinet with the best updated view of how the Transport Hub scheme has been managed. However, in the interim, the initial internal audit on the Transport Hub will be made available.

There is no requirement for SWAP reports to go to Cabinet. However, in practice, where appropriate, SWAP reports are considered by relevant Cabinet Members after publication with the papers for the Audit and Governance Committee papers. Cabinet Members should follow up on findings with the relevant officers.

Question 2

Ms Seekings, Hereford

To: Chair of Audit and Governance

"I note that the Council's Risk Register under Capital projects says that "It has ambitious plans to deliver learning and culture projects…"

However, despite Stronger Towns Funding awarded in 2022 to deliver a new museum space and public library in Hereford (due to be opened in 2026) neither of these major projects are mentioned in the Council's Draft Statement of Accounts 2025/26 or in the work programme for 2026/27 or in any report to this committee.

These 2 key projects are funded by the Stronger Towns Fund and so should have been completed by March 2026.

Why is there no reference to these 2 capital projects in the various agenda papers?"

Response

The Corporate Risk Register at Agenda item 9 includes Risk R4: Failure to deliver capital and major projects within identified resources and planned timeframes resulting in significant overspend and reduced project outcomes. Individual risks are managed through Directorate, Service and Project level risk registers. It is not the function of the Audit & Governance Committee to examine specific risks in detail but to ensure that the council's risk management process is adequate and effective.

The Draft Statement of Accounts and Annual Governance Statement are statutory documents prepared and reported in accordance with the Accounts and Audit Regulations 2015 and the 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounts include transactions in respect of expenditure incurred in the year ended 31 March 2026 for all capital projects.

Revised guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) in September 2025, confirms that Stronger Towns funding must be spent by 31 March 2028.

Supplementary Question

The STF Board Minutes (April 2026) show that it remains concerned about "the ongoing delays with these projects and the potential missed opportunities and risks that have arisen.

In view of the Director of Finance's concerns regarding financial controls and governance, contingency amounts, project management and the Council's approach to funding the likely cost gap, how will the Committee consider whether Herefordshire Council's governance and project delivery arrangements are adequate to ensure completion of the library and museum projects by 31st March 2028, with any cost overruns fully funded by Herefordshire Council via its capital budget?"

Response

The Hereford Stronger Towns Board Meeting minutes of Friday 10 April 2026 note concerns expressed by Board Members, not the council's Director of Finance.

The Stronger Towns Board is responsible for the implementation of the Towns Fund programme, and a Project Delivery Group is in place to oversee the detailed delivery of projects. The council acts as the Accountable Body and the S151 Officer is the Accountable Officer, responsible for oversight of the overall Towns Fund and providing advice to the Towns Board in respect of finance, risk and governance issues. The Stronger Towns Board and Project Delivery Group monitor risks to project delivery and planned spend by reference to the original funding agreement.

Some projects are Council ones, such as the Museum and Library projects. For these the s151 officer has an additional role on behalf of the Council. In these cases, the Audit & Governance Committee will review the effectiveness of governance and internal controls in place to manage delivery of the council's major and capital projects, through the Annual Governance Statement review. The delivery of capital projects is monitored and reported each quarter to Cabinet through the Budget Monitoring reports and Performance reports.

AGENDA ITEM 7

Herefordshire Council

Title of report: Exemptions from Contract Procedure Rules 1 April 2025 - 31 March 20266

Meeting: Audit and Governance Committee

Meeting date: 21 July 2026

Report by: Director of Finance

Classification
Open

Decision type
This is not an executive decision

Wards affected

Purpose
To provide an update on the number of exemptions (waivers) to Contact Procedure Rules (CPRs) which have been granted for the period 1 April 2025 to 31 March 2026 and provide assurance that exemptions are robustly controlled, appropriately justified, and compliant with governance requirements.

Recommendation(s)

That the committee:

a) **Notes the number and nature of exemptions from the CPRs approved in the financial year 2025/2026.**

Alternative options

1. The CPRs require the Section 151 Officer to prepare an annual report on exemptions. The Council could decide not to report this information to the Committee; however this is not recommended as reporting provides transparency and assurance in respect of compliance with the CPRs.

Further information on the subject of this report is available from
Carrie Christopher, , email: carrie.christopher@herefordshire.gov.uk

Key Considerations

2. The Council's CPRs provide the policy for procurement activity across the Council, setting out how contracts for goods, works, services, concessions and utilities should be put in place and managed, and detailing the record keeping and reporting requirements related to procurement activity. They ensure that procurement is undertaken in a transparent, fair and compliant manner, delivering value for money.
3. Exemptions from the CPRs are permitted only in exceptional circumstances and must meet the criteria defined within the CPRs. Commercial and legal services work proactively with departments to ensure that exemptions are only progressed when there is no alternative compliant procurement route. Officers must demonstrate a clear and evidenced rationale for any exemption request.
4. All exemption requests must:
    a. Be supported by a completed exemption form with documented justification aligned to the permitted grounds within CPRs (e.g. urgency, statutory provider, specialist supplier);
    b. Be reviewed by Commercial Services and Legal Services to assess appropriateness and compliance with procurement legislation;
    c. Be approved by the relevant Director in consultation with the Section 151 Officer and Monitoring Officer;
    d. Be recorded on the central exemption register maintained by Commercial Services.
5. Exemptions from the CPRs present an increased risk of procurement challenge, as they involve awarding contracts without full competition. The Council's governance framework is designed to mitigate this risk through legal oversight, financial scrutiny, and robust documentation of the justification for each exemption.
6. The involvement of both the Monitoring Officer and Section 151 Officer in the approval process ensures that legal compliance and financial risk are appropriately considered before any exemption is granted, providing clear oversight and accountability.

Exemption Activity

7. The table below summarises the number of exemptions approved during the financial year (1 April 2025 to 31 March 2026) compared with the previous financial year (1 April 2024 to 31 March 2025) and the number of contracts which commenced during the same period.
8. Appendix 1 to this report lists the exemption requests for financial year 2025/26 and the reason they were supported during the period.

Period	2024/25 Exemptions	No of contracts which commenced during the period *	2025/26 Exemptions	No of contracts which commenced during the period *
Q1 April to June	1	126	3	95
Q2 July to September	3	139	6	106
Q3 October to December	1	96	5	53
Q4 January to March	0	56	3	28
Total	**5**	**417**	**17**	**282**

*source: Council Contracts Register

9. A total of 17 exemption requests were considered during 2025/26, compared with 5 in 2024/25. Of these, 15 were supported and approved and 2 were not supported. While this represents an increase, exemptions remain low in proportion to overall contract activity (17 out of 282 contracts in 2025/26). This demonstrates that exemptions to the CPRs represent a minority of total procurement activity.

Analysis of Exemptions

10. Analysis of the exemptions approved in 25/26 shows:
    a. A significant proportion relate to statutory utilities or works that can only be delivered by a single provider where competition is not possible (e.g. National Grid, Welsh Water), which fall within permitted exemption categories;
    b. Several exemptions relate to urgency, where immediate action was required to protect assets, services or safety;
    c. A smaller number relate to specialist or highly technical services where continuity or compatibility was a key consideration;
    d. Two exemptions were not supported through the governance process, demonstrating that the controls in place are effective in challenging and rejecting requests where the justification is insufficient.

11. Overall, this demonstrates that exemptions are being used in line with the intended purpose of the CPRs and are clearly aligned to CPR exemption categories.

Community Activity

12. In accordance with the 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 financial management, risk management and internal control are important components of this performance management system.
13. To ensure clear and transparent processes are in place to govern how resources of the Council are effectively managed and supports the Herefordshire Council Plan objectives to manage finances effectively and to demonstrate one of the Council's values, namely, to be open, transparent and accountable.

Environmental Impact

14. The 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.
15. Whilst this is a factual update 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

16. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
17. The mandatory equality impact screening checklist has been completed for this activity, and it has been found to have low impact for equality. Due to the potential impact of this activity being low, a full Equality Impact Assessment is not required.

Resource implications

18. There are no specific resource implications for this report.

Legal implications

19. The annual report reflects any statutory or constitutional requirements.

Risk management

20. The relevant risks identified below will be managed at a service level and added to the service risk register.

Risk/opportunity	Mitigation
There is a risk that officers do not follow the exemption process as set out in the CPRs and contracts are let outside of the rules.	The CPRs and Contracting Toolkit are available on the intranet. Regular communication goes out via the CE briefing to remind staff of the resources available to support the procurement and contract monitoring activity. Procurement and contract management training is available to all staff.
Lack of robust central oversight may lead to inconsistencies in how exemptions are recorded or applied across service areas.	Ongoing central monitoring by the Commercial Services Team combined with reporting to Audit and Governance Committee will support consistent application and governance of exemptions.

Consultees

21. None.

Appendices

Appendix 1 – List of exemptions for period 1 April 2025 to 31 March 2026.

Background papers

None identified

Appendix 1 – List of exemptions for period 1 April 2025 to 31 March 2026.

Table 1 – Approved Exemptions

No	Title of exemption	Directorate	Date Signed	Supplier	Value	Description of works/goods/ services and Rationale for exemption.	Reason for Supporting
1.	Schools Maintenance – Ledbury Drainage	CYP	09/04/2025	MetroRod	£66,000	Emergency sewer repair at Ledbury Primary School. Reason: Urgency (health and safety)	The exemption is supported on the basis that consultees acknowledged the rationale for urgency and agreed that the circumstances justified an exemption to the Contract Procedure Rules.
2.	Hereford Station Transport Hub	E&E	14/04/2025	National Grid	£55,000	Electrical gird connection for the Transport Hub. Reason: Statutory provider	The exemption is supported on the basis that the works can only be undertaken by the statutory undertaker and therefore there is no opportunity to undertake a competitive procurement process.
3	Electricity Connection Charge to HMAG redevelopment	E&E	13/05/25	National Grid	£42,130	Electricity connection for the HMAG redevelopment. Reason: Statutory provider	The exemption is supported on the basis that the works can only be undertaken by the statutory undertaker and there is therefore no alternative provider available to deliver the required works.
4.	Hereford Western Bypass Phase 1	E&E	11/07/2025	Sharpe Pritchard LLP	£114,000	Specialist legal support for completion of option agreements / transfers with landowners affected by the Southern Link Road. Reason: Specialist advisor	The exemption is supported on the basis that the specialist adviser has detailed prior knowledge of the scheme and previous acquisitions, providing continuity of support and representing the most cost-effective approach for the council.

No	Title of exemption	Directorate	Date Signed	Supplier	Value	Description of works/goods/ services and Rationale for exemption.	Reason for Supporting
5.	Weobley High Electric Upgrade	CYP	24/07/2025	Melcon And National Grid Plc –	£61,517 £13,226	Urgent electrical upgrade required at Weobley High School. Reason: Urgency & Statutory provider	The exemption is supported on the basis that the works are required urgently and within a constrained timescale. The proposed approach provides continuity through the use of contractors with existing knowledge of the project, including the statutory undertaker where required.
6	Autism Education Training	CYP	11/08/2025	Autism Education Trust (AET) (through The National Autistic Society)	£27,354	Purchase of AET licence and training package for delivering training to staff in early years, primary and secondary schools and post 16 settings. Reason: Single Supplier	The exemption is supported on the basis that the provider is the only organisation identified as being able to deliver the council's full training requirements from early years through to post-16 provision.
7	Ross Enterprise Park Gas at Ross Enterprise Park (Model Farm)	E&E	27/08/2025	Wales & West Utilities	£38,981	Gas utility connection works cost at Ross Enterprise Park (Model Farm). Reason: Statutory provider	The exemption is supported on the basis that the works can only be undertaken by the statutory undertaker and there is therefore no alternative supplier available to deliver the required works.
8.	Ross Enterprise Park Water Utility Connection	E&E	E&E	Dwr Cymru Welsh Water	£45,860	Water utility connection at Ross Enterprise Park (Model Farm). Reason: Statutory provider	The exemption is supported on the basis that the works can only be undertaken by the statutory undertaker and there is therefore no alternative supplier available to deliver the required works.
9.	Ross Enterprise Park Electrical utility connection	E&E	27/08/2025	National Grid	£491,822	Electrical utility connection works cost. Reason: Statutory provider	The exemption is supported on the basis that the works can only be undertaken by the statutory

No	Title of exemption	Directorate	Date Signed	Supplier	Value	Description of works/goods/ services and Rationale for exemption.	Reason for Supporting
							undertaker and there is therefore no alternative supplier available to deliver the required works.
10.	Land Charges Software Extension	Corporate	13/11/25	NEC Software Solutions Uk Ltd.	£36,720	Interim extension required to Land Charges Software. Reason: System compatibility	The exemption is supported on the basis that there is no viable alternative provider due to system compatibility requirements and that an extension is necessary to avoid a gap in service and the associated risk to the council.
11.	Cremator Hearth Replacement	E&E	14/11/25	Facultatieve Technologies Ltd	£80,231	Internal reline of both cremators at Hereford Crematorium. Reason: Specialist supplier	The exemption is supported on the basis that the original equipment manufacturer is best placed to undertake the works, reducing operational risk and ensuring continuity of service. Consultees noted that future maintenance requirements should be addressed through an appropriate maintenance arrangement.
12	SOCITM	Corporate	27/03/26	SOCITM	£40,121	Payment for work completed. Reason: Legal/ Specialist advisor	The exemption is supported on the basis that the additional services have already been delivered and the council has received the associated benefit, making a retrospective exemption appropriate.
13	Additional capacity to address the existing backlog of financial assessments.	Community Wellbeing	16/12/25	Civica Uk Limited	Up to £50,000	Additional capacity to address the existing backlog of financial assessments. Reason: Specialist advisor	The exemption is supported on the basis that there are limited suppliers capable of delivering the required specialist financial assessment services and that

No	Title of exemption	Directorate	Date Signed	Supplier	Value	Description of works/goods/ services and Rationale for exemption.	Reason for Supporting
							the proposed provider represents the most suitable option available. The council should continue to progress a compliant long-term solution to meet future requirements.
14.	Waste removal from the A49 green land site Leominster	E&E	17/03/26	S.C Joseph Ltd	Up to £200,000	Hazardous and non-hazardous waste removal. Reason: Urgency	The exemption is supported on the basis that the works are required urgently to address risks associated with increased public access to the site. Appropriate controls should be maintained to monitor expenditure and ensure value for money.
15	Unit 6 Maylords Hereford – Heating and Ventilation system	E&E	30/03/26	CF Roberts	£70,000	Design, supply, installation and commissioning of mechanical ventilation and air conditioning systems at retail unit at Maylord Shopping Centre in Hereford to meet terms of the lease agreement. Reason: Urgency	The exemption is supported on the basis that the works are required within a fixed contractual timescale and the proposed contractor's existing involvement provides the most practical and cost-effective route to delivery.

Table 2 – Not supported but progressed

No	Title of exemption	Directorate	Date Signed	Supplier	Value	Description of works/goods/ services and Rationale for Exemption	Reason NOT Supported	Outcome
16.	Quiet Routes Active Travel Measures (ATM)	E&E	17/10/25	Project Centre Ltd (PCL)	£50,950	Appoint PCL as Principal Designer for the Quiet Routes ATM construction phase because they developed the scheme to detailed design and are best placed to continue. Running a tender would duplicate work, cause delays to the planned September 2025 start, increase costs, and risk funding, while offering little added value given their competitive pricing and compliant prior appointment.	Competition (seek 4 quotes) was feasible. Procurement should have been considered earlier within project plan. In future, designers should be appointed for the entire project.	Proceeded at risk
17.	Holme Lacy Road Active Travel Measures (ATM)	E&E	17/10/25	Price & Myers LLP	£69,420	Appoint Price & Myers as Principal Designer for the Holme Lacy Rd ATM construction phase because they completed the scheme to detailed design and are best placed to continue. Running a tender would duplicate work, cause delays to the planned September 2025 start, increase costs, and risk funding, while offering limited added value given their competitive pricing and prior compliant appointment.	Competition (seek 4 quotes) was feasible. Procurement should have been considered earlier within project plan. In future, designers should be appointed for the entire project.	Proceeded at risk

AGENDA ITEM 8

Herefordshire Council

Title of report: Annual review of the council's Information Requests & Complaints 2025/26

Meeting: Audit & Governance Committee

Meeting date: 21 July 2026

Report by: Claire Jacobs & Tilly Page

Classification
Open

Decision type

This is not an executive decision

Wards affected
All wards

Purpose
To inform the committee of performance in the areas of complaints, data incidents and requests for information made to the council over the municipal year 2025/26.

Recommendation(s)
That the information set out in the report is noted.

Key considerations

Requests for information

1. The council is subject to legislation that requires openness and transparency, providing members of the public with rights of access to information. At the same time, the council is also required by legislation to protect certain information from unauthorised disclosure, and to exempt information from being released. The council therefore makes decisions on disclosure of information based on the law and regulatory guidance, occasionally having to balance the public interest in releasing information with the confidentiality of that data and the harm that release would cause. When the council undertakes this balancing exercise, it does so taking into account relevant case law and decision notices.

Further information on the subject of this report is available from
Claire Jacobs, tel: 01432 260263, email: claire.jacobs@herefordshire.gov.uk

2. From 1 May 2025 to 30 April 2026 the council dealt with 922 requests under the Freedom of Information (FOI) Act 2000, and 247 requests under the Environmental Information Regulations (EIR) 2004.

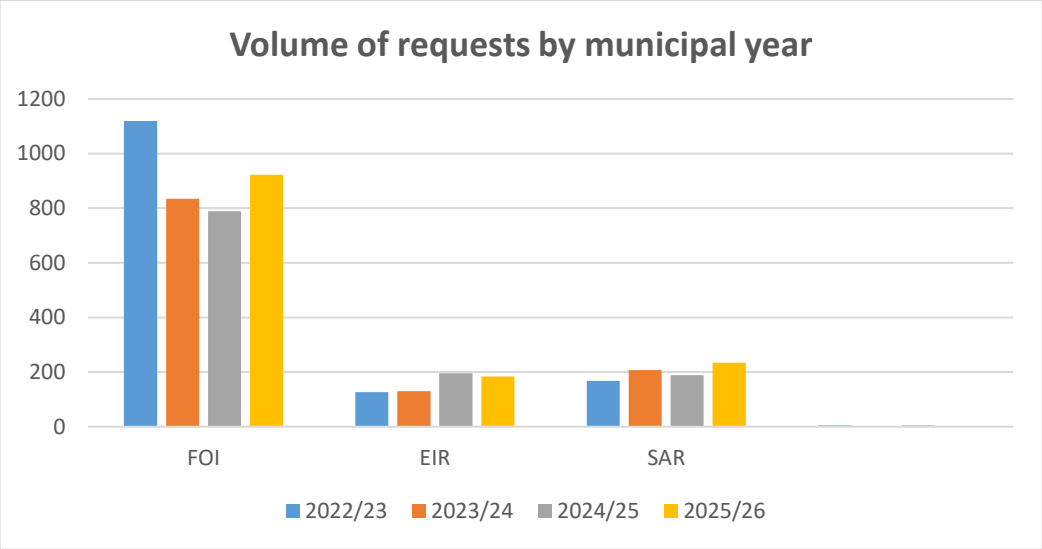
3. Of those requests, 36 were answered outside of the statutory deadlines (20 working days), meaning that the overall response rate was 97%. This exceeded the council's target of 95% compliance and was within the Information Commissioner's Office (ICO) threshold of 90% for responses within deadline. Where information was withheld from disclosure this was because some of the information was exempt (for reasons such as the information consisting of personal data). If information is withheld the reasons for this are explained to the requester.

4. There were 184 more requests received in comparison to the previous municipal year. The total numbers of requests received had been falling year-on-year, but in the last couple of years the totals have started to increase again. We have undertaken work to try and make information publicly available as much as possible to reduce the need for individuals to submit requests. A disclosure log was introduced in 2021, and we publish requests / responses to all FOI and EIR requests except for those which have had an exemption applied for personal data. To date over 3,000 requests / responses have been published to the log. We also try and deal with requests as Business as Usual. These are requests for which the information is already publicly available either on the council's website or disclosure log or are otherwise easily answerable. During the municipal year we dealt with an additional 213 requests as business as usual. Handling them that way ensures a faster response for requesters and reduces the amount of time that service areas have to spend on FOI / EIR requests.

5. 48 requesters asked for an internal review of the response they had received. The number of requests for a review are rising year-on-year, with many being generated by AI. In 32 cases the original decision was upheld in full and in part in 13 cases. 13 cases went onto be referred to the Information Commissioner's Office (ICO). In 6 case the ICO upheld the council's decision, and we are waiting for the ICO to investigate further in the remaining 7 cases.

6. During the last municipal year there were also 234 requests where individuals asked for personal data about themselves under their right of subject access in data protection legislation. The majority of these are for social care information. The response rate for this period was 78% of requests responded to within the statutory deadlines. This was below the target for the calendar year, which we set at 95% response rate. The processing of these requests is very complex. For each request the Information Governance team have to review every single document to consider whether an exemption applies and redact accordingly. If the request is from a care leaver this can involve reviewing 1000+ documents. During the last year the Information Governance team have worked with officers in the Children & Young People directorate to improve the process, and experience of, individuals making requests for social care information. This included developing new handouts and FAQ's, revising letter templates and developing a glossary of social care terminology; feedback on which was gained from service users.

7. The graph below compares volumes of requests received in the municipal year 2025/26 with volumes received in previous years.



8. Statistical data on requests processed under FOI and EIR are published on the council's website and updated quarterly.

9. Where other councils publish their FOI / EIR request volume statistics, some informal benchmarking can be made based on requests received in the financial or calendar year, and the council is performing well in comparison to other such councils. During 2025/26, Powys had a response rate of 81%, Gloucestershire County Council 94% and Worcestershire County Council 98%.

10. Information request data is monitored monthly within the council with Corporate Directors provided with monthly Information Governance reports, at the information governance steering group and annually at Corporate Leadership Team. There is a section on processes for staff to follow regarding information requests within the mandatory training completed by all council staff upon joining the council and then annually.

11. The information governance team deals with requests made by the police in relation to criminal investigations to view council information, and requests from other public sector organisations in relation to such matters of investigation of fraud and child protection matters concerning closed social care cases. 50 such requests were received from other organisations. The total number of Police requests fell over the past year, with a total of 54 requests processed, including the locating, proportionate sharing and redaction of records.

Information Governance

12. The council's information governance team also monitors low-level data security incidents, near misses, and allegations of breaches of data protection legislation, of which 307 such cases were reported and dealt with over the past municipal year. Out of these, 1 met the threshold for reporting to the Information Commissioner's Office (ICO), however no action was taken against the council. The figures reflect that the council has sound processes in place for reporting data incidents, and that there is a high level of awareness from the mandatory training given to all council staff regarding data protection. It also indicates a more open culture around reporting things that have gone wrong. Incidents are reviewed at the information governance steering group and included in monthly reports to Corporate Directors, and learning from incidents is fed back through staff training, communications to officers and changes in processes and procedures.

13. The information governance team also assesses the mandatory data protection impact assessments that are completed for new programmes, projects or systems that involve

processing of personal data, advise on information sharing agreements, implement information security policies and procedures, and ensure that teams make information available on how the council processes personal data.

14. In addition to providing the council with a service, as of April 2026, 39 of the county's schools were signed up to a self-funding school's data protection officer service level agreement. A high-level service and support to schools is provided whether on the end of the telephone or via a face-to-face visit.

Complaints

15. This section of the report provides information on complaints and feedback received by Herefordshire Council for the period 1 April 2025 to 31 March 2026 that relate to all services within the Council, excluding children's social care. Complaints about that specific service area are managed by a different statutory process and are subject to separate scrutiny.

The aim of the Corporate Complaints Procedure is to make sure that:

- Complaints are dealt with to a fair and consistent standard
- The Council responds to complaints in a reasonable timescale
- Outcomes from complaints are documented and shared throughout the Council
- A 'do it once do it right' approach is taken to complaints

The Council has based its complaints procedure on guidance set out in the Local Government and Social Care Ombudsman's 'Guidance on Running a Complaints System 2009'. The guidance explains the principles underpinning a successful complaints procedure:

16. Performance Metrics

Complaints and compliments have been categorised into each directorate.

There were **482** complaints processed through the Corporate Complaints Policy, a decrease in comparison to 560 received the previous year; a 13.93% decrease.

NB: complaints about Adult Social Care and Children's Services are reported and analysed separately

17. Please see appendix for full details of the Corporate Complaints and Compliments Annual Report 2025/2026

Community impact

18. In accordance with the 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. The council is committed to promoting a positive working culture that accepts, and encourages constructive challenge, and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development, and review.

This report provides information about the council's performance in handling complaints and requests for information from members of the public, in order to provide assurance that the council handles requests and complaints effectively and derives learning from them to improve experiences for those who receive services from the council. It also provides information about the measures taken to protect personal data under the data protection legislation.

Environmental Impact

19. The 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.

    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, including through encouraging complaints and requests for information to be submitted electronically to the council.

Equality duty

20. This report is for information only and therefore there are no equality duty implications arising directly from this report.

Resource implications

21. There are no financial implications arising directly from this report, which is for information. As outlined above however, there are risks of fines from the Information Commissioner's Office for breaches of data protection legislation, and compensation payments if the council has acted in a way that results in maladministration and injustice. The council has sufficiently protected the personal data it holds to not incur fines so far.

Legal implications

22. There are no specific legal implications arising from this report itself.

Risk management

23. The risks to the council are of non-compliance with legislation including the UK General Data Protection Regulations, the Data Protection Act 2018, the Freedom of Information Act 2000, the Environmental Information Regulations 2004, and the Local Government Act 1974. Effective operational and governance processes mitigate these risks of non-compliance with information legislation and standards, and maintaining high standards of compliance mitigates risks to the reputation of the council.

Consultees

Not applicable.

Appendices

None.

Background papers

None identified.

Herefordshire Council

Appendix 1

Corporate Complaints and Compliments Annual Report 2025 / 2026

Author: Tilly Page, Complaints Manager

Contents

Introduction

A complaint, for the purpose of this report, is defined as:
An expression of dissatisfaction about the standard of service, actions or lack of action by Herefordshire Council, our staff or contractors.

A service request, for the purpose of this report, can be defined as:
A formal request that a member of the public, client or service user makes, asking a service provider to provide them with something that would be useful in the business's day-to-day operations.

A compliment, for the purpose of this report, is defined as:
A polite expression of praise.

Purpose of the Report

This report provides information on complaints and feedback received by Herefordshire Council for the period 1 April 2024 to 31 March 2025 that relate to all services within the Council, excluding children's social care. Complaints about that specific service area are managed by a different statutory process and are subject to separate scrutiny.

What is the Corporate Complaints Procedure?

The aim of the Corporate Complaints Procedure is to make sure that:

- complaints are dealt with to a fair and consistent standard
- the Council responds to complaints in a reasonable timescale
- outcomes from complaints are documented and shared throughout the Council
- a 'do it once do it right' approach is taken to complaints

The Council has based its complaints procedure on guidance set out in the Local Government and Social Care Ombudsman's 'Guidance on Running a Complaints System 2009'. The guidance explains the principles underpinning a successful complaints procedure:

What is a Complaint?

An expression of dissatisfaction about a council service (whether that service is provided directly by the council or by a contractor or partner) that requires a response. It is important to note that there are exclusions within the Corporate Complaints Procedure and not all complaints will be addressed under this procedure, even if the resident has identified their concerns as a complaint. The following are examples of exclusions under this
procedure:

- First time request for service
- Certain highways issues
- Suggestions for improvements to council services
- Council action or lack of action that affects more than one individual, such as local highways or community issues
- Claims for damages
- Matters where an alternative and more appropriate course of action exist

Complaints regarding work carried out by other organisations on the council's behalf may be investigated by the organisation concerned or the council team commissioning that service in the first instance, however, final stages of the complaints process will be managed by the Complaints Team. This includes organisations such as Hoople Ltd, Balfour Beatty Living Places, FCC, ACE adoption, adult social care providers and bailiffs.

This policy also covers second stage appeals for financial assessment for adult care and support charges.

The Role of the Complaints Team

The Corporate Complaints Procedure covers a wide range of Council services and infrastructure that are accessed and used by Herefordshire residents on a daily basis. The Complaints Team are responsible for

assessing complaints and feedback about these services and screen each one to identify the most suitable way to address the issues raised.

Classification of Complaints and Feedback:

Service requests:

Any new issues such as highways defects, parking problems or rights of way concerns are not considered under the Corporate Complaints Process and will be referred to the Council's relevant service.
Examples can include:

- Notification of a new highways problem that has not been reported before
- Update on an existing issue
- Requests to re-open a closed report
- Problem parking on a residential street
- Blocked footpath that is a right of way
- Notify the Council of a claim for damages

Enquiry/Comment/Not Eligible for Corporate Complaints Procedure:

A notable portion of matters received by the Complaints Team fall under these categories. The team will log and contact the service to obtain a response for the resident. Types of feedback for this category are:

- Roadworks causing delay or disruption/diversion route
- Follow up/query in respect of highways reports
- Standard of works completed
- A general comment or observation about a Council service
- Disagreement with a decision that has been made in line with council policy
- Suggestions for improvement
- Issues that affect a number of people, not an individual

Informal Resolution:

Complaints that are identified as Informal Resolution must be about issues that are eligible for the Corporate Complaints Procedure and can be resolved quickly and without the need for detailed investigation. There must be evidence of potential service failure but not to the extent that requires a formal investigation. The service must respond directly to the resident and endeavor to reach a suitable resolution. For example:

- Delay in receiving library book
- Problems with renewing Blue Badge or Bus Pass
- Difficulties in accessing online services

Formal Complaint:

An issue will be considered under the formal complaints procedure whereby there is evidence of potential service failure and that this has impacted directly on the person who is making the complaint. These can include:

- Blocked drain has not been inspected despite being reported to the Council. The situation has worsened, and water is encroaching on the resident's property
- Roadworks have prevented a resident accessing their property
- Changes to the lighting provision outside a property has resulted in the light shining directly into the resident's property and impacting on their day to day living
- Works not carried out despite being advised that they would take place
- Conduct of a member of staff towards a resident
- Affected resident not included in consultation of local project
- Evidence of an application for a service not considered properly

The Complaints Team will define the issues that require investigation from the information submitted by the complainant. This assists the process by:

- Identifying the key issues that require investigation
- Ensuring that each complaint is considered separately and provides the complainant with a clear decision as to whether their complaint has been upheld or not
- Captures themes and trends for reporting purposes

It is important that a complaint is dealt with via the correct process from the beginning to avoid any potential future maladministration. Issues that are not eligible for handling under the formal complaint's procedures will be directed as appropriate.

Complaints are directed to the relevant service area, and progress is monitored to ensure that a response is provided within corporate timescales. Complaints are responded to at the point of service delivery giving the service area subject of the complaint the opportunity to respond to any concerns raised about it. The manager of the service is also best placed to provide a knowledgeable and comprehensive response to the complaint. They can identify where things have gone wrong and propose a suitable remedy to the complainant.

The Complaints Team do not usually provide a response to complaints unless in exceptional circumstances. This is to provide the resident with confidence that the team offers an impartial service that can support them in making representation to the Council. The team provides advice to persons wishing to use these procedures and offers staff members support and guidance on how to appropriately handle and respond effectively to complaints about the Council.

Learning From Complaints

All officers investigating and responding to complaints are encouraged to document any identified learning that has arisen from the investigation in order that this information can be used to improve existing practices. Sharing details of the complaint and investigation are also done in team meetings to allow teams to contribute to future service improvements.

It is expected that in all circumstances, complaints are investigated properly and that complainants are treated fairly and with empathy. An apology will often be offered in recognition that the resident will have felt sufficiently aggrieved to contact the council to make a complaint, even in cases whereby the complaint has not been upheld.

Collation of Data

Complaints are collated on a bespoke database, e-case, that records details of the service subject of the complaint, the nature of the complaints raised, the outcome and remedies/learning.

Making a Complaint

In line with the Council's digital strategy, residents can contact the Complaints Team via a designated email address and online form. However, we do recognise that in certain circumstances, residents wish to have a conversation with the team and therefore we also have a direct telephone line which is available Monday to Friday 9am to 5pm.

Complaint Handling Code

Herefordshire Council adopted the Complaint Handling Code in April 2025, following its selection as a pilot Local Authority. The Code sets out a clear and consistent approach to complaint handling, designed to ensure complaints are managed fairly, effectively and in a timely way. Its primary aim is to support early resolution wherever possible, while also strengthening how learning from complaints is used to drive continuous service improvement.

As part of adopting the Code, the Council is working towards embedding a positive complaint handling culture across all services, where feedback is actively encouraged and used constructively. This includes ensuring there is a single, clear complaints policy in place, and that individuals understand what they can expect when raising a complaint. The Code also promotes seeking feedback from complainants on their experience, helping to further improve processes and outcomes.

The principles of the Code align with national best practice, enabling a more coordinated approach where services overlap. While the Code does not apply to areas with separate statutory complaint processes, such as certain children's and adult social care complaints, it provides a strong framework for the majority of complaints handled by the Council. Overall, adopting the Code represents a positive step in strengthening transparency, consistency and learning from complaints across Herefordshire Council.

Performance Metrics

Complaints and compliments have been categorised into each directorate.

There were **482** complaints processed through the Corporate Complaints Policy, a decrease in comparison to 560 received the previous year. Of 482 stage one corporate complaints received and investigated, 100 escalated their complaints to stage two.

NB: complaints about Adult Social Care and Children's Services are reported and analysed separately and will not be captured in the data within this report

Composition of Total Feedback Received

	2024/2025	**2025/2026**	**% Difference**
Corporate Stage 1	560	482	*-13.93%*
Corporate Stage 2	N/A	100	*N/A*
LGSCO	55	48	*-12.73%*
Compliments	174	310	*+78.16%*

Corporate Services Complaints

Corporate Services Directorate comprises of Governance and Law, Finance and HR&OD. The table below provides a breakdown of the complaints received by directorate in Corporate Services.

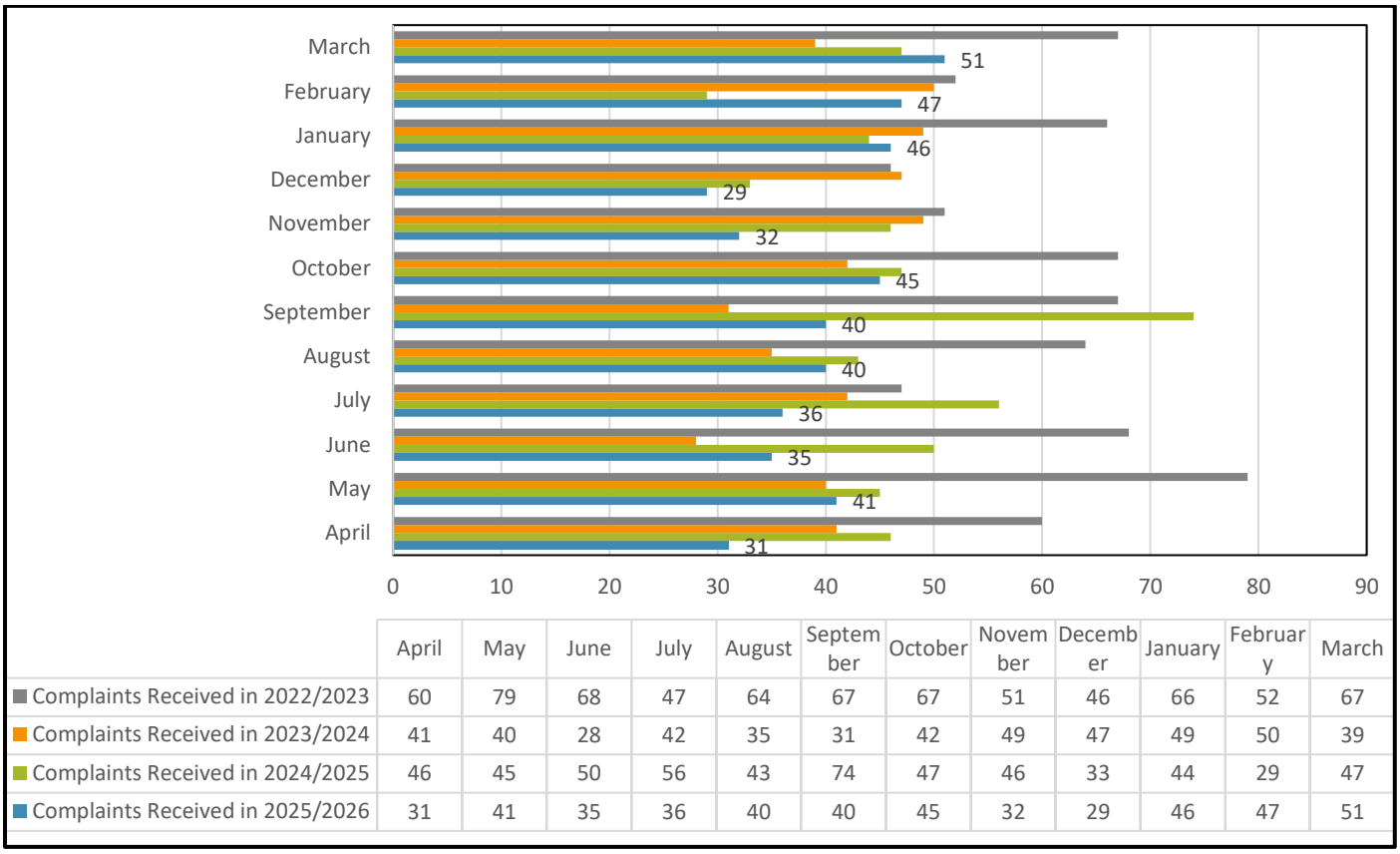
	Complaints Received	**Upheld**	**Not Upheld**	**Partially Upheld**	**Ontime Response**	**Late Response**
Governance and Law	20	7	12	1	19	1
Finance	63	11	49	3	60	3
HR&OD	3	1	2	-	3	-

Complaints Comparative by month

The chart below shows complaints received, by month, in reporting year 2025/26, compared to reporting years 2022/23, 2023/24 and 2024/25. Analysing the complaint data over the past four years reveals some interesting trends. Across the four-year period shown, there is a clear overall reduction in the number of complaints, which is a positive trend for the service. In 2022/23, complaint volumes are consistently the highest across almost every month, with several peaks between May and October (for example, May at 79 and October at 67). This noticeably reduces in 2023/24 and again in 2024/25, with 2025/26 showing the lowest and most stable figures overall, generally ranging between 29 and 51 complaints per month. This downward trend suggests that improvements in early resolution are likely having an impact, with more concerns being addressed by services before escalating into formal complaints.

Looking at monthly patterns, there are some consistent trends across the years. Late spring and summer months, May to September, tend to show higher complaint volumes, particularly in earlier years, possibly reflecting increased service demand or operational pressures during this period. In contrast, winter months such as December and January generally show lower levels, particularly in the most recent year.

Overall, the most recent year not only reflects fewer complaints but also less fluctuation month-to-month, which further supports the view that processes are improving and issues are being resolved more effectively at earlier stages.



	April	May	June	July	August	September	October	November	December	January	February	March
Complaints Received in 2022/2023	60	79	68	47	64	67	67	51	46	66	52	67
Complaints Received in 2023/2024	41	40	28	42	35	31	42	49	47	49	50	39
Complaints Received in 2024/2025	46	45	50	56	43	74	47	46	33	44	29	47
Complaints Received in 2025/2026	31	41	35	36	40	40	45	32	29	46	47	51

Complaints Comparative by Year

The latest data shows an overall positive picture, with a general reduction in complaints across most service areas compared to 2023/24, and in some areas compared to 2024/25.

Economy and Environment continues to receive the highest volume, however complaints have continued to reduce year on year, indicating steady improvement despite high demand.

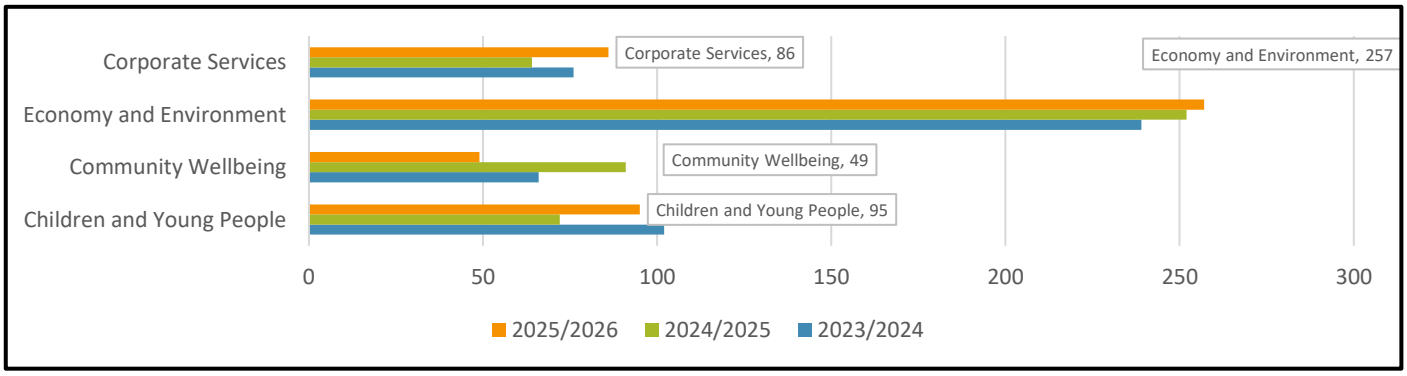
Community Wellbeing shows the most significant decrease, dropping from around 65 complaints in 2023/24 to below 50 in 2025/26, which suggests that changes in service delivery or earlier resolution are having a strong impact.

Corporate Services has also seen a positive reduction from approximately 75 complaints in 2023/24 to around 65 most recently.

Children and Young People is the only area showing an increase compared to last year, although levels remain broadly in line with earlier performance. This increase was predicted and is expected to continue to rise given the national pressured facing Additional Needs departments. Key reasons for the increase in complaints includes; failure to meet legal deadlines for issuing or reviewing EHCPs, often lasting months over the 20-week limit, prevents timely assessments largely due to shortage of specialists, it is reported that there is a national lack of educational psychologists and qualified staff. In addition to this, nationally there is a lack of suitable school places and failure to provide support outlined in existing plans. On top of this, year on year there is an increase in children requiring SEND support which has overwhelmed local services, creating, as described by the Department for Education, a "vicious cycle" of crisis. The Local Government and Social Care Ombudsman has reported that around 80% of investigated SEND complaints are upheld, indicating deep systemic issues nationally. It has been noted, however, that the Ombudsman decided not to investigate a large proportion of SEND related complaints because the council admit fault in the early stages and provided a remedy, a practice seen widely in Herefordshire. For additional context, just 25 of England's 153 councils with SEND responsibilities made it through 2025 without having any LGSCO complaints upheld against them. In 2025, the Local Government and Social Care Ombudsman upheld 1,315 SEND complaints, 26% more than the 1,044 upheld in 2024. It is also more than five times the 236 upheld in 2021.

Overall, the downward trend across most areas is encouraging and suggests that services are becoming more effective at resolving issues at an earlier stage, reducing the need for formal complaints.

NB: Please note that the data shown under the Children and Young People's directorate fall under the corporate policy <u>not</u> the Children's Statutory Policy, this data is reported seperately.

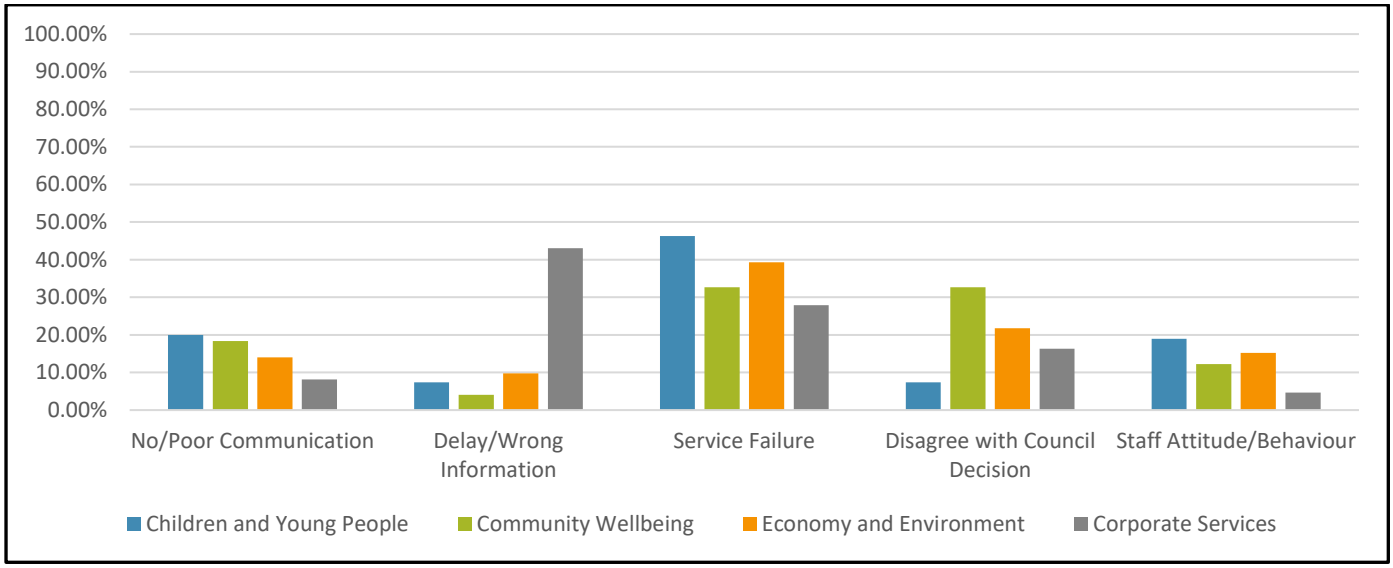


Complaints by category

Categories of complaint follow the most common categories for complaint identified by the Complaints Team when processing complaints.

NB: Service failure is defined by the LGSCO as:

- ***A failure in a service which it was the function of an authority to provide, or;***
- ***A failure to provide such a service***



The graph below shows the volume percentage of complaints received this year by category per directorate, it shows a mixed picture, with some clear strengths where complaint levels are low, but also several areas of concern where higher percentages indicate recurring issues. A key strength is that complaints categorised as No/Poor Communication and Staff Attitude/Behaviour are generally low across most services, particularly in Corporate Services, both under 10% and Economy and Environment showing at around 15%, suggesting that interactions with residents are largely positive and not a major driver of complaints.

However, there are notable concerns where percentages are higher. Service Failure is the most significant issue across all areas, particularly in Children and Young People and Economy and Environment indicating this is the main reason complaints are being raised and should be a priority for improvement. Whilst service failure is defined as a failure in a service which it was the function of an authority to provide, or a failure to provide such a service and these are service users interpretations, it is an area to be mindful of.

Similarly, Delay/Wrong Information is particularly high in Corporate Services with over 40% of complaints being categorised in this area, which stands out compared to other services and suggests a need for focused attention on timeliness and accuracy of information. This largely relates to Council Tax bills.

Disagree with Council Decision is relatively high in Community Wellbeing with around 33% complaints categorised, indicating a higher level of challenge or dissatisfaction with decisions in this area. In contrast, this category remains low in Children and Young People, which is a positive indicator.

Overall, while low levels in communication and staff behaviour are encouraging, the consistently higher percentages in service failure and, in some areas, delays or decision disputes highlight where improvement efforts should be focused to further reduce complaints.

		No/Poor Communication	Delay/Wrong Information	Service Failure	Disagree with Council Decision	Staff Attitude/Behaviour
Children and Young People	95	19	7	44	7	18
Community Wellbeing	49	9	2	16	16	6
Economy and Environment	257	36	25	101	56	39
Corporate Services	86	7	37	24	14	4

Timeliness of Responses: Stage One

The data shows a generally positive position in relation to timeliness, with some clear strengths alongside areas requiring attention.

A key strength is Corporate Services, where performance is very strong, with 82 out of 86 complaints concluded on time and only 5% late. This suggests effective processes, strong oversight, and consistent adherence to deadlines.

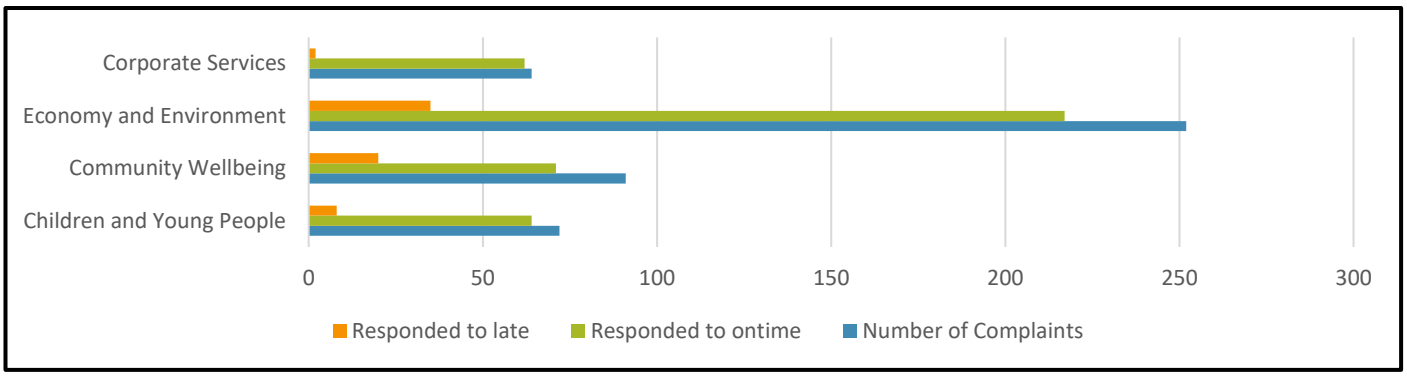
Children and Young People also demonstrates solid performance, with 82 out of 95 complaints completed on time and 20% late, indicating that most cases are being managed within expected timescales but the percentage remains outside of the 90% KPI target.

There are notable areas of concern, particularly within Community Wellbeing which has the most significant challenge, with over half of complaint investigations concluding late, which indicates ongoing pressures in meeting deadlines. It is important to note, however, that the complaints team has continued to work closely with services throughout the year, exploring different ways to provide support and improve processes to help ensure investigations are completed on time, which is a positive step towards addressing this issue.

Economy and Environment also shows some room for improvement, with 25% late responses, it represents a quarter of cases and is notable given the high overall volume of complaints in this area. Work has been undertaken with the relevant services areas to address these issues.

Overall, while there are strong examples of good performance, particularly in Corporate Services, the variation across services highlights some inconsistency. It is important to note that the KPI target for responding to complaints is 90%, and only Corporate Services has achieved this standard, further emphasising the strength of its performance. Continued focus on supporting Community Wellbeing and improving timeliness within Economy and Environment will help drive more consistent performance across all areas and support wider achievement of the KPI target.

	Number of Complaints	Ontime	Late	% late *NB: KPI target 90% ontime*
Children and Young People	95	82	19	***20%***
Community Wellbeing	49	24	25	***51%***
Economy and Environment	257	194	63	***25%***
Corporate Services	86	82	4	***5%***



Outcome:

Outcomes of complaint investigations can be defined as;

- **Upheld:**

The organisation has accepted it was at fault in all or most areas raised by the complainant or it only identified a small number of errors or technical faults but these had a significant adverse impact on the complainant or the wider public.

- **Partially upheld:**

The organisation found it acted without fault in most areas raised by the complainant. However, it identified a small number of errors or technical faults and these had very little impact on the complainant or the wider public.

- **Not upheld:**

The organisation found it acted without fault in all areas raised by the complainant.

- **Resolved:**

The organisation was able to agree action it should take with the complainant to resolve the complaint and did not have to investigate further to decide whether it acted with fault.

Number of Complaints (by directorate)	Number of complaints	Upheld	Not Upheld	Partially Upheld	Resolved but investigated
Children and Young People	95	29	39	25	-
Community Wellbeing	49	16	22	11	-
Economy and Environment	257	67	137	46	7
Corporate Services	86	16	63	7	-

The chart shows a generally positive position, with a high proportion of complaints recorded as not upheld across all directorates, which indicates that in many cases the organisation has acted without fault, despite receiving a complaint.

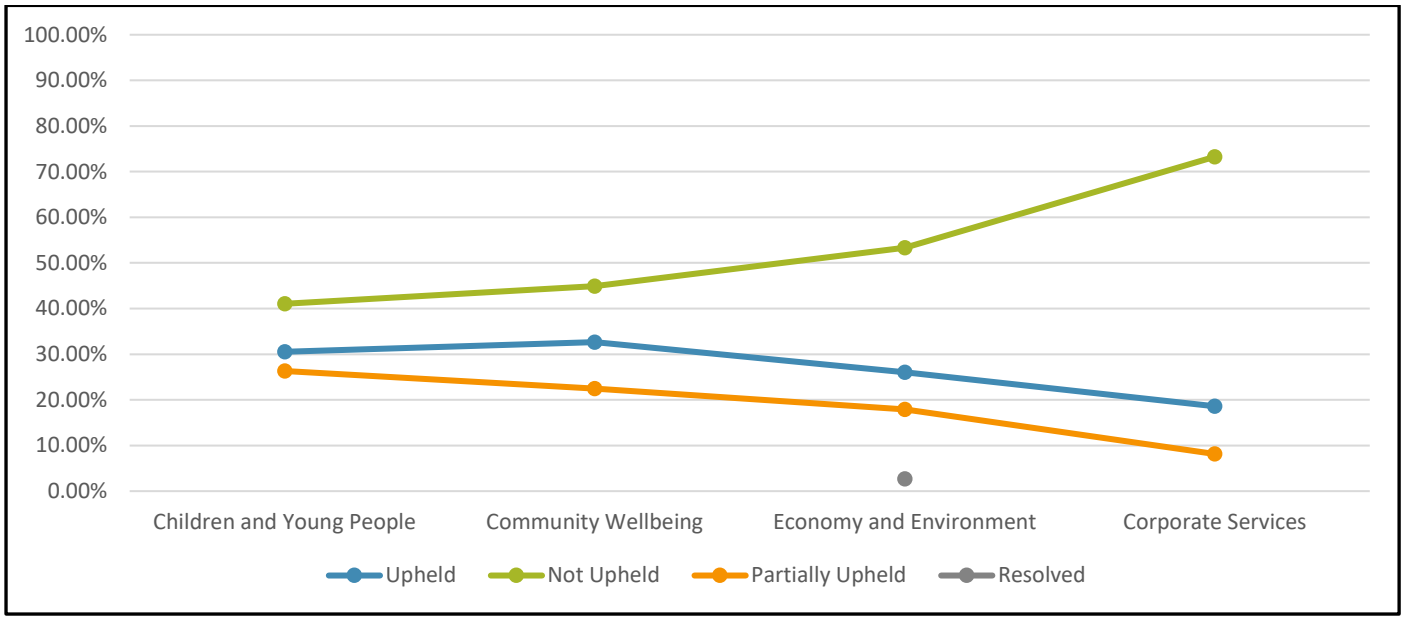
This is particularly strong in Corporate Services, where approximately 73% of complaints are not upheld, followed by Economy and Environment at around 53% and Community Wellbeing at approximately 45%. This suggests that, overall, services are acting appropriately in a large proportion of cases and that complaints are not always due to service failure.

The higher proportion of upheld complaints in Children and Young People can be understood in the context of significant pressures within SEND services, both locally and nationally. The highest level at around 30%, as explained earlier in this report, many complaints in this area relate to clear statutory duties, meaning complaints are more likely to be upheld. While the increase in upheld complaints highlights areas where statutory duties are not being met, it also demonstrates a level of transparency and willingness to acknowledge fault and put things right. Overall, the data reflects the challenging national landscape for

SEND services, rather than a decline in service intent, and reinforces the need for continued focus on capacity, early intervention, and systemic improvement.

Partially upheld complaints, which reflect limited or minor fault, sit at a moderate level across services. These are highest in Children and Young People and Economy and Environment, and lowest in Corporate Services. This indicates that, in some areas, small improvements could help reduce these lower level issues and prevent escalation.

Overall, the balance of outcomes is encouraging, with the majority of complaints either not upheld or only partially upheld. The relatively lower levels of upheld complaints demonstrate that significant service failures are not widespread. However, the higher upheld and partially upheld rates in certain services, particularly Children and Young People and Community Wellbeing, highlight where continued focus on service improvement and learning from complaints will be important.



Escalation to Stage Two

Stage two of the LGSCO Complaint Handling Code is the final internal review for complainants dissatisfied with the stage one response. It requires acknowledgment within five working days and a full written response within 20 working days. This stage focuses on reviewing the complaint at a senior level to ensure a final, thorough, and fair resolution.

Key aspects of Stage 2 in the Code:

- **Purpose:** To provide a fresh, senior-level review investigation of the complaint if the complainant remains unhappy after the Stage 1 response.
- **Timescales:** Organisations must acknowledge the stage 2 complaint within 5 working days and provide a final response within 20 working days. In some cases, the response time can be extended by a further 20 working days, but the complainant must be notified of the reason for the delay.
- **Final Decision:** This stage concludes the internal complaints process, after which the complainant can escalate to the relevant Ombudsman.

Of the 482 complaints received, 100 progressed to Stage 2, representing an escalation rate of 20.75%. While overall complaint volumes have reduced this year, this proportion indicates a higher rate of escalation, suggesting that a greater share of complainants remain dissatisfied following the Stage 1 response or feel further review is necessary. This may reflect increasing complexity of cases, higher expectations from complainants, improving awareness of the complaints process, and a noticeable increase in AI-generated complaints, which are often more detailed, structured, and more likely to challenge responses, potentially contributing to a higher likelihood of escalation.

At a directorate level, escalation rates vary. Children and Young People has the highest escalation rate at 24.21%, which is consistent with the complexity and statutory nature of many complaints in this area, particularly SEND related cases where dissatisfaction is more likely to persist.

Economy and Environment and Corporate Services are broadly in line with the overall average, suggesting a consistent pattern of escalation across these higher volume services.

Community Wellbeing has a lower escalation rate at 14.29%, which may indicate more effective resolution at Stage 1 or lower levels of ongoing dissatisfaction.

Overall, while the increase in escalation rates suggests some continuing dissatisfaction at the initial stage, the strong performance in meeting Stage 2 timescales is a clear positive. This demonstrates that once concerns are escalated, they are being handled robustly and in line with expected standards, supporting transparency and confidence in the complaints process. Continued focus on strengthening early resolution at Stage 1 will be key to reducing escalation rates over time.

Number of Complaints (by directorate)	Stage one complaints received	Stage two escalations	Escalation %
Children and Young People	95	23	*24.21%*
Community Wellbeing	49	7	*14.29%*
Economy and Environment	257	52	*20.23%*
Corporate Services	86	18	*20.93%*

Timeliness of Responses: Stage Two

Of the 100 escalations, 38 complainants received a late response (over 40 working days). Senior managers have 7 weeks/40 working days to complete a stage 2 investigation, late responses continue to be an area for improvement, particularly for E&E directorate. The data highlights a mixed position in relation to Stage 2 timeliness, with some clear strengths but also significant areas of concern.

A key strength is that 62% of Stage 2 complaints were completed within the required timescale, demonstrating that in the majority of cases, senior level reviews are being managed effectively and in line with the Complaint Handling Code. This reflects positively on oversight, prioritisation, and the ability of services to respond promptly once complaints are escalated. Corporate Services and Community Wellbeing show comparatively stronger performance, suggesting more effective control of Stage 2 processes within these areas. Community Wellbeing and Corporate Services, while performing better, still report late responses, indicating that timeliness at Stage 2 is a broader issue across all services, albeit to varying degrees.

However, there are notable and significant concerns, overall, 38% of Stage 2 responses were late, meaning over a third of complainants did not receive a response within the 40 working day timeframe. This is particularly pronounced in Economy and Environment, where 22 out of 52 cases were late, representing the most significant performance issue across all directorates. Given this service also handles the highest volume of complaints, this creates a substantial risk to service reputation and customer confidence.

Children and Young People also shows a relatively high level of delay, with 9 out of 14 complaint investigation concluding outside of the allotted timescales, indicating ongoing challenges in managing complex cases within required timescales. While some delay in this area may be linked to the complexity of complaints, the level of lateness suggests further improvement is needed.

Overall, while it is positive that the majority of Stage 2 complaints are completed on time, the high proportion of late responses represents a key area for improvement. It should be noted that Stage 2 is a new addition to the corporate complaints process, and a period of adjustment is expected as services embed new ways of working and adapt to increased senior level involvement. However, the 40 working day timescale is significant, and delays at this stage can have a considerable impact on complainant confidence and experience. Strengthening oversight, ensuring sufficient capacity, and maintaining focus on timely senior-level investigations will be critical to improving consistency and meeting expected standards across all directorates.

Number of Complaint Escalations (by directorate)		**Ontime response**	**Late response**	**Late %**
Children and Young People	23	14	9	*64.29%*
Community Wellbeing	7	5	2	*40%*
Economy and Environment	52	30	22	*73.33%*
Corporate Services	18	13	5	*38.46*

Compliments

Introduction

A compliment, for the purpose of this report, is defined as:
A polite expression of praise.

Since implementing the compliments@herefordshire.gov.uk email, we have received a high number of external compliments, particularly in the Children and Young People Directorate, this is widely promoted throughout the directorate. We've received a smaller number of compliments from Community Wellbeing directorate and Corporate Services but this remains limited along with Economy and Environment directorate.

Positive feedback about a service or member of staff can be made in a number of ways such as, by email, phone or directly to a member of staff. We record compliments that show a level of service or actions that go above what would normally be expected. Compliments are only logged if the positive feedback is made by a member of the public.

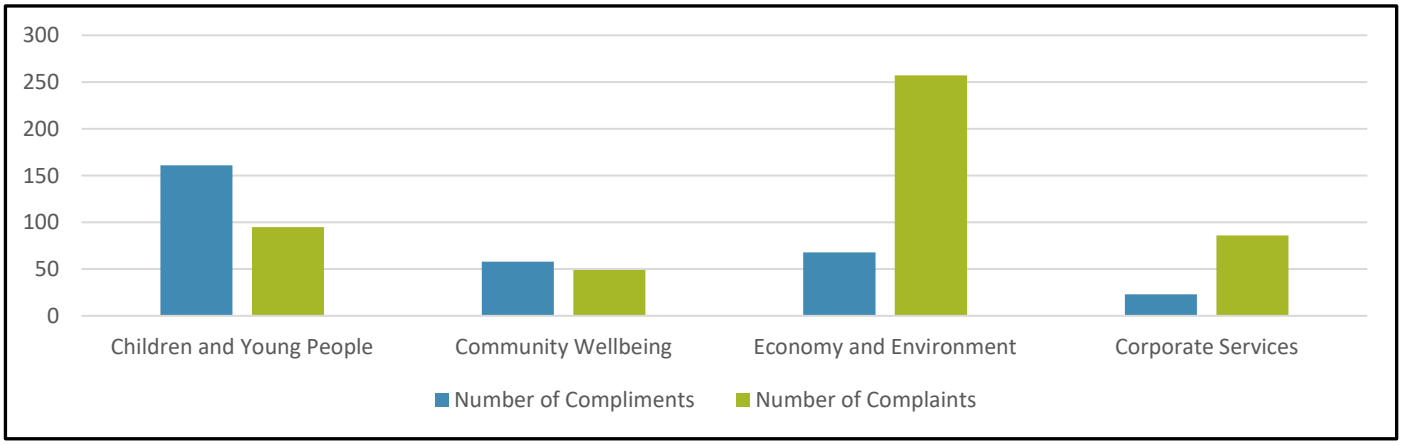
Performance Metrics

There were **310** compliments received via compliments@herefordshire.gov.uk from external professionals or organisations these compliments range from being about individual professionals to the whole service.

The data shows a broadly positive picture, with compliments increasing significantly overall, indicating improved customer satisfaction and more recognition of good service delivery. There are clear strengths in Children and Young People, where compliments are notably higher than complaints, and Community Wellbeing, where compliments slightly exceed complaints, suggesting generally positive service experiences in these areas.

However, in Economy and Environment, complaints significantly outweigh compliments, reflecting ongoing pressures in a high-demand service area. Similarly, Corporate Services has more complaints than compliments, although volumes for both directorates are lower overall.

Overall, the increase in compliments is encouraging and demonstrates improving engagement and service quality. However, the variation between directorates highlights where further focus is needed to balance customer experience. It should also be recognised that lower numbers of compliments do not necessarily reflect poorer performance in all cases, as some directorates, such as Corporate Services and Economy and Environment, are less directly front facing than areas, and therefore may naturally receive fewer compliments.



Category of Compliment

	Q1	Q2	Q3	Q4	Overall
2024/2025	34	38	35	67	174
2025/2026	78	90	66	76	310
+/-%	*+78.5%*	*+81.25%*	*+88.57%*	*+13.42%*	*+78.16%*

NB: internal compliments are logged with Employee Appreciation.

Compliments have been categorised into three areas of compliment; Specific Behaviours or Actions, Individual Skills and Qualities and Impact on Others

Specific Actions or Behaviours could include:

Responsiveness:
Compliments focused on how quickly and effectively a team or individual addressed a request or need. **Problem-solving:**
Acknowledging the ability to resolve issues or overcome challenges.
Efficiency:
Appreciation for completing tasks or processes quickly and smoothly.
Communication:
Compliments on clarity, transparency, and helpfulness in communication.
Guidance and Support:
Recognising when staff provide helpful advice, training, or assistance.
Professionalism:
Acknowledging courteous, respectful, and ethical conduct.

Individual Skills and Qualities could include:

Expertise:
Compliments on specialised knowledge or skills.
Empathy and Compassion:
Appreciation for understanding and caring for others' needs.
Creativity and Innovation:
Recognising original ideas or approaches.
Leadership and Mentorship:
Acknowledging positive influence and guidance.
Patience and Kindness:
Compliments on demonstrating these qualities, particularly in challenging situations.
Dedication and Commitment:
Recognising hard work and going the extra mile.

Impact on Others could include:

Positive Influence:
Acknowledging the impact of an individual's work on others.
Confidence Building:
Compliments on helping others feel more confident or capable.
Motivation and Inspiration:
Recognising individuals who inspire others.
Community Engagement:
Compliments on contributions to the broader community.
Creating a Positive Environment:
Acknowledging those who contribute to a positive and welcoming atmosphere.

		Specific Actions or Behaviours	Individual Skills and Qualities	Impact on Others
Children and Young People	161	24	70	67
Community Wellbeing	58	8	26	24
Economy and Environment	68	28	19	21
Corporate Services	23	4	9	10

Summary of Compliments Received

A total of 310 external compliments were received across the council during reporting year 2025/26. The compliments highlight strong professional practice, empathy, responsiveness, and positive impact across all directorates. Across the year, compliments consistently highlighted the quality of staff interactions, with recurring themes including empathy, kindness, professionalism, clear communication, and “going above and beyond.” These reflect a strong organisational culture where staff behaviours and values are positively experienced, even where service pressures exist. Compliments also provide valuable insight into what matters most to residents and partners, particularly feeling listened to, supported, and respected.

Across all compliments, clear themes emerged:

- Empathy, compassion, and kindness
- Clear, honest communication
- Reliability and consistency
- Professional expertise
- Responsiveness and timely support
- Building trust and strong working relationships
- Reduced stress for vulnerable adults
- Reassurance in crisis situations
- Feeling listened to, supported, and respected

Compliments by Directorate

Children and Young People

This directorate received the highest volume of compliments throughout the year, reflecting its highly customer-facing role and close work with children and families. Feedback consistently highlighted strong relationships, empathy, emotional support, and positive impact on outcomes for children, including improvements in confidence, wellbeing, and family relationships. Staff were frequently described as supportive, professional, and “going above and beyond.”

Community Wellbeing

Compliments in this area focused on practical support, responsiveness, and reassurance during challenging situations, particularly in housing, occupational therapy, and support services. Feedback emphasised kindness, professionalism, and clear communication, often during times of crisis, demonstrating the value of person-centred support.

Economy and Environment

Compliments highlighted effective problem solving, responsiveness, and improvements to local infrastructure and services, particularly public rights of way and community-facing functions. Residents recognised professionalism, efficiency, and willingness to go the extra mile, particularly where services had a visible impact on communities.

Corporate Services

While receiving lower volumes of compliments, this reflects the more limited direct customer-facing nature of the directorate rather than performance concerns. Feedback received was consistently positive, focusing on professionalism, clear communication, and high quality complaint handling, with particular appreciation for calm, supportive engagement during complex or sensitive issues.

Lessons Learnt

When allocating a complaint to and internal investigating officer, along with the response template we sent the below learning template. Previously it was identified that completing two documents when responding to a complaint, given officers workloads, was unreasonable and it was shared as the reason for officers not completing this form. Following this feedback, the learning template was added into the response template, meaning investigating officers can complete all necessary information on one form and return this to the complaints team.

Unfortunately, although we have seen some improvement we are still seeing a significantly low number of forms being returned. Lessons learnt from complaints it a useful tool for continuing and allowing us as a Local Authority to be accountable and continue to improve, without this information we cannot take learning forwards to teams and we expose ourselves to the risk of reoccurring complaints by not acknowledging there may be some depth to the concerns being raised.

Learning Template

Case reference number **CCMPT12023/01267**	***Has an advocate been involved Y/N***	***What category the complaint was about (Service failure/ Delay / Poor Communication/ Staff Attitude / Wrong Information Given)***	***Outcome of complaint (Up-held, Not up-held)***
What were the underlying causes of the complaint? (e.g. poor record keeping)		***What has changed? How will we ensure that this doesn't happen again?***	
Was the complaint resolved within agreed timescales? If not, why not			

Local Government and Social Care Ombudsman

The Ombudsman investigates complaints about the actions taken by or on behalf of a council or authority. The service is independent, free and impartial. The Local Government Act gives the Ombudsman the powers of the High Court to require the production of evidence held or witnesses.

The main statutory functions for the Ombudsman are:
• to investigate complaints against councils and some other authorities
• to investigate complaints about adult social care providers from people who arrange or fund their adult social care (Health Act 2009)
• to provide advice and guidance on good administrative practice.

When investigating a complaint, the Ombudsman will look at whether there has been evidence of fault by the council and any injustice caused to the complainant. Following this the Ombudsman will recommend a proportionate appropriate and reasonable remedy to the complaint.

Enquiries – These instances are where the complainant has approached the Ombudsman with their complaint. The Ombudsman will then contact the Council to ask for further information to consider whether they will carry out a full investigation into the complaint. Should the Ombudsman decide that they will not carry out a detailed investigation, the complaint will be closed.

Not Investigating – On occasion, the Ombudsman may receive a complaint that it will not investigate. Reasons for this can be as follows:
• Alternative legal remedy
• Insufficient fault of justice
• Complaint referred to the Ombudsman over one year after the incident subject of the complaint occurred

Investigation – An investigation will take place if the Ombudsman is of the view that the issues raised meet the tests set out in its Assessment Code. The Council will be advised of the investigation and the Ombudsman will specify what information it requires from the Council to investigate the complaint. Once the investigation has been completed, Draft Decision will be issued, and the Council and complainant will be invited to comment on this. The Ombudsman will then issue its Final Decision Statement on the complaint which details its findings and any recommendations that it expects the Council to implement. This can include changes to procedure or practice and financial payment to the complainant.

Closed after initial enquiries – no further action	Closed after initial enquiries	Assessed and closed
Closed after initial enquiries – out of jurisdiction	Closed after initial enquiries	Assessed and closed
Upheld: no further action	Upheld	Investigated/ Complaints upheld
Upheld: fault and injustice	Upheld	Investigated/ Complaints upheld
Upheld: fault – no further action, organisation already remedied	Upheld	Investigated/ Complaints upheld/ Satisfactory remedies provided by the Council
Upheld: fault & inj – no further action, organisation already remedied	Upheld	Investigated/ Complaints upheld/ Satisfactory remedies provided by the Council

Upheld: fault, no injustice	Upheld	Investigated/ Complaints upheld
Report Issued: Upheld; fault, and injustice	Upheld	Investigated/ Complaints upheld
Report Issued: Upheld; fault no injustice	Upheld	Investigated/ Complaints upheld
Not upheld: no further action	Not upheld	Investigated/ Complaints upheld
Not upheld: no fault	Not upheld	Investigated/ Complaints upheld
Report issued: Not upheld; no fault	Not upheld	Investigated/ Complaints upheld

At time of writing this report, **2** open cases are still being investigated from this timescale; 1, Economy & Environment, 1 Corporate Services.

The LGSCO has contacted the Council regarding 48 communications from a Herefordshire member of the public. These communications relay to the following directorates;

Children and Young People, **10**
Economy and Environment, **9**
Community Wellbeing, **12**
Corporate Services, **17**

NB: there are also the final decisions from the year before that have come in this year, these are included in the data as it would not have been previously reported on.

Local Government and Social Care Ombudsman Decisions

Children and Young People Directorate	
Nature of complaint	**LGSCO Decision**
Council's refusal of request to allow summer born child to start Reception at school after fifth birthday	Upheld: Fault and Injustice
Complaint about the Council's sharing of information about a school admissions appeal	Closed after initial enquiries - out of jurisdiction.
Complaint Council investigated safeguarding concerns made about them	Closed after initial enquiries - no further action
School delayed entry procedure	Not upheld: no further action.
Complained about the Council's failure to provide child with the provisions in Education, Health and Care Plan and its failure to provide suitable alternative provision when stopped attending school. Also complained about the Council's delays with completing the annual review Plan	Upheld: Fault and Injustice
Council failed to complete an annual review of child's Education, Health and Care Plan.	Invalid/Forwarded Decisions
Failed to complete an annual review of an Education, Health and Care Plan on time and failed to provide a right of appeal in 2023. The Council also failed to consider if its duty to provide alternative provision under s.19 Education Act 1996 was engaged when a pupil had to be withdrawn from school	Upheld: Fault and Injustice

The Council failed to secure special educational provision and failed to provide alternative education	Upheld: Fault and Injustice

Community Wellbeing Directorate	
Nature of complaint	**LGSCO Decision**
Housing Solutions failing to find suitable alternative accommodation housing larger families or needing temporary suitable accommodation.	Upheld: Fault and Injustice
Appeal process homepoint	Upheld: no further action, organisation already remedied
Complaint Council left the family in B&B accommodation and delayed issuing a decision on the homelessness application.	Upheld: Fault and Injustice

Economy & Environment Directorate	
Nature of complaint	**LGSCO Decision**
Highway claim	Closed after initial enquiries - no further action
Household Recycling Centre officer	Closed after initial enquiries - no further action
Household Recycling Centre and disabled booking	Closed after initial enquiries - no further action
House of Multiple Occupancy licence and staff misconduct and harassment	Closed after initial enquiries - out of jurisdiction.
Obstruction of the highway.	Closed after initial enquiries - out of jurisdiction
Blue Badge misuse investigation	Closed after initial enquiries - no further action
Lack of planning enforcement and loud noise parties	Not upheld: No Fault
Complained about the way the Council dealt with planning application and planning enforcement issues relating to their neighbour's land.	Upheld: Fault and Injustice

Corporate Services	
Directorate: Governance & Law	
Nature of complaint	**LGSCO Decision**
Hug Grant	Closed after initial enquiries - out of jurisdiction
Published alleged false and inaccurate minutes	Closed after initial enquiries - no further action
Unreasonable behaviour sanctions	Closed after initial enquiries - no further action
Code of Conduct complaint outcome	Closed after initial enquiries - no further action
Code of Conduct complaint outcome	Closed after initial enquiries - out of jurisdiction
Code of Conduct complaint outcome	Closed after initial enquiries - no further action
School appeal panel rejection	Closed after initial enquiries - no further action
Complaint regarding Monitoring Officer	Closed after initial enquiries - out of jurisdiction

Code of Conduct complaint outcome	Closed after initial enquiries - no further action
Code of Conduct complaint outcome	Closed after initial enquiries - no further action
Code of Conduct complaint outcome	Closed after initial enquiries - no further action

Corporate Services	
Directorate: Finance	
Nature of complaint	**LGSCO Decision**
Understanding payment spreadsheets	Closed after initial enquiries - no further action
Wants the Council to reverse its decision on council tax liability	Closed after initial enquiries - out of jurisdiction
Council Tax and criteria for a Class F exemption and not act on the information provided	Upheld: no further action, organisation already remedied
Challenge to Council Tax liability	Closed after initial enquiries - out of jurisdiction.
Council tax arrears	Closed after initial enquiries - out of jurisdiction.

Analysis, Key Messages & Recommendations

Analysis

The 2025/26 reporting year reflects a positive and improving position for Herefordshire Council, with clear evidence of reduced complaint volumes, increased compliments, and strengthening complaint handling processes. Overall complaints have reduced by 13.9%, while compliments have significantly increased by 78%. This indicates a shift towards improved customer experience and service quality, alongside a more open and positive feedback culture.

The adoption of the Complaint Handling Code in April 2025 has supported greater consistency, transparency, and early resolution across services, contributing to fewer complaints escalating and more issues being addressed at an earlier stage.

Despite these improvements, there are clear areas of pressure, particularly in timeliness at both Stage 1 and Stage 2, and ongoing service pressures within key directorates.

Key Messages

- Complaints reduced across most services year on year.
- Compliments increased significantly, reflecting stronger engagement and recognition of good service.
- The balance of feedback shows a more positive experience for members of the public overall.
- Reduced complaint volumes and stable monthly patterns suggest issues are increasingly resolved before escalation.
- The introduction of the Complaint Handling Code is likely supporting better consistency and early intervention.
- Across all directorates, Service Failure is the most common category, particularly in Children and Young People and Economy & Environment. This reflects process, capacity, and delivery issues, rather than behavioural concerns.
- Complaints related to staff attitude and communication are consistently low, which is a key strength.
- Compliments demonstrate that “how services are delivered” is a clear organisational strength and strongly highlight:
    - Empathy and kindness
    - Professionalism
    - Strong communication

- KPI target is 90% for on time responses, but only Corporate Services achieved this. Significant concerns within:
    - Community Wellbeing: 51% late
    - Economy & Environment: 25% late
- Stage 2 performance is also an area of concern:
    - 38% of responses late
    - Particularly high in Economy & Environment with 73% late
- 20.75% of complaints escalated to Stage 2, showing higher dissatisfaction at Stage 1. Contributing factors include:
    - Increasing case complexity
    - Higher expectations
    - Increased use of AI-generated complaints
- Predicated increase in complaints, higher upheld rates reflect statutory duties not being met, rather than poor service, complaints relating to SEND highlight
    - System pressures:
    - Delays in EHCPs
    - Capacity shortages
    - Rising demand
- Low return rates of learning templates limit the ability to identify trends, prevent repeat issues which presents a risk to continuous improvement.

Recommendations

Recommendation:
Ensure all directorates consistently meet the corporate KPI of 90% of complaints responded to on time.

- Assign senior manager accountability for overdue complaints.
- Provide quarterly targeted support sessions led by the Complaints Team for underperforming services.
- Continue to support monthly monitoring in Community Wellbeing until performance stabilises.

Recommendation:
Improve performance at Stage 2 to reduce delays and meet the 40 working day response requirement.

- Provide training for senior managers on Stage 2 expectations and investigation standards, particularly for those not booked onto the LGSCO complaint handling training.

Recommendation:
Embed a consistent approach to capturing and applying learning from complaints.

- Publish “You Said, We Did” on the website.
- Incorporate complaint learning into service improvement plans and appraisals.

Recommendation:
Improve stage one resolution to reduce escalation rates and improve customer satisfaction.

- Encourage direct contact with complainants early in the investigation.
- Introduce a “resolution first” approach, prioritising practical remedies where possible.
- Provide training for investigating officers on effective communication and resolution techniques.

Recommendation:
Leverage compliment data to reinforce positive behaviours and improve service standards.

- Share real examples of positive feedback (anonymised) in staff briefings.

Further training: Provide further training to those dealing with complaints.
https://www.lgo.org.uk/information-centre/information-for-organisations-we-investigate/effective-complaint-handling

AGENDA ITEM 9

Herefordshire Council

Title of report: Code of Conduct for Councillors 2025/26

Meeting: **Audit and Governance committee**

Meeting date: **21 July 2026**

Report by: **Head of Legal Services and Deputy Monitoring Officer**

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards)

Purpose

To enable the committee to be assured that high standards of conduct continue to be promoted and maintained. To provide an overview of how the arrangements for dealing with complaints are working together.

Recommendation(s)

That the Committee:

a) notes the update on the Code of Conduct complaints arrangements in respect to the year-end 2025/26;
b) notes that Council has agreed changes to the arrangements allowing Local Resolution; and
c) discusses possible actions in relation to encourage further uptake of the Local Resolution Process.

Alternative options

1. There are no alternative options, the constitution requires the committee to annually review overall figures and trends from code of conduct complaints. This committee agreed that this should be 6 monthly and the committee's recommendation was approved by Council in March

Further information on the subject of this report is available from
Sean O'Connor, Tel: 01432 383622, email: Sean.O'Connor@herefordshire.gov.ukl

2024. This report provides a summary of the work undertaken during the 2025/26 administrative year ('the review period').

Key considerations

2. Herefordshire Council, and all parish, city and town councils in the county, have a statutory duty under the Localism Act 2011 to 'promote and maintain high standards of conduct by members and co-opted members of the authority'.

3. The Monitoring Officer is responsible for dealing with allegations that councillors have failed to comply with the members' code of conduct and for administering the local standards framework. The Committee is responsible for receiving an annual review by the Monitoring Officer.

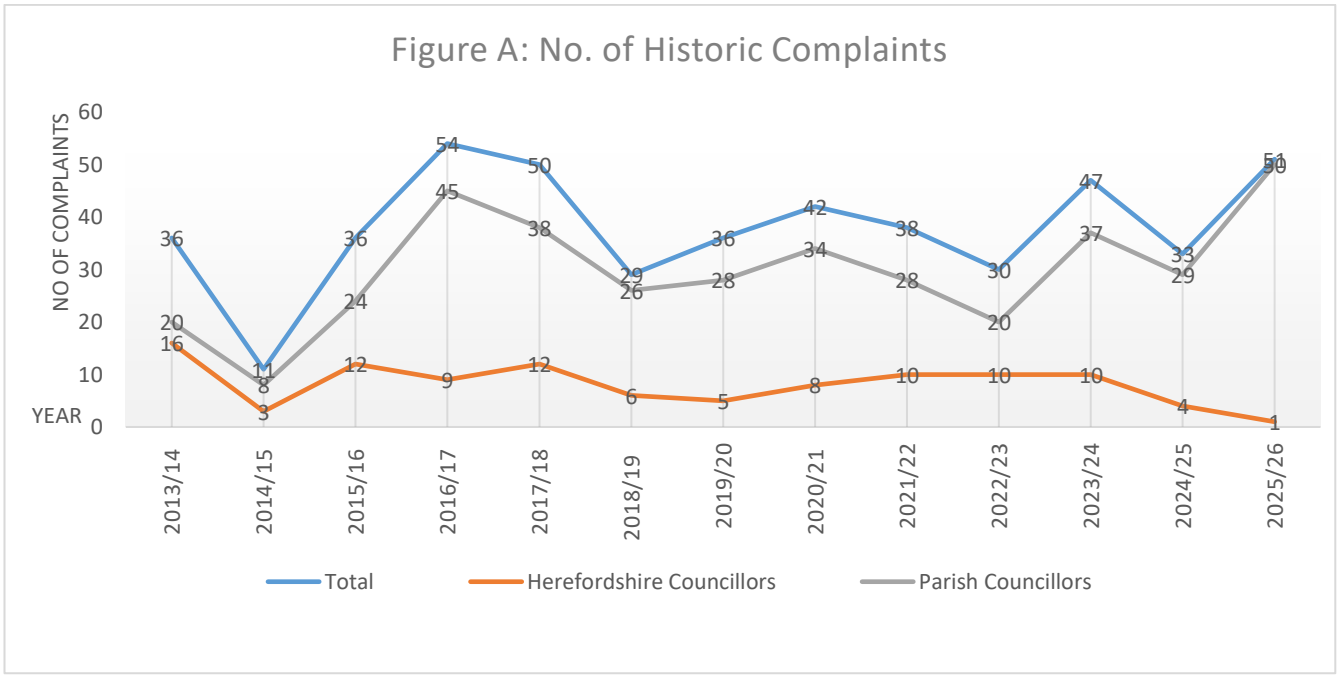
Code of Conduct Complaints 2025/26

Number of Complaints

4. Since the introduction of the Localism Act 2011, the number of complaints handled by Herefordshire Council has been tracked. There are 53 Herefordshire councillors and approximately 1,300 parish councillors each of whom is subject to a councillor code of conduct.

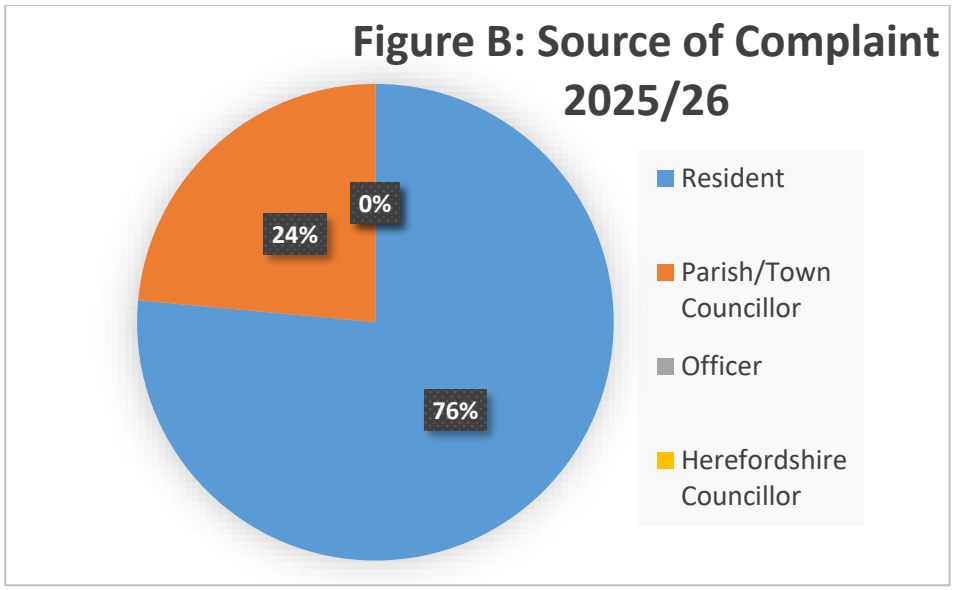
5. Since the last update to this Committee, from 1 April 2025 the Council received a further 22 complaints in the last 6 months of the year. This resulted in 51 complaints for the year.

6. Figure A below shows the number of complaints received since 2013. The numbers have been steady since 2019 but there was a sharp increase this year. However, this appears to be due to complaints that have been raised against a number of members simultaneously but based upon the same incident or facts. 24 complaints were raised against 24 different councillors but based on 3 sets of circumstances/facts. Although officers treat each complaint individually, we have modified process to minimise the impacts on resources but also members who receive such. There has also been one complaint against Herefordshire Council members.



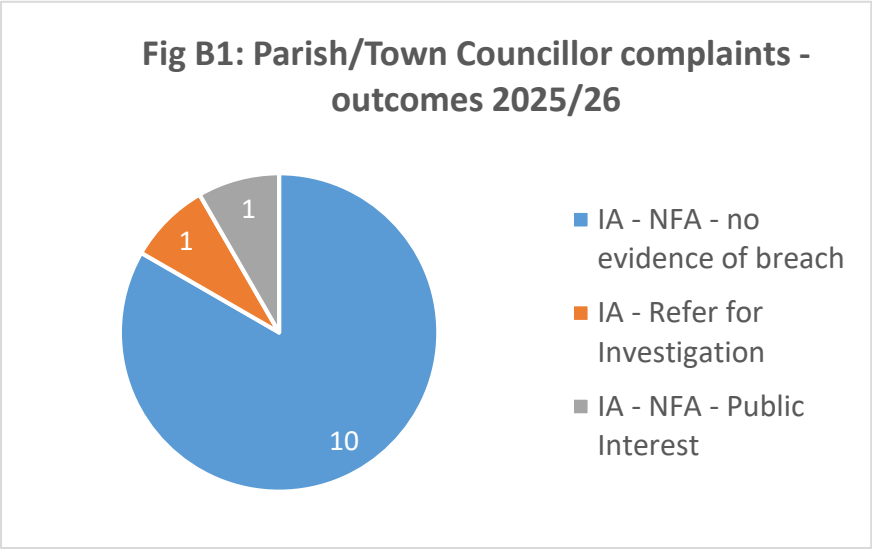
Source of Complaints

7. Figure B shows that, for the review period, the source of complaints are residents and Parish/Town Councillors. The levels of complaints from Parish Town Councillors have decreased from last year but remains higher than desirable. No complaints have been received from members of Herefordshire Council or officers.



8. 25% of all complaints continues to be raised by a Parish/Town Councillors about another Parish/Town Councillor. The trend continues to be that some Parish/Town Councillors use the Code of Conduct process to resolve differences of opinion or behaviours rather than matters being resolved by the Councils and/or Councillors themselves.

9. In the two years to 2024/25, only 2 out of 23 Parish/Town Councillor **sourced complaints** (where a Parish/Town Councillor raised a complaint) resulted in any further action being taken. Figure B1 below shows the outcome for the current financial year.



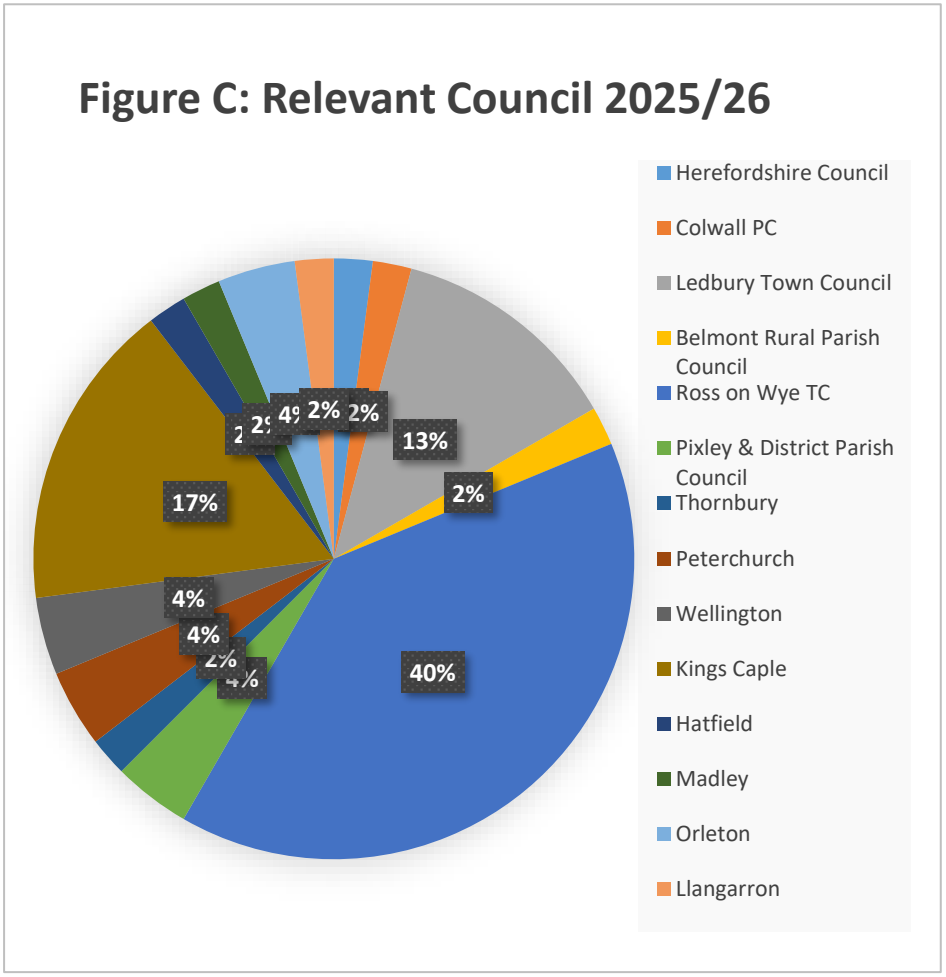
10. Out of 12 complaints in this year, only on 1 was referred to investigation (meaning a potential breach). No further action was taken after the initial investigation stage for 11 complaints due to there not being evidence of a breach.

11. This means that over the last 3 years, 35 complaints in the review period relate to Parish/Town Councillor complaining about another Parish/Town Councillor. All but 3 of the 35 were dismissed as there essentially being no further action required. However, this requires significant Herefordshire Council resources to receive, consider and conclude the first stage.

12. In the 3 years leading to this report, the main councils where Parish/Town Councillor sourced complaints are Colwall PC (6), Ledbury (8) and Ross on Wye (7).

Relevant Council

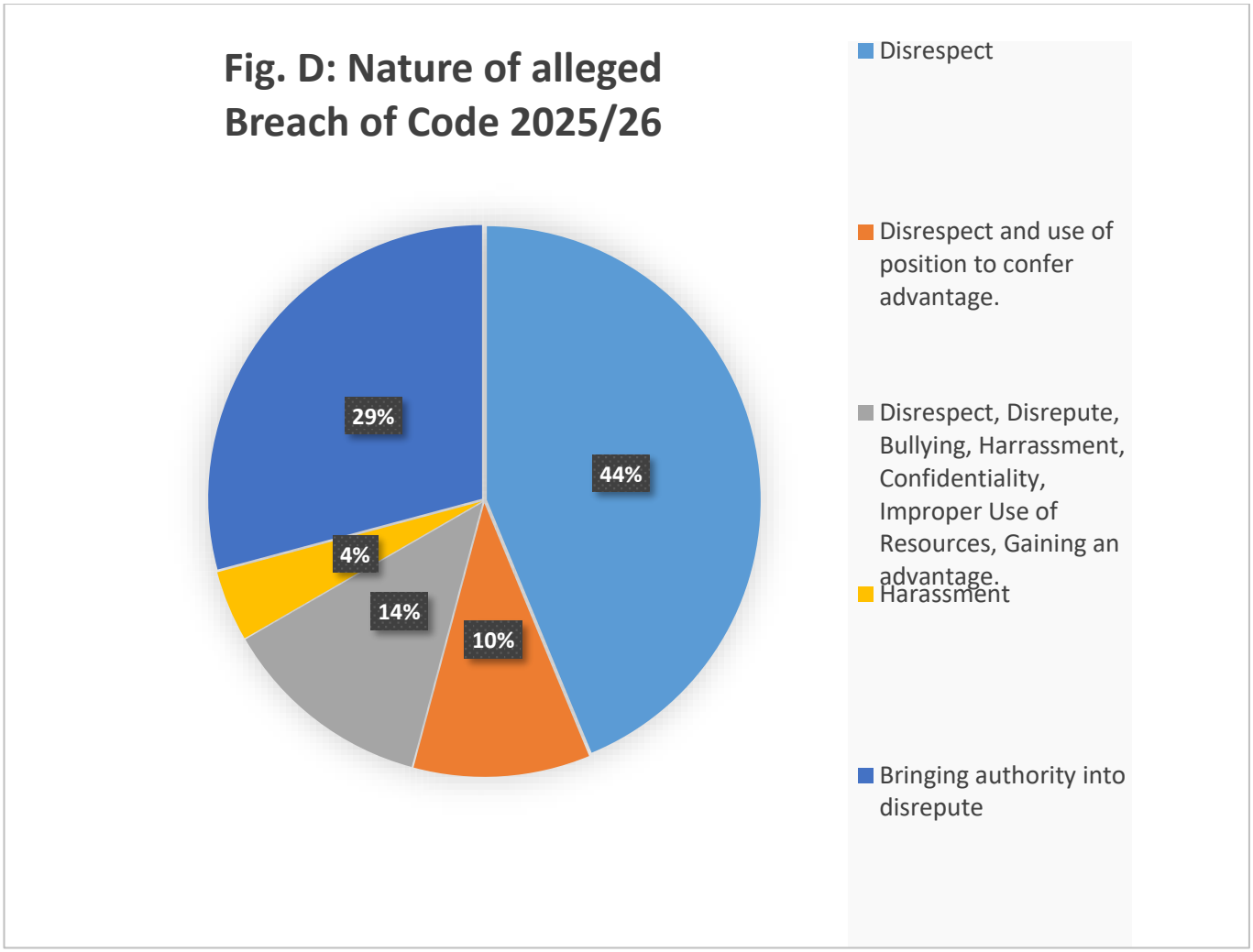
13. Figure C shows the council in which the complained about Councillor is located. In the current year, all but 1 complaint relates to members of Parish/Town Councils. In the whole, most complaints related to Ross on Wye, Ledbury and Kings Capel.



Nature of Complaints

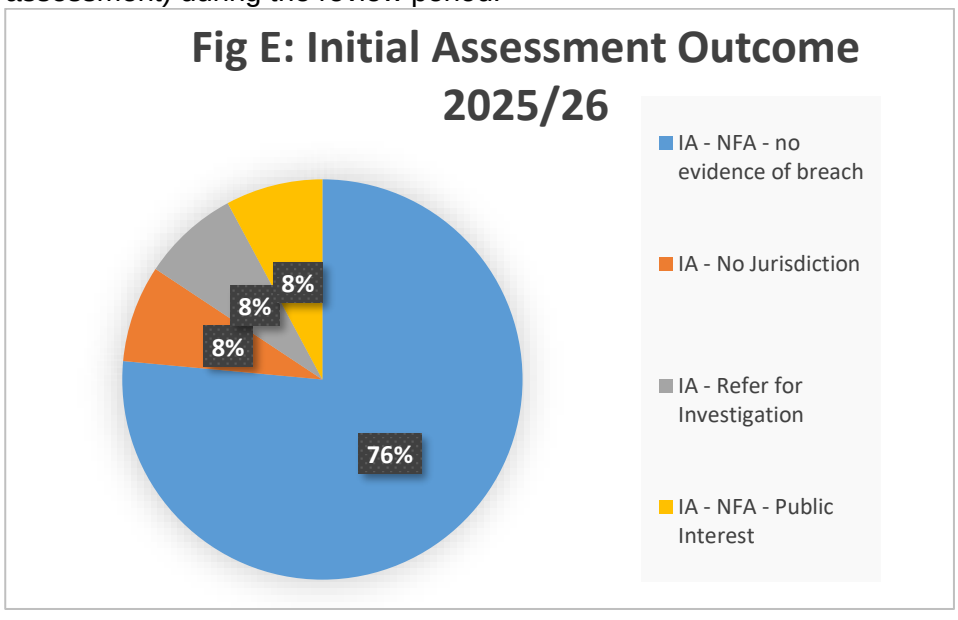
14. A complaint requires a potential breach of the relevant Code of Conduct. Although this has been recorded by officers, due to the fact there is not a standard Code of Conduct (not all Parish/Town Councils have adopted the Herefordshire Code), this means that there is overlap in the recorded potential breaches. As such there are wide ranging descriptions of potential breaches of the Code of Conduct of the relevant council.

15. Figure D2 shows the range of allegations raised. As normal, almost all the complaints relate to ‘disrespect’ (sometimes in combinations with other allegations) and ‘disrepute’.



Outcome of Complaints

16. Figure E shows the outcomes of complaints at the first stage of the complaint process (initial assessment) during the review period.



17. Out of the 51 complaints received, 4 matters were referred for investigation. 2 further complaints continue to be on hold from 2024/25 (relating to the same councillor) as they are being considered by other statutory bodies under their own compliance codes.

18. All 4 investigations led to a breach of the code and a published decision notice in respect to councillors of the following Parish/Town Councils:
    a) Sinclair - Ledbury Town Council
    b) Lane - Orleton Parish Council
    c) Lane - Orleton Parish Council
    d) Stock - Colwall Parish Council

19. 47 complaints were closed as resolved during the review period because a complaint resolved at the initial assessment stage. Resolved includes where there is no finding of a breach, or where there is no further action taken. NFA includes where the member has already taken remedial action to correct the matters in the complaint.

Sanctions

20. Where there has been a breach of the Code of Conduct and recommendations are made by the Monitoring Officer, the subject member is asked to comply. In the event it is a parish councillor, then the report and recommendations are sent to the Parish Council for them to implement. Under the Localism Act, the Parish Council cannot substitute their own sanction but there is currently no ability for Herefordshire Council to enforce any recommendation.

21. Members and Parish Councils are asked to confirm whether the recommended sanctions have been complied with. In 2025/26 sanctions recommendations were complied with other than in respect to 3 matters as the relevant councillor had resigned their position on the Council. Recommendations and guidance have been provided to several Councils/Councillors despite there being no breach of the code.

22. Decision notices for all breaches are made public on the Council's website.

23. This committee has agreed that the Standards Panel will receive a copy of all decision notices made following initial assessment, no matter what the outcome is. If there is no breach then the decision notice is provided to the Complainant and Subject Member, as well as the Clerk as Proper Officer, but it is not published, save in cases where the Monitoring Officer may, under the Transparency arrangements, use her discretion to publish.

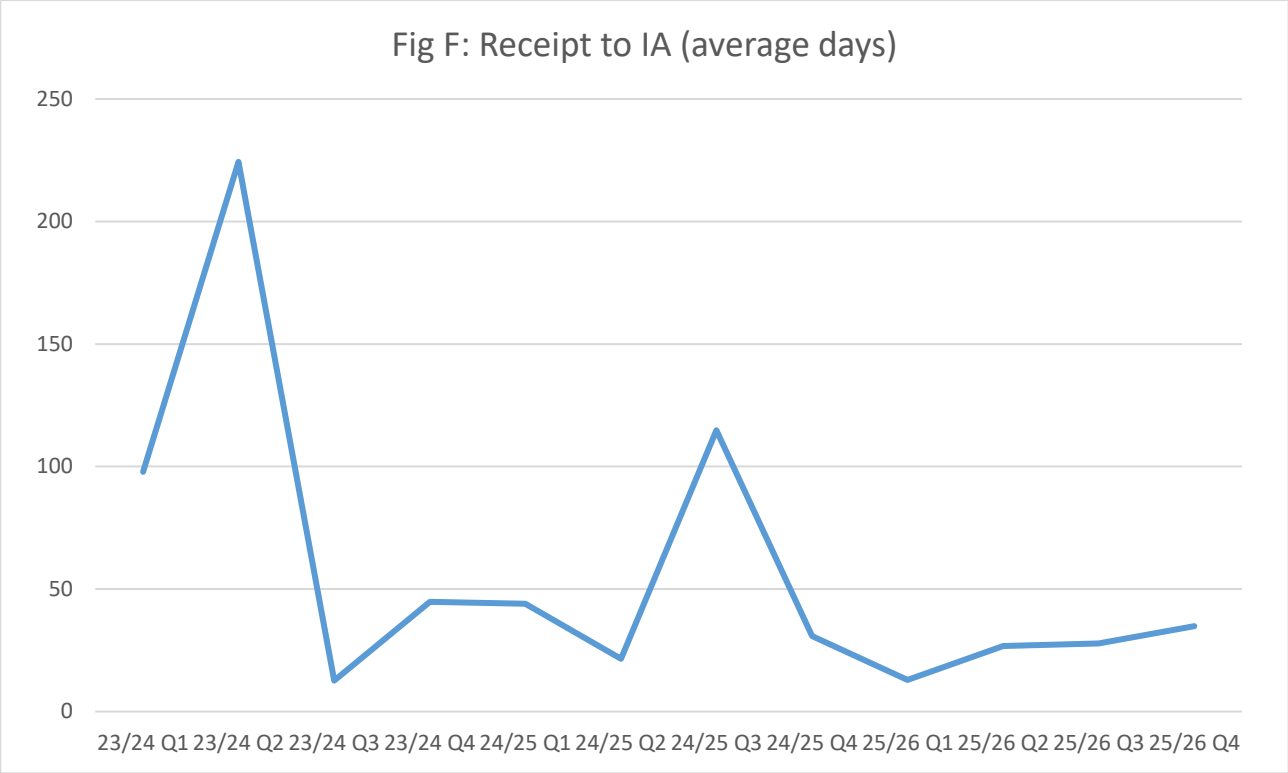
Standards Panel

24. The Standards Hearings Panel was not convened during the review period.

Key Performance Indicators

Time for Initial Assessment

25. This is the average time taken in days from receipt of the complaint to the initial decision of the Monitoring Officer. This date is not a pure measure as it is dependent on a number of factors, including the subject member's response who may request an extension of time to respond, particularly if a complaint is complex.



26. This reduced from an average of 98 days in Q1 2023 to 35 days in Q4 2025/26.

Time for Independent Person Response

27. This is the response time for the Independent Persons to provide their views on matters before a decision is made by the Monitoring Officer (as required by the Localism Act 2011). This is currently an average of 1.75 day for 2025/26 which is exceptional.

28. Time between Initial Assessment and Outcome

This is the time taken from Initial Assessment decision when a matter is proceeding to formal investigation, to outcome following that investigation. During the review period, only 1 case have been referred to investigation and is currently ongoing.

a) Sinclair - Ledbury Town Council – 96 days
b) Lane - Orleton Parish Council - 49 days
c) Lane - Orleton Parish Council – 49 days
d) Stock - Colwall Parish Council – 71 days

Council's Independent Persons

29. The Council has four Independent Persons who support the Code of Conduct process. Their input is invaluable and much appreciated by the Authority. This committee has a standing invite to the Independent Persons to address the committee on any matter relating to Standards and comments will be provided at the meeting.

Conclusions

30. The data represents a review period of 12 months but demonstrates the following trends and observations, particularly when the review period is considered in the context of the historic data that is included in the report:

    a. Although there has been a higher number of complaints (51 in the year compared to a baseline 33 per year on average), 24 of these relates to 3 Parish/Town Council 'incident'.

    b. There is one 1 complaint concerning Herefordshire Councillors (opposed to the 'normal' of 10 per year)

    c. Almost 25% all complainants continue to be generated by Parish/Town Councillors. In the past 3 years, 35 complaints were generated by Parish/Town Councillors against other councillors.

    d. Only 3 Parish/Town Councillor sourced complaints out of 35 matters has moved to an investigation in the last 3 years.

Local Resolution Process

31. It was agreed by this Committee that the adopted Arrangements for dealing with a Code of Conduct Complaint against members should include the option (for the Parish/Town Council) to try and resolve the matter informally. It would not become mandatory or a pre-condition for a complaint to be considered by Herefordshire Council. However, if an informal process exists then any complainant must use that first.

32. Full Council approved the amendments on 22 May 2026.

33. We originally sought feedback from Parish/Town Councils on the concept which was generally not supportive in feedback and understand that HALC have separately contacted their members and not recommended that Parish/Town Councils adopt this – the advice being 'just say no' as 'HALC does not agree'.

34. We have written to Parish/Town clerks advising the Council has introduced the process. One council has requested details of templates documentation.

35. Herefordshire is keen not to force arrangements onto a Parish/Town Council but rather that they should see the benefits and want to take responsibility to achieve better outcomes for the public and their members.

36. Members of the Committee are asked to consider what further actions and monitoring can be taken to encourage Local Resolution. Almost all complaints last year concerned Parish/Town councillors and a quarter of these were generated by other Parish/Town councillors. Irrespective of the fact that Local Resolution will achieve better outcomes, the costs of receiving these complaints under the current Arrangements continues to be borne by all Herefordshire taxpayers which does not seem fair. If Herefordshire Council can no longer bear this cost and if Local Resolution is not achieved, then it may be the case that alternatives need to be considered. Although nothing has been considered on this point, such alternatives could include actions such as:
    a) Refusing to accept Parish/Town councillor generated complaints
    b) Refusing to accept Parish/Town councillor generated complaints in respect to those Councils without a Local Resolution Process

c) Recharging the costs of all investigations to the Parish/Town councils directly or through special precepts.

Community Impact

37. This report provides information about the council's performance in relation to the Code of Conduct.

38. Having an effective process for dealing with Code of Conduct complaints upholds principles A and G of the code of corporate governance by ensuring that councillors behave with integrity and are accountable for their actions. This should provide reassurance to the community that councillors are behaving in the best interests of their constituents.

Environmental impact

39. There are no environmental impacts arising from this report.

Equality duty

40. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to:
    c) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the act;
    c) 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.

41. The Council must demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services to secure this general duty.

Resource implications

42. There are no resource implications arising directly from this report which is for information. The Council has a statutory duty in the Local Government and Housing Act 1989 to provide the monitoring officer with sufficient resources to allow them to perform their duties.

Legal implications

43. There is no statute that specifically requires the Monitoring Officer to produce an annual report. However, the report evidence that the council complies with the duties required under the Localism Act 2011 and the requirements of the Council's constitution.

Risk management

44. There are no risks arising directly from this report which is for information. Maintaining high standards of conduct mitigates risks to the reputation of the Council. The fact that the Monitoring Officer is only able to make recommendations regarding a breach of the code of conduct exposes the Council and Monitoring Officer to risk of criticism, which was recognised by The Committee on Standards in Public Life.

Consultees

45. Independent Persons for Standards

Appendices

None

Background papers

None identified.

Herefordshire Council

Title of report: Update on Risk Management Activity

Meeting: Audit and Governance Committee

Meeting date: Tuesday 21 July 2026

Report by: Director of Finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

All Wards

Purpose

To provide assurance of the adequacy of the council's risk management framework and internal controls in 2025/26.

Recommendation(s)

That:

a) **The committee notes the activity to embed the revised risk management strategy and strengthen risk management activity across the council at Corporate, Directorate and Service levels; and**

b) **The committee considers the frequency for future risk management activity updates.**

Alternative options

1. The Audit & Governance Committee is responsible for reviewing the adequacy of the council's governance arrangements, including the risk management framework and internal controls. The Committee may choose not to review the council's risk management arrangements. This is not recommended as risk management is an integral part of the council's governance arrangements.

Further information on the subject of this report is available from
Rachael Sanders, Tel: 01432 383775, email: Rachael.sanders@herefordshire.gov.uk

Key considerations

2. The revised Risk Management Strategy 2025/26 and Risk Appetite Statement were approved by Cabinet in June 2025. The Strategy sets out the approach and principles of risk management, outlining the council's risk appetite, to inform the management of risks by Members and Officers across the council.

3. The Corporate Leadership Team (CLT) have undertaken a review of the Corporate Risk Register (included at Appendix A) at 31 March 2026 to update risk scores, consider the adequacy of control measures and mitigating actions and identify new threats and opportunities to the delivery of the objectives and priorities of the Council Plan 2024-28.

4. In addition to this quarterly update, CLT and Cabinet continue to monitor risks throughout the year to ensure appropriate and proportionate controls are in place as part of the risk management framework and internal control framework.

5. Updates to the Corporate Risk Register at Quarter 3 2025/26 were approved by Cabinet in March 2026. At Quarter 4, no additional risks have been identified for inclusion in the Corporate Risk Register.

6. The scores of each of the 9 corporate risks have been reviewed by the relevant Risk Owner, supported by discussion and oversight by CLT. Changes to risk scores of Corporate Risks are summarised below.

7. **R7:** inability to respond adequately to a significant emergency affecting ability to provide priority services including severe weather, critical damage to council buildings, loss of power or infrastructure, cyber security. The risk score has been updated to 12 at Quarter 4: Likelihood: 3 (Possible), Impact 4 (Major) from a previous score of 9 at Quarter 3: Likelihood: 3 (Possible), Impact 3 (Moderate).

8. The change in score reflects the evolving risks to the council, and local government sector, from cyber threats with potential disruption to essential services, damage to public trust and significant financial losses.

9. In addition to the review of the Corporate Risk Register, CLT members are engaged in activity to review and monitor Directorate, Service and Project level risk registers and embed the revised Strategy across the council.

10. The council's 2025/26 Internal Audit Plan has been reviewed to ensure it is aligned to the refreshed Risk Strategy and risks identified in the Corporate Risk Register. The development of a comprehensive risk-based plan ensures that internal audit activities are focused on the highest-impact risks to the council's objectives. The revised Plan was approved by Audit & Governance Committee in September 2025.

11. The council will continue to monitor risk management arrangements and will assess as part of the council's governance framework. An assessment of the effectiveness of risk management arrangements has been completed and reported in the draft Annual Governance Statement presented to the Audit & Governance Committee in June 2026.

Community impact

12. Effective risk management is essential to the delivery of the priorities set out in the Council Plan. Specially, the Council plan commits the council to 'develop a Corporate Risk Strategy to improve the process for managing corporate and directorate risks'.

Environmental impact

13. 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.

14. Whilst this is a report for information 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

15. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.

16. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality. It is recognised that each identified individual corporate risk may have its own individual impacts on equalities or assessed as a risk due to its effect on equality. These are monitored as part of the ongoing individual service or project delivery. Effective risk management arrangements will ensure the council complies with its equality duties.

Resource implications

17. There are no specific resource implications from the report itself.

Legal implications

18. The Audit & Governance Committee is responsible for reviewing the adequacy of the council's governance arrangements, including the risk management framework and internal controls.

19. It is not a function of the Committee to examine specific risks however its functions include monitoring of the development and operation of risk management processes and receiving assurance from internal and external sources of the effectiveness of arrangements.

Risk management

20. This is a report to review the Corporate Risk Register and risk management arrangements in 2025/26.

Consultees

21. None.

Appendices

Appendix A Corporate Risk Register Quarter 4 2025/26

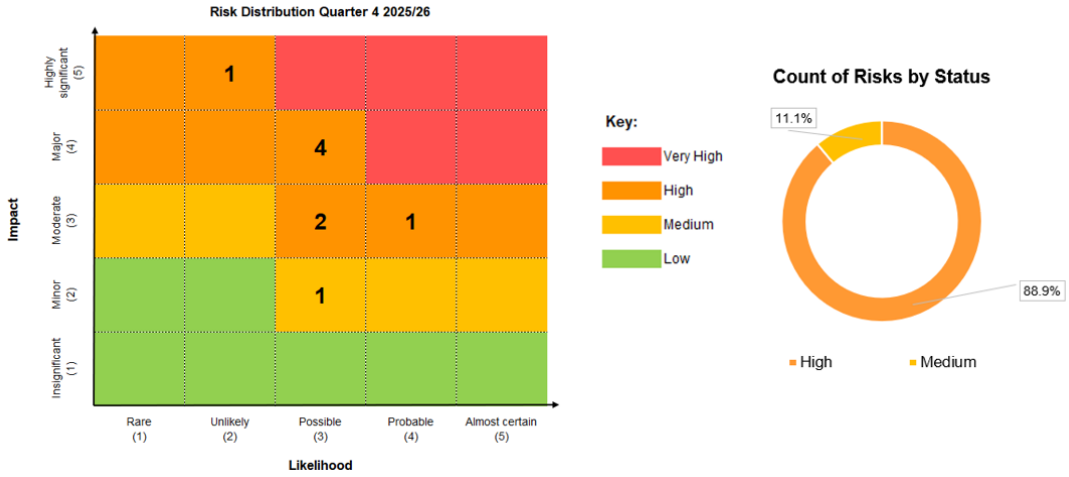
Background papers

None.

Appendix A: Corporate Risk Register Update at Quarter 4 2025/26

Ref	Corporate Risk	2025/26 Q1 Residual	2025/26 Q2 Residual	2025/26 Q3 Residual	2025/26 Q4 Residual	Current RAG
R1	Failure to discharge duty of care for a vulnerable child or vulnerable adult.	10	10	10	10	High
R2	Demand for client-based services continues to increase resulting in increased budget pressures and poor outcomes for those people in receipt of our services.	12	12	12	12	High
R3	Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand.	16	16	12	12	High
R4	Failure to deliver capital and major projects within identified resources and planned timeframes resulting in significant overspend and reduced project outcomes.	9	12	12	12	High
R5	Failure to deliver a sustainable financial strategy that supports delivery of the Council Plan priorities.	9	12	12	12	High
R6	Inability to attract and recruit candidates and retain staff leading to an inability to deliver services.	6	6	6	6	Medium
R7	Inability to respond adequately to a significant emergency affecting ability to provide priority services.	9	9	9	12	High
R8	Risks within the West Mercia community area.	9	9	9	9	High
R9	Risk of financial failure of major supplier.	9	9	9	9	High

Risk rating	Action
Very High	Immediate and significant management action and control required. Continued proactive monitoring of risk.
High	Seek cost effective management actions and controls. Continued proactive monitoring of risk.
Medium	Seek cost effective control improvements. Monitor and review risk regularly.
Low	Seek improvements to controls if cost effective to do so. Monitor and review risk regularly.



Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
R1	Failure to discharge duty of care for a vulnerable child or vulnerable adult. **Risk Owner:** Corporate Directors: Community Wellbeing, Children & Young People	**Strategic Delivery - Council Plan Priority: PEOPLE** **(Exception 1: Safety and wellbeing of residents)**	**Exception 1: Averse** Limited appetite to risk. The council is responsible for providing services to those who need it most, including vulnerable adults and children and operates rigorous safeguarding measure to ensure the health and safety of residents. The council will continually seek to avoid activities that present a threat to the safety of the public and will do everything possible to prevent the loss of life.	**Services for Adults** There are clear processes in place for same-day triage of safeguarding concerns raised and action is taken for those at greatest risk. Outcomes are monitored by frontline managers with senior management oversight. All staff access training aligned to their job roles and responsibilities. The Principal Social Worker (PSW) led practitioner forums provide further support and embed practice for staff working with vulnerable adults. Daily case discussions take place and established processes for escalation are in place across the service. The Deprivation of Liberty Safeguards (DoLS) Service follows the Association of Directors of Adult Social Services (ADASS) guidance for case prioritisation. Continuous professional development for staff and providers, additional legal support and constant review and prioritisation of cases waiting for assessment is undertaken. Safe and well checks are undertaken for those at high risk. There are duty arrangements in place to cover emergencies and any urgent work required. Oversight and assurance of multi-agency safeguarding practice is delivered by the Herefordshire Safeguarding Adults Board (HSAB). The Complex Adult Risk Management (CARM) process has been reviewed and strengthened. There is an established process of 'Team Around Me' and 'Breaking the Cycle' forums with partners to ensure a joined-up approach by agencies to support adults with multiple complex vulnerabilities. **Children's Services** Children's Safeguarding procedures and Practice Standards in place to guide practice.	**Likelihood:** 3 (Possible) **Impact:** 5 (Highly significant) **Inherent Risk Score = 15**	**Likelihood:** 2 (Unlikely) **Impact:** 5 (Highly significant) **Residual Risk Score = 10**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				An audit programme is in place to review compliance with practice standards. There is regular (monthly) supervision of social workers – KPI and Aduit review compliance The Better Outcomes Panel is responsible for reviewing children in care placements. The Service Director receives and is the decision maker on all children received into care. Cases with high risk are reviewed within Legal Gateway meeting chaired by Senior Manager and attended by Legal to ensure threshold for proceedings is considered.		
R2	Demand for client-based services continues to increase resulting in increased budget pressures and poor outcomes for those people in receipt of our services. **Risk Owner:** Corporate Directors: Community Wellbeing, Children & Young People	**Strategic Delivery - Council Plan Priority: PEOPLE**	**Open** The council is ambitious in its aim to support children and young people to thrive within highly effective schools and flourishing communities. It seeks out opportunities to collaborate with partners to support residents to live healthy lives within connected and safe communities and is prepared to accept a level of risk to deliver against this priority.	A Budget Resilience Reserve was established in 2024/25 to manage the impact of in-year cost pressures and volatility in demand across social care budgets in 2025/26 and 2026/27. After application of £1.8m in 2025/26, a balance of £5.2m remains in the Budget Resilience Reserve; £1.0m will be available to mitigate cost pressures in social care budgets in 2026/27, £4.2m will be transferred to the Contract Inflation Fund to manage inflation across Directorate budgets. **Demand for Adult Services:** Demand pressures are managed through a robust 'front-door' prevention strategy including: Promotion of Technology Enabled Care (TEC), Community options via Talk Community model, Monthly review of operational performance data, Pathway Redesign and Structural Reform, Community Brokerage, Case Collaboration and Peer Challenge, Complex Care Pathway Development and a Prevention-focused Culture. Joint working arrangements are in place and the Integrated Care Board (ICB) for complex	**Likelihood:** 4 (Probable) **Impact:** 4 (Major) **Inherent Risk Score = 16**	**Likelihood:** 4 (Probable) **Impact:** 3 (Moderate) **Residual Risk Score = 12**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				care pathway has been established for those with high level needs. Monthly Budget Board meetings are in place to monitor spend and progress in the delivery of savings, and opportunities for income maximisation, is monitored via a dedicated Savings Programme group. Monthly Directorate Budget Reports track spend against budget, identify cost pressures and highlight financial risks. Managing the market work programme will include a redesign of block contract beds to increase capacity. A feasibility review of a council-controlled care capacity for complex/dementia care is underway. As part of the future financial strategy, the Community Wellbeing Directorate will work with an external specialist transformation partner to identify and design transformation initiatives to streamline processes, systems, reduce costs, increase revenue, reduce demand, identify alternative efficient ways of working. Recommendations made following the Care Quality Commission (CQC) Inspection carried out in 2025 will be addressed through a Directorate Improvement Plan. Progress will be monitored and reported throughout 2026/27. **Demand for Children's Services:** Regular meetings between Service Directors and Finance to monitor budget throughout the year and identify cost pressures in timely manner. There is a strong cultural message from Directorate leadership to ensure Best Value in the delivery of services. The Better Outcome Panel, chaired by the Service Director, oversees placement costs.		

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				A Care Placement Sufficiency Strategy has been developed. The Strategy will ensure value for money through sufficiency of safe and appropriate options for young people.		
R3	Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Risk that the needs of children with SEND cannot be met in Herefordshire and/or Out of County placements will be required, leading to costs exceeding budget and poorer outcomes for children and young people. **Risk Owner:** Corporate Director Children & Young People	**Strategic Delivery - Council Plan Priority: PEOPLE**	**Open** The council is ambitious in its aim to support children and young people to thrive within highly effective schools and flourishing communities. It seeks out opportunities to collaborate with partners to support residents to live healthy lives within connected and safe communities and is prepared to accept a level of risk to deliver against this priority.	The Area SEND inspection was completed in December 2024 and an action plan has been developed to address the areas for improvement identified. A new SEND service manager was appointed in September 2024 to provide additional managerial oversight, scrutiny and direction to this part of the service. Business cases for increased Alternative Provision (AP) are in development to maximise inclusive education and reduce the use and cost of independent provision. The proposed additional provision will be delivered through the capital programme in 2026/27. The Dedicated Schools Grant (DSG) Deficit Management Plan is monitored by the Director of Children's Services (DCS) and S151 Officer as part of monthly Budget Boards. The plan includes detailed financial modelling of the impact of current and planned increases in provision. Following the decision by Government to withdraw funding for a new SEND school in Herefordshire, a top-up to High Needs capital funding of £3.8m over 3 years has been confirmed. Whilst this falls short of what is required to meet demand, this funding will be managed through the capital programme alongside projects noted below. The 2026/27 Capital Programme approved by Council in February 2026 includes investment of £10m (£5m to relocate Pupil Referral Unit, £5m to establish a new Alternative Provision Centre) which will reduce reliance on costly unregistered and out-of-county placements, control budget	**Likelihood:** 4 (Probable) **Impact:** 4 (Major) **Inherent Risk Score = 16**	**Likelihood:** 3 (Likely) **Impact:** 4 (Major) **Residual Risk Score = 12**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				pressures in the High Needs Block of the DSG and reduce home to school transport costs. The High Needs Stability Grant announced in February 2026 will fund 90% of the DSG cumulative deficit at 31 March 2026 reducing the council's liability at the end of the statutory override period. Service and Finance teams are currently developing the council's Local SEND Reform Plan for submission to the Department for Education (DfE) by 19 June 2026. The Plan will set out how we build an inclusive and sustainable SEND system, where children and young people get the right support early, as close to home as possible.		
R4	Failure to deliver capital and major projects within identified resources and planned timeframes resulting in significant overspend and reduced project outcomes. **Risk Owner:** Corporate Director of Economy & Environment	**Strategic Delivery - Council Plan Priority: GROWTH PLACE**	**Open** The council is aspirational and seeks out opportunities to attract investment, drive business growth and development of talent across the county and is prepared to accept a level of risk to deliver against this priority. The council is innovative and pioneering in its commitment to managing the effects of climate change across the county. It has ambitious plans to deliver learning and culture projects and to expand infrastructure, to support economic growth and housing, and is prepared to accept a level of risk to deliver against this priority.	Each major project has an assigned Senior Responsible Officer, a dedicated Project Management Officer Project Manager and a Project Board of relevant representatives from across the council (relevant service area, legal, finance, property services etc) to lead delivery. Additional controls are in place to monitor expenditure in respect of capital and major projects linked to cashflow requirements via monthly Directorate Budget Boards. An external review of capacity and capability of Directorate teams including the Project Management Office and enabling, corporate functions (finance, procurement, legal) has been commissioned to ensure appropriate skills and resources are in place to successfully deliver capital and major projects. Where gaps are identified, additional resources will be allocated. A review of the council's Capital Programme was undertaken as part of development of budget proposals for 2026/27. Projects were	**Likelihood:** 4 (Probable) **Impact:** 4 (Major) **Inherent Risk Score = 16**	**Likelihood:** 3 (Possible) **Impact:** 4 (Major) **Residual Risk Score = 12**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				identified to be removed from the programme and new investment included with a focus on addressing revenue budget pressures including temporary accommodation, homelessness and SEND placement sufficiency. Routine financial monitoring of the capital programme identifies risks to delivery, budget and funding sources to enable development of action plans to respond to risks. Individual Project Assurance Reviews have been undertaken for key projects to support existing risk management activity. The reviews consider programme management, adequacy of project plans, risk management arrangements, capacity and capability of project and technical teams, budget monitoring and reporting and project governance and reporting arrangements. This activity serves to identify areas where governance arrangements and controls can be strengthened.		
R5	Failure to deliver a sustainable financial strategy that supports delivery of the Council Plan priorities. (Including delivery of savings, commercial income, capital receipts and ensuring resources are available to deliver statutory obligations and fund organisational development and transformation.) **Risk Owner:** Director of Finance (S151 Officer)	**Financial**	**Cautious** The council has a cautious appetite level towards legal and compliance risks with robust processes in place to ensure the risk of legal challenge is minimised.	Council set a balanced budget for 2025/26 at its meeting in February 2025. The forecast outturn position against budget is reported on a monthly basis to Directorates and CLT. Effective budget monitoring arrangements are in place via Directorate Budget Boards to monitor delivery of services against agreed budget, achievement of savings and delivery of capital and major projects. Expenditure controls continue in 2025/26 via Directorate Control Panels to challenge and reduce, defer or stop spend above £500. High quality financial reporting is achieved through additional controls to ensure forecasting informed by reliable, timely activity data.	**Likelihood:** 4 (Probable) **Impact:** 4 (Major) **Inherent Risk Score = 16**	**Likelihood:** 3 (Possible) **Impact:** 4 (Major) **Residual Risk Score = 12**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				The Finance Team adhere to statutory deadlines; an unqualified audit opinion was achieved in 2023/24 and 2024/25. Additional controls are in place to monitor expenditure in respect of capital and major projects linked to cashflow requirements via monthly Directorate Budget Boards. The outcome of the Fair Funding Review 2.0 highlights a potential reduction in funding for the council, resulting in a significant budget gap in each of year of the MTFS. Council approved a balanced budget for 2026/27 in February 2026. Information to support the recommended Revenue Budget included an assessment of the adequacy of Earmarked Reserve Balances and robustness of savings proposals. As part of the future financial strategy, the council will work with immediate focus from April 2026 to identify measures to resolve the estimated funding gap over the MTFS period. Existing expenditure controls will continue in 2026/27 alongside oversight of delivery of savings, performance against budget and capital programme.		
R6	Inability to attract and recruit candidates and retain staff leading to an inability to deliver services. Loss of skills knowledge and experience (retention & recruitment) in relation to staffing. **Risk Owner:** Director of HR and OD	**Strategic Delivery - Council Plan Priority: TRANSFORMATION**	**Open** The council is committed to improving the use of technology across its services and will embrace new technologies, test ideas and develop a culture of innovation to improve services and deliver value for money. Transformation and Digital Strategies in place to support deliver of aims.	The council's Workforce Strategy 2024-2028 was approved for implementation in April 2024. The Strategy has been developed to recruit, retain and invest in a skilled and well-trained workforce. A Children & Young People Workforce Strategy, aligned to the Corporate Workforce Strategy with a specific focus on ambitions for staff in the C&YP Directorate, is in place to support permanent recruitment and development of staff internally. The Spirit of Herefordshire recruitment brand has been developed to increase awareness of job opportunities within the council and	**Likelihood:** 3 (Possible) **Impact:** 3 (Moderate) **Inherent Risk Score = 9**	**Likelihood:** 3 (Possible) **Impact:** 2 (Minor) **Residual Risk Score = 6**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				county and provide relevant information to ensure a positive candidate experience and support strong applications. The council offers welcome and retention scheme payments to respond to challenges in the recruitment and retention of qualified and experienced social workers. Through the council's Learning & Organisation (L&OD) team, activity to identify and recruit to new apprenticeship programmes is underway. A leadership development programme (@LeadHC) has been developed and will be launched in 2025/26 to address gaps in the learning and development offer and strengthen leadership skills and capabilities. The Lead@HC Programme will aim to develop inspirational leaders across four themes: Grow, Aspire, Empower, Innovate.		
R7	Inability to respond adequately to a significant emergency affecting ability to provide priority services. Including severe weather, critical damage to council buildings, loss of power or infrastructure, cyber security. **Risk Owner:** Corporate Leadership Team/Cabinet Members	**Legal & Compliance** **Governance** **Data & Technology** **Security** **Reputational**	**Cautious** The council has a cautious appetite level towards these risk categories with robust processes in place to ensure the impact on service delivery is minimised.	Gold/Silver emergency planning arrangements are in place across the council. Training has been delivered to Gold/Silver level officers in 2025. An Information Directory has been set up to ensure responsible individuals can provide an effective/timely response. Training exercises are planned in 2025/26 with partner agencies to test and review the adequacy of arrangements. The Council's IT Services team operate to ISO27001:2022 and controls are in place to detect and prevent cyber-attacks. The Council participates in cyber alerting arrangements with partners across central and local government. Staff training is an area of priority focus with regular cyber awareness, information handling, and use of systems training forming part of our mandatory all staff development. The council regularly reviews technical controls at the Information Governance	**Likelihood:** 3 (Possible) **Impact:** 4 (Major) **Inherent Risk Score = 12**	**Likelihood:** 3 (Possible) **Impact:** 4 (Major) **Residual Risk Score = 12**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
				Steering Group (chaired by the SIRO). These measures include malware protection, patching, and vulnerability scanning. Work is underway to implement a SIEM (Security Information and Event Monitoring) solution to improve threat detection, incident response, and reporting. The council's mandatory training requires all staff to complete an annual course on protecting information and systems. The council has introduced regular social engineering testing (eg simulated phishing exercises) to assess workforce cybersecurity awareness and identify vulnerabilities. These exercises are contributing to more targeted training and have established a baseline against which we can monitor improvement across our workforce.		
R8	Risks within the West Mercia community area including: • Terrorism • Cyber and fraud • Serious and organised crime (such as people trafficking) • Accidents and system failures (such as power failure or an interruption to water supplies) • Natural and environmental hazards (such as flooding or heatwaves) • Human and animal disease (such as flu pandemics or foot & mouth) • Societal risks (such as riots) **Risk Owner:**	**Legal & Compliance** **Governance** **Data & Technology** **Security** **Reputational**	**Cautious** The council has a cautious appetite level towards these risk categories with robust processes in place to ensure the impact on service delivery is minimised.	The council is a member of West Mercia Local Resilience Forum (LRF). The member organisations meet regularly to assess the risks of accidents and emergencies and put in place plans to prevent or reduce risks. The LRF has close link to government departments to share information on local risks. Members undertake training and exercises together to prepare for emergencies. The aim of the West Mercia LRF is to ensure there is an appropriate level of preparedness to enable an effective multi-agency response to emergency incidents in the West Mercia area and to get partners working together to ensure that preparations and plans are in place for emergencies. The LRF Community Risk Register is maintained and published by West Mercia LRF. This register aims to localise some of the items included in the National Risk Register.	**Likelihood:** 3 (Possible) **Impact:** 4 (Major) **Inherent Risk Score = 12**	**Likelihood:** 3 (Possible) **Impact:** 3 (Moderate) **Residual Risk Score = 9**

Ref	Corporate Risk	Risk Category	Risk Appetite	Control Measures/Mitigating Actions	Inherent Risk Score	Residual Risk Score
	Corporate Leadership Team/Cabinet Members			Council officers took part in Exercise Pegasus, the UK's largest national pandemic simulation, in September and October 2025. Participants engaged and contributed to a comprehensive workbook to guide future pandemic responses. This whole system approach will ensure that communities will be better protected and supported in times of crisis.		
R9	Risk of financial failure of major supplier resulting in disruption to the delivery of statutory services or major projects. **Risk Owner:** Corporate Leadership Team/Cabinet Members	**Strategic Delivery - Council Plan Priority: PEOPLE, PLACE, GROWTH** **(Exception 1: Safety and wellbeing of residents)**	**Exception 1: Averse** Limited appetite to risk. The council is responsible for providing services to those who need it most, including vulnerable adults and children and operates rigorous safeguarding measure to ensure the health and safety of residents. The council will continually seek to avoid activities that present a threat to the safety of the public and will do everything possible to prevent the loss of life.	Procurement activity across the council includes financial assessments, credit checks and related due diligence to monitor supplier financial health and quality of service provision. These arrangements are currently under review and will be strengthened to include wider market intelligence to mitigate the risk of potential business failure by a company bidding to contract with the council for goods/services. Proactive relationships and effective collaboration with key suppliers encourage information sharing and joint risk planning to identify potential risks in a timely manner to enable prompt recovery action. Contractual safeguards for major contracts and suppliers including performance metrics, delivery timelines, penalties for delays and terminations arrangements are in place to protect the council's financial and legal interests in the event of business failure.	**Likelihood:** 3 (Possible) **Impact:** 4 (Major) **Inherent Risk Score = 12**	**Likelihood:** 3 (Possible) **Impact:** 3 (Moderate) **Residual Risk Score = 9**

Herefordshire Council

Title of report: 2025/26 Financial Statement Audit Progress

Meeting: Audit and Governance Committee

Meeting date: Tuesday 21 July 2026

Report by: Head of Strategic Finance (Deputy S151), Chief Accountant

Classification
Open

Decision type
This is not an executive decision

Wards affected
(All Wards);

Purpose
To report progress on the external audit of the council's 2025/26 draft financial statements.

Recommendation(s)
That:

a) Progress of the external audit of the draft financial statements for the year ended 31 March 2026 be noted.

Alternative options

1. There are no alternative options. The Local Audit and Accountability Act 2014 requires the council to produce a Statement of Accounts in accordance with the Accounts and Audit Regulations 2015 (as amended), which are subject to audit by the council's external auditors.

Key considerations

2. The council is required to prepare an annual Statement of Accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015 (as amended) and the 2025/26 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement of Accounts presents the overall financial position of the council and comprises: a narrative report and annual governance statement, comprehensive income and expenditure

Further information on the subject of this report is available from
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statement, balance sheet, movement in reserves statement, cash flow statement, collection fund statement, group accounts and supporting notes.

3. The council prepared the draft Statement of Accounts for 2025/26 and published them on 29 May 2026, one month ahead of the statutory deadline and provided accounts to the external auditors on this date.

4. The external audit of the financial statements started in the first week of June. Grant Thornton have committed to completing the audit to present the Audit Findings Report and opinion for 2025/26 to this Committee on 29 September 2026, in advance of the statutory deadline of 31 January 2027.

5. The council's Finance Team has worked with the external auditors to provide detailed working papers, evidence for sample testing and explanations to support management judgements and accounting estimates for transactions and balances reported in the financial statements for the year ended 31 March 2026. The council's Finance Team has responded to requests promptly and with high quality working papers.

6. Grant Thornton's sector update references information and guidance to support committee members including local government reorganisation, laws and regulations, managing DSG deficits and closing the 2025/26 financial statements.

7. Grant Thornton have confirmed that progress has been made in line with the external audit plan with no material errors in the accounts noted to date.

Community impact

8. The audit of the Statement of Accounts in accordance with statutory requirements helps the council to achieve its code of corporate governance commitment to behave with integrity, demonstrate strong commitment to ethical values, and respect the rule of law. The council is accountable for how it uses the resources under its stewardship, including accountability for outputs and outcomes achieved. In addition, the council has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.

Environmental impact

9. 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.

10. Whilst this is a progress report 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. For example, the external audit will be mostly completed remotely, reducing travel impact and paper usage.

Equality duty

11. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.

12. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality.

Resource implications

13. There are no new resource implications from this report.

Legal implications

14. The relevant legal provisions for this decision can be found in the council's constitution, www.herefordshire.gov.uk/constitution.

15. The Accounts and Audit Regulations 2015 (as amended) (the Regulations) requires the council to produce and publish an annual statement of accounts in accordance with the Regulations.

16. The Local Audit and Accountability Act 2014 outlines the general powers and duties of the auditor. Part 5, s20 of The Local Audit and Accountability Act 2014 details the duties of the auditor as follows:

    (1) In auditing the accounts of a relevant authority other than a health service body, a local auditor must, by examination of the accounts and otherwise, be satisfied—

    (a) that the accounts comply with the requirements of the enactments that apply to them,

    (b) that proper practices have been observed in the preparation of the statement of accounts, and that the statement presents a true and fair view, and

    (c) that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Risk management

17. The council is required to make arrangements for the proper administration of its financial affairs and to secure that the Chief Financial Officer has the responsibility for the administration of those affairs. The council is also required to secure economic, efficient and effective use of resources on which Grant Thornton provide a value for money opinion.

Consultees

18. None.

Appendices

Appendix A: Grant Thornton External Audit Progress Report and Sector Update – July 2026

Background papers

None identified.

Grant Thornton

Herefordshire Council

Audit progress report and sector updates

July 2026

Agenda

Audit Progress Report

Grant Thornton

Introduction

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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:
Local government | Grant Thornton

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress as at July 2026

Financial Statements Audit

We received the draft financial statements on the 29 May 2026, well ahead of the national deadline of 30 June 2026. The early receipt has allowed us to progress the audit in June. To date we have sent several samples to management including:

- Investment property valuations
- PPE Additions and REFCUS
- Cut off invoices and bank
- Grants received in advance
- Fees and charges
- Grants
- Hoople Ltd starters and leavers and changes in circumstances for payroll

In addition to the above, we have completed the trial balance mapping to the accounts. In the month of July, we hope to finalise all samples and progress the detailed testing.

Our significant risk areas remain the same as per our audit plan presented in March 2026, these are investment property and PPE valuations, management override and Pension IAS19 net liability.

Overall, the audit is progressing well, and we have not identified any significant issues to date.

Value for Money

Our work in this area is ongoing, and we will report our full findings within the Auditor's Annual Report. There have been no changes to the risks of significant weakness as communicated in our audit plan to date. The VFM work will initially focus on following up on the prior year issues identified to assess whether there have been improvements in the Councils arrangements.

Events

We provide a range of workshops and network events.

We recently held a webinar exploring the roles and responsibilities of Audit Committee Chairs and members, and how the Audit Committee functions within a wider governance landscape. This was attended by your Audit and Governance Committee Chair.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.	24 March 2026	Completed
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	29 September 2026	Not yet due
Auditor's Report This includes the opinion on your financial statements.	29 September 2026	Not yet due
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	29 September 2026	Not yet due

Sector Updates

Devolution and local government reorganisation

Audit Committee are encouraged to review our good practice checklist and reach out for latest technical updates.

Latest key developments to be aware of:

- 25th March 2026 – Government decisions published on unitary structures for four of the six Devolution Priority Programme (DPP) areas. Next steps published for the remaining two areas. Written statements - Written questions, answers and statements - UK Parliament
- 29th April 2026 – Royal Assent given to the English Devolution and Community Empowerment Act, enhancing powers and responsibilities for strategic authorities; establishing combined authorities; and strengthening local audit arrangements. English Devolution Bill receives Royal Assent - GOV.UK
- 7th May 2026 – First shadow elections held in East and West Surrey. Surrey Local Elections May 2026 results – Surrey LGR Hub

Key future dates to be aware of:

Three councils have been reported as mounting legal challenges to reorganisation. Subject to the outcome of their challenges, remaining key dates to be aware of are:

- April 2027 – Surrey shadow authorities' vesting day.
- May 2027 – Shadow elections - all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- April 2028 – Vesting day for all DPP areas except Sussex and Brighton; and reorganised new local government bodies.
- May 2028 – Shadow elections Sussex and Brighton Devolution Priority Programme areas.

Recommended reading:

- A good practice checklist for councils embarking on LGR can be found in our report: Learning from the new unitary councils.
- Audit Committees can request updated technical guidance reflecting latest developments from their Engagement Lead.

Latest changes to laws and regulations

For information: Recent legal and regulatory changes that Committees need to be aware of.

Changes that Audit Committees need to be aware of:	Dates	Further information
English Devolution and Community Empowerments Act	29th April 2026 – Royal Assent	Enhanced powers and responsibilities for local government, and new local audit arrangements
Renter Rights Act	1st May 2026 – Officially took effect	Introduces new duties for local authorities to take enforcement action for beaches and tenancy law by private landlords
Social Housing Renewal Bill	13th May 2026 – King's Speech	Changes to eligibility requirements, discount rules and exemptions planned for Right to Buy
Overnight Visitor Levy Bill	13th May 2026 – King's Speech	Mayors and potentially other local leaders to be able to change new tourist taxes
Education for All Bill	13th May 2026 – King's Speech	Planned changes to arrangements for young people with Special Educational Needs and Disabilities
Public Office (Accounting Bill)	13th May 2026 – King's Speech	Introduces new duties of candour for local authorities and other public bodies
Town and Country Planning (local Planning) (England) Regulations 2026	25th March 2026 – Statutory Instruments	New system introduced for Local Plans
Combined Authorities (overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Order 2026	14th May 2026 – Statutory Instruments	Provides a formal mechanism for setting commissioner allowances in Combined Authorities and Combines County Authorities
Sporting Events Bill	14th May 2026 – Impact Assessment and DCMS Memorandum	Proposes new enforcement powers for local authorities in ticketing protection

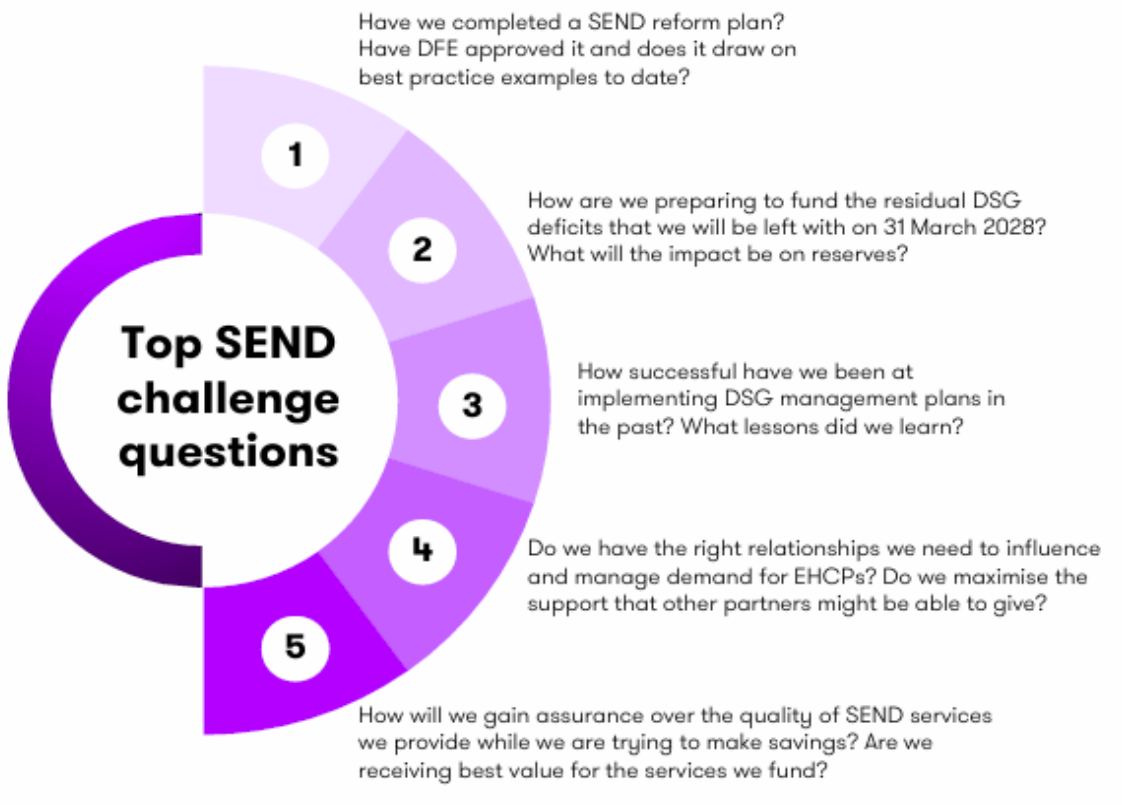
Lessons from Auditor's Annual Reports on Managing Dedicated Schools Grant Deficits

For information: Residual SEND related risks to be aware of, despite proposed reform.

Our latest report on Lessons from Auditors' Annual Reports, published on 20th May 2026, highlights lessons for Managing Dedicated Schools Grant Deficits.

- New commitments by the government to fund up to 90% of Dedicated Schools Grant deficits on 31st March 2026, if Councils can agree SEND reform plans for their area with the Department for Education (due by 19th June 2026);
- The financial risks that councils will face once statutory override ends on 31st March 2028;
- Difficulties encountered so far by councils in effective planning for the management of DSG deficits;
- The benefits of working proactively with psychologists, teachers and families to make the most of current arrangements; and
- The importance of maintaining quality and efficiency in SEND service.

With the arrival of the Education for All Bill, Audit Committee members are encouraged to ask their councils:



CIPFA Bulletin 23 – Closure of the 2025/26 financial statements

CIPFA has issued Bulletin 23 (April 2026) to support authorities in preparing the 2025/26 Statement of Accounts. The bulletin covers key areas that authorities should consider for 2025/26.

Indexation of non-investment assets

The bulletin includes a useful list of answers to frequently asked questions on indexation for preparers of accounts.

Key reminders include:

- Authorities need to adopt a five-year revaluation cycle, with indexation in intervening years, replacing more frequent revaluations.
- It applies to most property, plant and equipment, excluding council dwellings, along with leased assets if measured at valuation.
- Indexation maintains asset values in line with market changes, and authorities should continue to review asset lives and indicators of impairment.
- CIPFA do not prescribe which indices authorities may use - authorities must select appropriate indices, justify choices, and use the latest available data.
- In rare cases where no index is available a desktop valuation is required in year three.

For a full copy of Bulletin 23, see CIPFA Bulletin 23 – Closure of the 2025/26 financial statements | CIPFA

More detailed guidance on indexation is available in CIPFA's CIPFA Bulletin 22 Indexation application guidance | CIPFA

Dedicated Schools Grant (DSG) high needs stability grant

The bulletin highlights that the grant is subject to conditions, including the requirement to obtain Department for Education approval of a local SEND reform plan.

Authorities will need to consider their specific facts and circumstances (which may vary) to determine the appropriate treatment within their own 2025/26 accounts, including:

- whether or not grant income should be recognised.
- whether disclosures are necessary (eg contingent assets, events after the reporting period).

Audit Committees can help by asking:

- What assurance is available that the indexation applied is appropriate for the authority's various assets within the scope of indexation, and is supported by sufficient external evidence and professional input?
- If applicable, does the treatment of high needs stability grant appropriately reflect the requirements of the CIPFA Code, including the timing of income recognition and transparency of disclosures?

Valuing people

For information: Audit Committees need to be mindful of workforce and people-related challenges facing the sector.

The Public Services People Manager's Association held their latest Annual Conference in Birmingham in April this year and heard thoughts on whether the time is right for Chief People Officer to become a statutory role, equivalent to Monitoring and s151 Officer.

With challenges around skills retention, and with local government reorganisation creating uncertainty and instability for those employed across the sector, the timing for this debate could perhaps never be better.

Local Government Association workforce data shows that:

- More than 1 million people are directly employed by councils across England, at a cost of £35.8 billion per annum; and
- More than one million additional people are employed in council-commissioned Adult Social Care through the private sector.

In addition to those formally employed across the local government sector, the Health Foundation recently estimated that 1 in 6 adults in the UK carry out unpaid care work, providing essential top up for public services that are the statutory responsibility of local authorities.

CQC is currently consulting on proposed changes to its regulatory process. The intention is to replace 34 "Quality Statements" with 24 "Key Lines of Enquiry", looking at how local authorities deliver care and, amongst other things, lending greater weight to how local authorities work professionally with the unpaid carers whose work supports statutory provision.

Carers UK held an inaugural State of Caring conference in May 2026 hearing, amongst other things, about the tipping point unpaid carers can reach if not given the right support. CQC's change of emphasis seems a well-timed recognition of the reality of how significant elements of social care are provided across England today.

Neighbourhood health frameworks

Audit Committees need to ask their councils what steps are being taken to prepare for changes in the way they work with the NHS.

A new policy paper on Neighbourhood health frameworks was published on 17th March 2026 – setting out plans to create a new "neighbourhood health service". This:

- Builds on ambitions first set out by the government in 2025 to move the focus of health care from hospital treatment to community prevention; and
- sets out expectations for neighbourhood level partnership working across the health and care system from 2027/28 onwards (with the NHS, local authorities and community and voluntary partners).

As the NHS is embarking on a period of restructuring, and local government is reorganising at the same time, councils will need to be clear about what their responsibilities are; how they will agree local neighbourhood health objectives with partners; and how they will measure progress.

Audit Committees can help by asking officers:

- What are the risks for our council, and how are these mitigated?
- How do we identify key public health partners and agree strategic objectives with them?
- How will we measure neighbourhood health achievements?

Fit for purpose - partnerships and procurement

Audit Committees need to ask their councils how robust their leisure partnerships and procurement are.

Whilst high profile government announcements in May on the Olympics and stadium regeneration highlighted the economic importance of sport for regeneration in local areas, councils are already doing an excellent job using leisure contracts to deliver health and social care impacts in their areas.

SOLACE and Alliance Leisure held a roundtable in April 2026 highlighting the role that local authority leisure centres are starting to play in the NHS ten-year plan's health prevention agenda, including:

- Co-locating libraries and community services with leisure centres; and
- Providing clinical deliveries such as health checks and rehabilitation at leisure centres.

To make the most of the opportunities their leisure estate provides, councils need to be develop and maintain effective relationships not only with the NHS and community and voluntary groups, but also with the commercial contract partners that manage and operate the centres.

In April, one of England's largest outsourced leisure centre operators (Fusion Lifestyle), appointed administrators following multiple financial distresses built up in the wake of the Covid-19 pandemic; rising energy costs; and reduced government funding. Affected councils have had to take their leisure services back in house while they look for alternative providers.

Financial pressure is common across the sector, and there is a risk of disruption elsewhere in England.

Audit Committees can help by asking officers:

- Are our services for residents and schools at risk?
- When was the last time we checked the financial health of our contract operators?
- Do we have a register of community and voluntary sector partners that we are co-delivering social and health prevention impacts with?
- When was the last time our leisure estates strategy was updated? Are we optimising the use of the estates that we have?
- How are we measuring the performance of our leisure estates and leisure contracts?
- Where applicable, what oversight is the health scrutiny committee exercising?

Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

Local audit reset: What comes after the backstop? | Grant Thornton

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

Navigating the future: The dual challenge of local Government reorganisation and devolution | Grant Thornton

Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?

Learning from the new unitary councils

Grant Thornton learning on procurement and contract management:

Local government procurement and contract management

Audit Committee and organisational effectiveness in local authorities (CIPFA):

https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

Global Internal Audit Standards in the UK Public Sector | CIPFA

CIPFA Good Governance

Delivering Good Governance in Local Government Addendum

The Three Lines of Defence Model (IAA)
https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf

Risk Management Guidance / The Orange Book (UK Government):

https://www.gov.uk/government/publications/orange-book

AGENDA ITEM 12

Herefordshire Council

Title of report: Internal Audit Update Report Quarter 1 2026/27

Meeting: Audit and Governance Committee

Meeting date: Tuesday 21 July 2026

Report by: Director of Finance/Head of Internal Audit

Classification
Open

Decision type
This is not an executive decision

Wards affected
(All Wards);

Purpose
To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed.

To assure the committee that action is being taken on risk related issues identified by internal audit. This is monitored through acceptance of agreed management actions and progress updates in implementing the action plans. In addition, occasions where audit actions not accepted by management are documented if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.

Recommendation(s)
That the Committee:

a) **reviews the areas of activity and concern to be satisfied that necessary improvements are outlined and delivered; and**

b) **notes the report and consider the assurances provided and the recommendations which the report makes, commenting on its content as necessary.**

Alternative options

1. There are no alternative recommendations; it is a function of the committee to consider these matters in fulfilling its assurance role.

Further information on the subject of this report is available from
Rachael Sanders, Tel: 01432 383775, email: Rachael.sanders@herefordshire.gov.uk

Key considerations

2. The Committee should consider the report to gain assurance that, from the work undertaken by internal audit, the Council have a robust internal control environment that effectively manages risk.

3. The internal audit progress report is attached at Appendix A.

Community impact

4. 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 priorities outlined in The Herefordshire Council Plan 2024-2028.

Environmental Impact

5. 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.

6. Whilst this is a report for information 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

7. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.

8. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality.

Resource implications

9. There are no specific resource implications from the report itself.

Legal implications

10. There are no specific legal implications arising from this report itself.

Risk management

11. 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 the programme of internal audit work, and subsequent coverage assessments.

12. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is now reported to this committee as part of the internal audit progress reports.

Consultees

13. None.

Appendices

Appendix A SWAP Internal Audit Progress Report Quarter 1 2026-27

Background papers

None identified.

Appendix A

Herefordshire Council

Report of Internal Audit Activity

July 2026

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Contents

The contacts at SWAP in connection with this report are:

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- Contents:

Internal Audit Definitions

At the conclusion of audit assignment work each review is awarded a "Control Assurance Definition";

- **No**
- **Limited**
- **Reasonable**
- **Substantial**

Audit Framework Definitions

Control Assurance Definitions

No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Non-Opinion – In addition to our opinion based work we will provide consultancy services. The "advice" offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Definitions

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Audit Framework Definitions

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

	Categorisation of Recommendations
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management
Priority 3	Finding that requires attention.

Definitions of Risk

Risk	**Reporting Implications**
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Plan Progress 2026/27

Audit Type	Directorate	Audit Area	Status	Opinion	No of Agreed Actions	Priority 1	Priority 2	Priority 3	Comment
Follow-Up	Community Wellbeing	Court of Protection (2025/26)	Final Report	Low Reasonable	4	0	3	1	Report Included
Core Financial	Corporate Services	Payroll (2025/26)	Final Report	Low Reasonable	6	0	1	5	Report Included
Operational	Economy and Environment	Licensing – TENS (2025/26)	Final Report	High Reasonable	1	0	1	0	Report Included
Follow-Up	Economy and Environment	Transport Hub (2026/27)	Draft Report						Waiting for Management Response
Follow-Up	Corporate Services	Decision Making and Project Governance (City Heart) (2025/26)	Complete						Initial meeting held with CFO. Due to EA review, agreed with CFO, following discussion and evidence supplied, no IA audit required.
Core Financial	Corporate Services	Treasury Management (2025/26)	Draft Report						Waiting for Management Response
Operational	Economy and Environment	Public Protection (2025/26)	Draft Report						Final Revisions
Core Financial	Corporate Services	Accounts Receivable (2025/26)	Draft Report						
Operational	Community Wellbeing	Emergency Planning (2025/26)	In Progress						
Follow-Up	Children and Young People	Foster Care Follow Up (2025/26)	In Progress						Service requested audit was deferred in 2025/26
Operational	Corporate Services	Crisis Resilience Fund (2026/27)	In Progress						
Core Financial	Corporate Services	Schools Payroll (2026/27)	In Progress						

Audit Plan Progress 2026/27

Audit Type	Directorate	Audit Area	Status	Opinion	No of Agreed Actions	Priority 1	Priority 2	Priority 3	Comment
Operational	Economy and Environment	Public Realm Change Management (2026/27)	In Progress						
Follow-Up		Follow-Up of Agreed Actions (not included in an audit above)	On Going						
Other Audit Involvement		Management of the IA Function and Client Support	On Going						
Other Audit Involvement		Contingency – Provision for New Work based on emerging risks							

Action Tracking

Action Tracking

There are currently 50 open agreed actions for Herefordshire Council.

39 of the open actions are historic and include:

- 6 for All Ages Commissioning – Use of Spot Purchasing (2024/25)
- 10 for Foster Care Placements (2024/25)

These actions will be followed during the audits planned in 2026/27

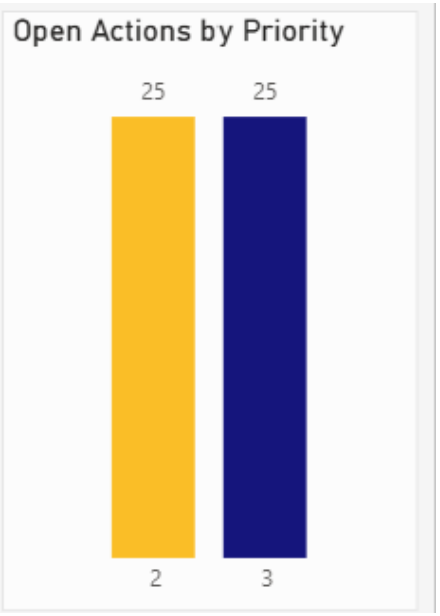
The remaining 23 historic actions are from audits concluded during 2025/26.

We have raised 11actions in the audits concluded during 2026/27.

All open actions are either priority 2 or 3, it is pleasing to note there are no priority 1s.

Work will continue to gain an update from responsible officers, and report updates to this Committee.

Any actions not remediated, will be discussed with officers and where appropriate, a revised timescale agreed.



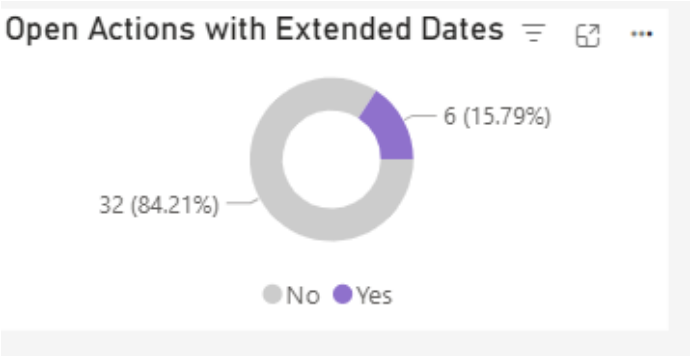
Open Agreed Actions, by due date, are shown below.

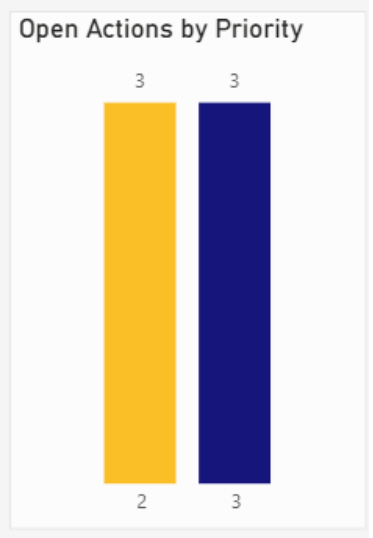
Not yet due	Due within 30 days	1-30 days overdue	31-60 days overdue	61-90 days overdue	91+ days overdue	Total Actions
23	2	(Blank)	(Blank)	5	20	50

Action Tracking

- Action Tracking – Revised Timescales

Open Agreed Actions, with a revised timescale has reduced to 6 (quarter 3) (12 Quarter2)





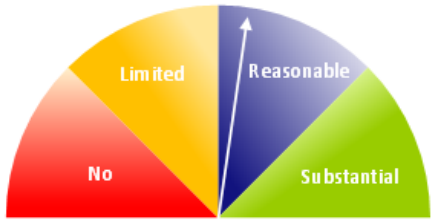
The following are the Internal Audit reports, of each audit review finalised, since the last Committee update

Court of Protection – Final Report – June 2026

Audit Objective

To provide assurance that processes and procedures are operating with appropriate control to adequately protect the service users' financial interests and reduce potential fraud.

Executive Summary



Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives in the area audited.

Management Actions

Priority 1	0
Priority 2	3
Priority 3	1
Total	4

Organisational Risk Assessment Medium

Our audit work includes areas that we consider have a medium organisational risk and potential impact.

Key Conclusions

A number of Appointee Current Accounts are holding balances above £5,000, which may indicate that Appointeeship is no longer the most appropriate financial management arrangement and that Deputyship should be considered in line with existing guidance. The absence of clear thresholds within the Appointeeship Procedures creates a risk that cases with higher levels of client assets are not reviewed consistently or in a timely manner. This may expose clients to reduced benefit entitlement, poor value from low-interest accounts, and missed opportunities to use funds to support quality of life. Clarifying review triggers and expectations would help ensure appropriate escalation to Deputyship and safeguard client financial interests.

Testing indicated that best value is consistently achieved for large purchases and that client funds are appropriately safeguarded using protected savings vehicles and government backed schemes; however, this good practice is not formally documented. The absence of documented procedures creates a risk of inconsistent application, loss of organisational knowledge, and reduced accountability, and may increase the risk of client funds being held outside appropriate protection limits. Formalising this approach would support consistency, governance, and assurance that client assets continue to be managed and protected effectively.

A follow-up review found that a previously raised action is still in progress. Reviews and documentation of care home personal allowance records remain inconsistent, and some records are not being assessed. This limits the effectiveness of procedures intended to support good oversight and protect client funds.

Audit Scope

The audit reviewed the following areas:

- Compliance with Office of the Public Guardian Guidance for Public Authority Deputies (2023) in respect of financial management (capital & revenue) procedures;
- We also reviewed progress of audit actions from the January 2025 follow up review.

Information was reviewed for the current financial year, and meetings were held with Case Officers from the Court of Protection Team in respect of a sample of Appointee & Deputyship cases. Sampling and high-level expenditure items were taken from October 2025 bank statements, data was extracted from Caspar for current valuation of assets.

	There is a potential opportunity to strengthen the use of Caspar to improve the completeness, accessibility, and auditability of financial records. Better integration of documents, clearer recording of budget reviews and valuation methodologies, and more consistent use of existing system functionality would enhance oversight, support timely identification of issues such as high account balances, and improve overall governance and assurance. Enhanced cross team working between the Court of Protection Team, Finance and Social Care, would further aid improved governance and service delivery to clients.	

	Client funds are held in separate bank accounts and are independently reconciled to Caspar on a monthly basis. Testing confirmed that supporting documentation is available in the document library for the majority of items reviewed, and that Court of Protection annual returns are submitted in a timely manner where required. While procedures are in place to support these processes, there are a small number of areas where they could be strengthened further, as outlined to Management in an Action Plan.	

Other Relevant Information

Follow up of previous actions was reviewed against testing. Five out of six actions were closed, as above one action remains open:

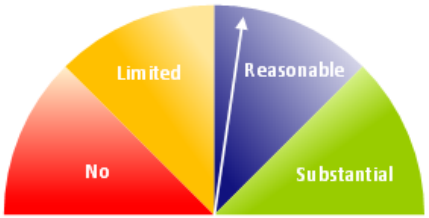
- Evidence demonstrated that Allpay balances are monitored regularly and that excess funds are transferred back to the client current account where required. As personal allowance spending is at the discretion of the client and is not subject to monitoring, these actions have been closed.
- An action relating to the availability of electronic bank data and was closed on the basis that it is beyond the organisation's control; however, appropriate compensating controls are in place to enable effective review and monitoring of bank information.
- Segregation of duties and the reduced payment limits for Officers help to provide additional oversight and contribute to mitigating the risk of fraudulent payments from the Lloyds accounts.

Procedures were reviewed in January 2025.

Payroll – Final Report – May 2026

Audit Objective	To provide assurance that the payroll system is operated in accordance with agreed policy/procedure and with the Council's Financial Rules.

Executive Summary



Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives.

Management Actions

Priority 1	0
Priority 2	1
Priority 3	5
Total	6

Organisational Risk Assessment — Low

Our audit work includes areas that we consider have a low organisational risk and potential impact.

Key Conclusions & Suggestions for Improvements

The monthly payroll for Herefordshire Council is approved by the HR Services Manager. This officer is independent of producing the payroll and is a Hoople member of staff. However, review of the Payroll and Pension Workpackage found that it is unclear if delegated authority has been given to Hoople. From an accountability perspective, we expect this approval to be undertaken by a Council officer as it is the Council's monies that are being paid out and not Hoople's monies.

Hoople charge a standard £48 fee per transaction for late notifications affecting salary payments after the monthly cut-off date has passed. However, the charge can be much higher if complex calculations are required. Additionally, we identified bank fees being incurred for making faster payments. We noted same day payments are much higher than if the payment were to be made on the following day. These charges may not be significant, but the lack of monitoring processes risks the Council paying fees unnecessarily.

Annual NJC pay award % increases are calculated manually and uploaded to Business World (BW). However, there is no evidence to support these calculations have been checked by an independent officer either pre or post input to BW. Inaccurate parameters uploaded to BW will result in incorrect pay and corrective work could potentially take time to resolve especially if not identified quickly. In addition, there may be reputational damage to manage if incorrect salaries are paid.

There was no evidence of controls or processes to identify duplicate NI numbers, bank account numbers, or employee names which could identify potential fraud or 'ghost' employees. Whilst we accept Council budget monitoring activity should pick up such anomalies, these controls are payroll processes and therefore, should be undertaken periodically by the payroll service.

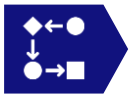
Audit Scope

The audit reviewed the controls in place for the following:

- Starters, Leavers, Variations – ensure changes to the payroll are accurate, timely and supported with appropriate approvals.
- Key control testing – independent review of exception reporting, timely clearing of items in payroll suspense and year-end reconciliation processes.
- Payroll authorisation and BACs procedure.
- Mileage payments.

Scope Limitations:

We have not reviewed transactional testing of overtime / expense claims to assess accuracy and timeliness of data processing. Also, self-service and approval processes in Business World have not been reviewed.

	There is no centralised oversight of payroll reconciliation activity which could result in undetected discrepancies, incorrect reporting, financial misstatements, etc. Also, lack of Payroll Management oversight means that anomalies/errors within their system are not known.	
	We identified over 90% of mileage claims submitted in June and July 2025 were automatically system approved as per council guidance. The guidance requires vehicle roadworthiness and insurance information to be uploaded to Business World. We found claims had been paid even though this documentation was not in place. We also found fuel receipts (applicable where individual journeys are more than 250 miles) were not attached to Business World as per requirements. We accept the significant number of claims may deem it inefficient to check compliance with policy requirements in all instances. But this lack of check risks the potential for fraudulent claims to be increased. Introducing ad hoc compliance checks either by HR or Service Managers, and officers challenged where non-compliance is evident, would help ensure the guidance is adhered to.	

Summary

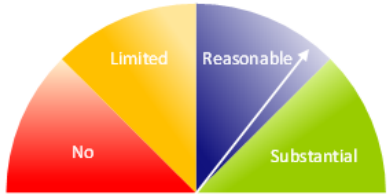
We confirm the Council's payroll in the main is being processed accurately and on time by Hoople as evidenced by key control testing (clearing the payroll suspense account, reconciliation processes and independent review of exception reports) undertaken during the audit. However, some controls are not as robust as expected, for example, a lack of evidencing checks undertaken, management oversight and administrative errors which had remained unidentified until the audit. We have reported these to Hoople, so that improvements/enhancements can be undertaken. The Council must obtain assurance from Hoople that these controls are operating effectively.

The findings and agreed actions above are also aimed at improving current activity undertaken by Council officers which adversely impact on Hoople's ability to deliver an efficient service. Implementing these controls, ensuring accountability is properly assigned and that value for money is considered, will help improve the current control environment.

Licensing Temporary Event Notices (TENs) – Final Report – June 2026

Audit Objective To provide assurance over the administration of Temporary Event Notice (TEN) applications and compliance with relevant legislation.

Executive Summary



Assurance Opinion

The review highlighted a generally sound system of governance, risk management and control in place. We identified some issues, non-compliance or scope for improvement which may put at risk the achievement of objectives

Management Actions

Priority 1	0
Priority 2	1
Priority 3	0
Total	1

Organisational Risk Assessment

Low

Our audit work includes areas that we consider have a low organisational risk and potential impact. We believe the key audit conclusions and any resulting outcomes still merit attention but could be addressed by service management in their area of responsibility.

Key Conclusions

The audit found significant data quality issues in the 2025 TENs spreadsheet, including missing, incorrect and duplicate information which was due to the team's reliance on manually updated spreadsheets rather than the Civica system, where documents were also not consistently stored. A review of TENs rejections in 2025 found that while all sampled cases were correctly rejected in line with statutory criteria, significant weaknesses also existed in the recording and evidencing of these decisions.

Applications are being processed and approved correctly in accordance with the The Licensing Act 2003 (Permitted Temporary Activities) (Notices) Regulations 2005, which are also reflected in the comprehensive procedure documents in evidence.

The Public Register is now updated weekly, although previous delays were identified. Planned automation of this process in April 2026 should further reduce the risk of future delays and improve the accuracy and timeliness of this public information.

Audit Scope

As part of this work, we reviewed:

- TENs are issued in accordance with statutory guidance and within stated timescales
- Fees are received correctly and in accordance with published and agreed figures
- Where required appropriate internal and external bodies are consulted prior to license approval
- Data and records are adequately updated and maintained
- Reconciliation is made to the General Ledger
- Licensing Officers are appropriately trained and qualified

Other Relevant Information

The Civica system is due to be replaced by the new Arcus system in the autumn of 2026.

The 'DASH' project, due to go 'live' in April 2026, will provide further digital functionality for applications submitted online, focusing on reducing administration and improving data accuracy.

Government-set licensing fees, which Herefordshire Council must apply, have remained unchanged for many years, with a TEN application fixed at £21.

Herefordshire Council

Title of report: Internal Audit Plan 2026/27

Meeting: Audit and Governance Committee

Meeting date: Tuesday 21 July 2026

Report by: Director of Finance/Head of Internal Audit

Classification
Open

Decision type
This is not an executive decision

Wards affected

Purpose
To present the updated Internal Audit Plan for 2026/27 for approval by Committee.

Recommendation(s)
That the Committee:

a) Approves the proposed Internal Audit Plan for 2026/27.

Alternative options

1. There are no alternative recommendations; it is a function of the committee to consider these matters in fulfilling its assurance role.

Key considerations

2. The council's Internal Audit services are provided by South West Audit Partnership Internal Audit Services (SWAP).

3. The Internal Audit Plan sets out how Internal Audit resources will be utilised and deployed in 2026/27. It is underpinned by the Internal Audit Charter, approved by this Committee in June 2026, which defines the purpose, role, mission, responsibility and position of the Internal Audit function.

4. The 2026/27 Internal Audit Plan, included at Appendix A, has been developed using a risk-based, assurance mapping approach, which is aligned to the council's corporate objectives and priorities and the key risks which may prevent them from being achieved. The Plan has

Further information on the subject of this report is available from
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been informed by a variety of sources including the Council Plan 2024-2028, Delivery Plan 2026/27, Corporate Risk Register, Risk Management Strategy, other sources of assurance including peer review and professional body inspections, engagement with Directorate Leadership Teams, benchmarking against audit plans of other local authorities and intelligence from previous audit and counter-fraud work.

5. In addition to planned work for 2026/27, audits not completed in 2025/26 will be undertaken to assess controls in place in respect of s106 Agreements, Direct Payments (Social Care) and Risk Management.

6. SWAP will also identify additional audits informed by emerging risks and themes across the wider SWAP local authority portfolio. This additional work will be added to the plan in consultation with the S151 Officer and reflected in the quarterly updates.

7. The Plan reflects the requirement to produce an annual Internal Audit opinion to summarise the overall adequacy and effectiveness of internal control arrangements operating during the year.

8. The Plan will remain flexible and includes an element of contingency in order to be able to respond to new and emerging risks as and when they are identified.

Community impact

9. 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 priorities outlined in the Council Plan 2024-2028.

Environmental Impact

10. 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.

11. Whilst this is a report for information 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

12. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.

13. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality.

Resource implications

14. There are no specific resource implications from the report itself.

Legal implications

15. 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.

16. The council is under a duty to make adequate arrangements for its internal audit function and has chosen to appoint an external partner to assist with the discharge of this function.

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 the programme of internal audit work, and subsequent coverage assessments.

18. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is now reported to this committee as part of the internal audit progress reports.

Consultees

19. None.

Appendices

Appendix A SWAP Internal Audit Plan 2026/27

Background papers

None identified.

Internal Audit Plan 2026/27

Audit	Directorate	CLT Lead	Link to Corporate Risk	Link to Council Priority	No of days (up to)
Core Financial Systems					**50**
Main accounting	Corporate Services	Director of Finance	R5	Key system - ALL	25
Payroll	Corporate Services	Director of Finance	R5	Key system - ALL	25
Revenues & Benefits					**60**
Council Tax	Corporate Services	Director of Finance	R5	Key system - ALL	20
NNDR (Business Rates)	Corporate Services	Director of Finance	R5	Key system - ALL	20
Housing Benefit and Council Tax Support	Corporate Services	Director of Finance	R5	Key system - ALL	20
Asset & Risk Management					**70**
Asset Maintenance	Economy and Environment	Corporate Director (E&E)	Compliance with laws & regulations	Place	30
Insurance	Corporate Services	Director of Finance	R5	Growth	25
Information Governance - Record Retention (Advisory)	Corporate Services	Director of Law & Governance	All	Transformation	15
Regulatory Services					**15**
Licensing - Premises	Economy & Environment	Corporate Director (E&E)	Compliance with laws & regulations	Place	15
Operational Audits					**227**
Contract Management	Corporate Services	Director of Finance	R4/R5	Growth/Transformation	30
Corporate Performance	Corporate Services	Director of Finance	N/a	Growth	20
Discharge to Assess	Community Wellbeing	Corporate Director (CWB)	R1	People	10
Major Projects	Economy & Environment	Corporate Director (E&E)	R4	Growth/Transformation	33
School Audits - Schools in Deficit	Children & Young People	Corporate Director (C&YP) / Director of Finance	R1	People/Place	32
Compliance with new Building Safety Regulations - Annual Audit	Economy & Environment	Corporate Director (E&E)	Compliance with Laws & Regulations	Place	15
ICT Reviews	Corporate Services	Director of HR & OD	R7	Transformation	50
Public Realm Change Management	Economy & Environment	Corporate Director (E&E)	N/A	Place	32
Crisis Resilience Fund (CRF)	Corporate Services	Director of Finance	R5	Key System - All	25
Follow up Audits					**10**

Audit	Directorate	CLT Lead	Link to Corporate Risk	Link to Council Priority	No of days (up to)
Transport Hub	Economy & Environment	Corporate Director (E&E)	R4	Place	10
Grant Certifications					**15**
TBC – to be confirmed with key officers					15
Other Audit Activities					**75**
Follow-Up of Agreed Actions					15
Management of Service Provision					50
Working with Counter Fraud					10
TOTAL					**542**

AGENDA ITEM 14

Herefordshire Council

Title of report: Work programme

Meeting: Audit and Governance Committee

Meeting date: 21 July 2026

Report by: Democratic Services Officer

Classification

Open

Decision type

This is not an executive decision.

Wards affected

(All Wards)

Purpose

To consider the committee's work programme (Appendix A).

Recommendation(s)

(a) That, subject to any further updates made by the committee, the work programme for the Audit and Governance Committee be noted.

Alternative options

1. There are no alternative options, as the committee requires such a programme in order to set out its work for the coming year.

2. Updating the work programme is recommended, as the committee is required to define and make known its work. This will ensure that matters pertaining to audit and governance are tracked and progressed in order to provide sound governance for the council.

Key considerations

3. The routine business of the committee has been reflected as far as is known, including the regular reporting from both internal and external auditors.

4. The committee is asked to consider any adjustments.

Community impact

5. 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

6. 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

7. This report does not impact on this area.

Resource implications

8. There are no financial implications.

Legal implications

9. The work programme reflects any statutory or constitutional requirements.

Risk management

10. 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

11. The Director of Finance and Assurance / S151 Officer, Director of Governance and Legal Services / Monitoring Officer, and committee members contribute to the work programme; the work programme is reviewed at each meeting of the committee.

Appendices

Appendix A Work programme for the Audit and Governance Committee

Background papers

None identified.

Audit and Governance Committtee Constitution		Report	July 2026	September 2026	November 2026	January 2027	March 2027	June 2027
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.	Planning Paper Audit Charter Rolling Plan (also inclu. in Progress Report)	Progress Report & Plan	Progress Report				Planning Paper 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	Follow Up Audit Review (Transport Hub)		Progress Report	Progress Report	Progress Report	Annual opinion to inc progress update
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.	Progress Report				Progress Report	Progress Report	
e	To be able to call senior officers and appropriate members to account for relevant issues within the remit of the Committee.	*This would support progress report when necessary*						
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.	As and when investigations take part as part of progress reports (see part b for timings)						
3.5.11	**External Audit**	**External Audit**						
a & b	Review and agree the External Auditors annual plan, including the annual audit Fee and annual letter and receive regular update reports on progress. To consider specific reports from the External Auditor.	External Audit Annual Plan Annual Audit Fee Letter External Audit Progress Update External Audit Findings Report External Auditor's Annual Report Update on Audit Recommendations Report	External Audit Progress Report	1) External Audit Findings Report 2) External Audit – Auditor's Annual Report 2025/26			External Audit - Audit Plan 2026/27	
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.	As and when required.						
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 and Finance Procedure Rules Proposed Changes to the Constitution	Annual Review of Exemptions from Contract Procedure Rules			Contract and Financial Procedure Rules Update		
b	To monitor the effective development and operation of risk management and corporate governance in the council.	Work Programme Corporate Risk Register	Work Programme Update on Risk Management Activity	Work Programme	Work Programme Update on Risk Management Activity	Work Programme Update on Risk Management Activity	Work Programme Update on Risk Management Activity	Work Programme 1) Dates of future meetings / work programme 2) Draft Annual Report of the Audit & Governance Committee 3) Appointments to the Standards Panel
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, Bribery and Corruption Strategy			Whistleblowing Policy	Annual Fraud Report		
d	To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.	Statement of Accounts						2026/27 Draft 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		Final Annual Governance Statement				Draft Annual Governance Statement
f	The council's arrangements for corporate governance and agreeing necessary actions to ensure compliance.	Annual Governance Statement Progress Report			Governance Statement Progress Report on Actions (6 monthly)			

Audit and Governance Committtee Constitution		Report	July 2026	September 2026	November 2026	January 2027	March 2027	June 2027
g	To annually review the council's information governance requirements.	Annual Review of Information Access / Governance	Annual Review of Information Access / Governance					
h	To agree the annual governance statement (which includes an annual review of the effectiveness of partnership arrangements together with monitoring officer, s151 officer, caldicott guardian and equality and compliance manager reviews).	Annual Governance Statement Annual Governance Statement Progress Report						
i	To adopt an audit and governance code.	On an ad hoc basis only						
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			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			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			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			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	Code of Conduct for Councillors - 6 monthly update			Code of Conduct for Councillors - 6 monthly update		
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.							
c	To keep the code of conduct under review and recommend changes/replacement to Council as appropriate.							
d	To publicise the adoption, revision or replacement of the Council's Code of Conduct.							
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						
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						
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		Final Statement of Accounts			Statutory accounts 2026/27 progress, accounting policies and estimates	