

**MINUTES of the meeting of Audit and Governance Committee  
held at Council Chamber, Shire Hall, St. Peter's Square, Hereford,  
HR1 2HX on Tuesday 21 March 2017 at 2.00 pm**

**Present:** Councillor PD Newman OBE (Chairman)  
Councillor FM Norman (Vice Chairman)

Councillors: ACR Chappell, EPJ Harvey, JF Johnson, RJ Phillips, J Stone and  
LC Tawn

**Officers:** Andrew Lovegrove and Claire Ward, Tracey Sampson, Ian Baker (SWAP),  
Jacqui Gooding (SWAP), Phil Jones (Grant Thornton) and Zoe Johns (Grant  
Thornton)

**187. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor RL Mayo.

**188. NAMED SUBSTITUTES (IF ANY)**

There were no named substitutes.

**189. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**190. MINUTES**

**RESOLVED:**

**That the minutes of the meeting held on 23 January 2017 be confirmed as a  
correct record and signed by the chairman.**

**191. EXTERNAL AUDIT PLAN AND PROGRESS UPDATE**

Members were provided with the external audit plan for 2016/17 for approval and an  
update on the progress of the external auditors.

The plan sets out how the external audit will be conducted and complies with the  
National Audit Office guidance. The plan detailed the key risks and aspects which affect  
the council.

Following a member's query, it was confirmed that if the council disposed or purchased  
of a high number of properties during a financial year, then this would form part of the  
external audit as it could have a significant impact on the council's statement of  
accounts.

It was confirmed that from a fraud and corruption perspective, there were no significantly  
high risk posts identified. There were strategies and procedures in place and key staff  
had to complete mandatory e-learning. It was noted that the revised anti-fraud strategy  
was due to be presented to committee for approval in May 2017.

It was agreed that the chief finance and S151 officer, in liaison with group leaders, would consider the sector issues and developments set out on pages 65 to 72 of the agenda and the impact on the council.

It was noted that the draft statement of accounts would be presented to committee in July 2017 with the final statement of accounts being presented to committee in September 2017 for approval. It was further noted that from 2018/19 that the final statement of accounts would need to be approved in July each year.

**RESOLVED**

**That**

- (a) The external audit plan be approved; and**
- (b) The external auditors update on progress be noted**

**192. INTERNAL AUDIT CHARTER**

Members were presented with the internal audit charter for approval

**RESOLVED**

**That the internal audit charter be approved.**

**193. INTERNAL AUDIT PLAN 2017/18**

Members were provided with the internal audit plan for 2017/18.

It was noted that the plan had been drawn up in liaison with senior managers and directors. The plan was designed to be flexible so that audits could be added if issues were identified during the year. There were a higher number of contingency days and this was to enable the new chief finance and S151 officer to add audits to the plan.

At the request of the committee, the chief finance and S151 officer and SWAP would discuss adding the following audits to the plan in connection with:

- Disposal and purchase of the council's estate to ensure that there were transparent and open processes in place. The audit would also ensure that the council was purchasing or selling property at the local market value.
- Balfour Beatty contract to ensure that the council was getting value for money from the contract.

**RESOLVED**

**That the plan be approved.**

**194. PROGRESS REPORT ON 2016/17 INTERNAL AUDIT PLAN**

Members were presented with an update on the progress of the internal audit work.

It was confirmed that all audits for 2016/17 were in progress and that all work will be completed by end of April 2017. Since the last update, SWAP had completed 15 audits; 6 were follow up audits and the remaining 9 were operational audits.

Members' attention was drawn to the significant and partial assurance findings of the reports which were:

- Recruitment contracts – partial
- Housing and council tax benefits – partial
- Public health contracts – reasonable with one priority 4 finding

It was noted that three additional audits had been added to the 2016/17 plan and four audits had been removed.

The head of HR and organisational development confirmed that a flag is being built into the council's Agresso system. This is to ensure that if a member of staff who was in receipt of a welcome payment left within the two year period, the appropriate recoupment of the welcome payment could take place. It was noted that welcome payments were limited to identified social care posts. It was further noted that a policy on welcome payments was being developed.

Following a member's query, it was noted that the reason for the housing and council tax benefit audit's partial assurance was due to the recommendations of 2014/15 not being completed. The service had put in place plans to complete these actions. It was confirmed that all actions arising from internal audits were now tracked by officers and the committee were provided with a bi-annual update on progress.

#### **RESOLVED**

**That the report be noted.**

#### **195. WORKING GROUP UPDATES**

The solicitor to the council presented the working groups update.

It was noted that the consultation on the revised code of conduct would be starting imminently.

#### **RESOLVED**

That the report be noted.

#### **196. FUTURE WORK PROGRAMME FOR 2017/18**

The committee's updated work programme was presented.

#### **RESOLVED:**

**That the work programme be agreed.**

The meeting ended at 3.51 pm

**CHAIRMAN**