

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.