

# Public Document Pack



Chairman and Members of the Audit and Governance Committee

Your contact: Peter Mannings  
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Date: 17 September 2024

cc. All other recipients of the Audit and Governance Committee agenda

Dear Councillor,

## **AUDIT AND GOVERNANCE COMMITTEE - 25 SEPTEMBER 2024**

Please find attached the following report which was marked “to follow” on the agenda for the above meeting:

10. Audit and Governance Committee Work Programme (Pages 2 - 19)

Please read these papers before the meeting next Wednesday.

Yours faithfully,

Peter Mannings  
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**MEETING** : AUDIT AND GOVERNANCE COMMITTEE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : WEDNESDAY 25 SEPTEMBER 2024  
**TIME** : 7.00 PM

# Agenda Item 10

## **East Herts Council Report**

### **Audit and Governance Committee**

**Date of meeting: 25 September 2024**

**Report by: Steven Linnett, Head of Strategic Finance and Property (Section 151 Officer)**

**Report title: Audit and Governance Committee Work Programme**

**Ward(s) affected: All**

### **Summary**

- To present to Audit and Governance Committee the work programme for the year of finance and audit business with a brief summary of each report so that Members can see the business that will come before the Committee at each meeting.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE**

**(A) Approve the work programme as set out in the report; and**

**(B) Specify any training requirements.**

#### **1.0 Proposal(s)**

1.1 Audit and Governance Committee's audit functions are:

1.1.1 Approving the Council's statement of accounts.

1.1.2 Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.

- 1.1.3 Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- 1.1.4 Be satisfied that the Council's assurance statements, including reviewing the Annual Governance Statement against the good governance framework, properly reflect the risk environment and any actions required to improve it.
- 1.1.5 Approve internal audit's strategy, its plan and monitor its performance.
- 1.1.6 Approve the shared anti-fraud service strategy, its plan and monitor its performance.
- 1.1.7 Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- 1.1.8 Receive the annual report of the head of internal audit.
- 1.1.9 Receive and consider the reports of external audit (including the annual audit letter) and inspection agencies, and monitor management action in response to the issues raised.
- 1.1.10 Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted.
- 1.1.11 Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- 1.1.12 Oversight of the Council's commercial projects.
- 1.2 Audit and Governance Committee's finance functions are:
  - 1.2.1 Receive budget monitoring reports and risk management reports.
  - 1.2.2 Lead the cross-Member scrutiny and consideration of the Council's draft annual budget and medium-term financial plan.

- 1.2.3 Scrutinise the Council's Annual Investment Strategy, Annual Capital Strategy, Mid-Year Treasury Management Report and Annual Treasury Management Report and through review gain assurance that systems of governance and control for Treasury Management are effective.
- 1.2.4 Where appropriate, assisting the Council and the Executive in the development of its budget and policy framework by in-depth analysis of financial, procurement and governance related policy issues.
- 1.2.5 Where relevant to the audit or finance functions of the Committee, overseeing and scrutinising all Internal, Corporate and Corporate Governance functions of the Council.
- 1.3 In order to fulfil these functions a series of reports will be brought to Members to provide:
  - 1.3.1 Assurance that the council's financial affairs are being properly managed and that the council is making the best use of resources;
  - 1.3.2 An adequate and effective system of internal audit is operating and that its approved plan is being delivered;
  - 1.3.3 The Council's governance arrangements are adequate;
  - 1.3.4 That key business risks have been identified, evaluated and are being managed;
  - 1.3.5 That key systems and controls are operating effectively giving assurance that the Statement of Accounts is materially correct and can be approved;
  - 1.3.6 Receive and consider the external auditor's Audit Plan, Audit Results Report and Annual Audit Letter; and
- 2.0 Receive copies of Executive budget monitoring reports, for information, so that the final accounts outturn position can be compared to forecasts during the year.

## Training

- 2.1 Training for Members of the Committee will be delivered for the first 30 minutes of the Committee meeting and will be related to the business before the Committee.
- 2.2 Members are recommended to review the proposed work programme and suggested training and identify any other training needs they require.

## **3.0 Work Programme**

- 3.1 The Committee will note that the statement of accounts is shown as being approved by a sub-committee. Due to the problems in the local government external audit market, audit have been severely delayed due to the external auditor's lack of resources and therefore we cannot predict when audits will return to a firm timetable and the sub-committee is used to approve the statement of accounts as soon as practicable after the audit is completed.
- 3.2 The work programme for the Committee is proposed to be as follows:

<b>Committee</b>	<b>Author</b>	<b>Report Title</b>	<b>Report Summary</b>
Audit & Governance Committee  October 2024	Helen Standen	Presentation: Transforming East Herts	Presentation on the TEH Programme and delivery of savings to date.
	Ben Wood	Assets of Community Value	To present to Audit & Governance Committee the Register of Assets of Community Value annual update report.
	Debbie Hanson EY	External Audit 2021/22	EY Update report
	Nicola Munro	Annual Treasury Report 2023/24	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.
	Steven Linnett	Strategic Risk Register Monitoring Q1 2024/25	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 1.
	Alison Street	Budget 2025/26 and Medium Term Financial Plan 2025/26 – 2029/30	To provide Audit and Governance Committee with an update on the budget and MTFP including costs pressures, savings and efficiencies against

Committee	Author	Report Title	Report Summary
		(Considered by Executive on 01/10/2024)	the original proposals, and budget planning assumptions for scrutiny.
	Steven Linnett	Social Value Policy – Priority Themes, Outcomes and Measures	To present to Audit and Governance Committee an update to the Social Value Policy Themes, Outcomes and Measures
Audit & Governance Committee  November 2024	Michele Aves	<p>Motion to exclude the press and public:</p> <p>That under Section 100 (A) (4) of the Local Government Act 1972 (as amended), the public and press be excluded from the meeting for the following item(s) of business because they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). It is considered that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	<p>Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).</p> <p>Arlingclose Limited will not provide training and treasury updates unless the sessions are closed to the public. As the Committee does training during the meeting it will be necessary to exclude the press and public for the duration of the training session.</p>

Committee	Author	Report Title	Report Summary
	Arlingclose	Training: Treasury Management	Presentation to Members on Treasury Management and the Committee's role in overseeing treasury policies
	Jackie Bruce	Annual Infrastructure Funding Statement Report 2023/24	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2020/21
	Paul Grady	External Audit Update 2023/24  This report is from Azets Audit Services and at their request	To present to Audit and Governance Committee the external auditor's Audit Update Report. The Committee receives the report on behalf of the Council.
	Simon Martin	Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
	Nick Jennings	Shared Anti-fraud Service Anti-Fraud Plan progress report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.



<b>Committee</b>	<b>Author</b>	<b>Report Title</b>	<b>Report Summary</b>
	Head of Strategic Finance and Property	Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance Committee	Alison Street	Budget Scrutiny - Budget 2025/26 and Medium Term Financial Plan 2025-29	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed General Fund Budget and Medium Term Financial Plan for scrutiny.
January 2025	Nicola Munro	Investment Strategy 2025/26 for scrutiny	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed Investment Strategy for scrutiny.
	Nicola Munro	Capital Strategy and Minimum Revenue Provision Policy 2025/26 for scrutiny	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed Capital Strategy and Minimum Revenue Provision Policy for scrutiny.
	Head of Strategic Finance and Property	Procurement Strategy 2024/5 – 2029/30 for scrutiny	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed Procurement Strategy for scrutiny.

Committee	Author	Report Title	Report Summary
	Alison Street	Financial Management 2024/25 – Quarter 2 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 2.
	Nicola Munro	Treasury Management 2024/25 Mid-Year Review	To provide Audit and Governance Committee with a copy of the Treasury Management Mid-Year Review Report so that they can scrutinise the Report
	Nick Jenning	Shared Anti-Fraud Service Anti-Fraud Plan Progress Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
	Nick Jennings	Anti-Fraud Plan	To present to Audit and Governance Committee the Shared Anti-Fraud Service Anti-Fraud Plan for the financial year.
	Simon Martin	Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.

<b>Committee</b>	<b>Author</b>	<b>Report Title</b>	<b>Report Summary</b>
	Simon Martin	Internal Audit Plan	To present to Audit and Governance Committee the Shared Internal Audit Service Audit Plan for the financial year.
	Tyron Suddes	Data Protection Update	To present to Audit and Governance Committee the progress on data protection policies and practices.
Audit and Governance Committee		External Audit Planning Report 2024/25	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
March to May?		Provisional Outturn 2023/24	To present to Audit and Governance Committee the provisional General Fund Revenue and Capital Outturn. The figures remain provisional until the external auditor has completed the audit.
		Receipt of the Final External Auditor's Audit Results Report 2023/24	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit

Committee	Author	Report Title	Report Summary
			responsibilities to those charged with governance (in this case the Audit and Governance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance'.
		Approval of the Statement of Accounts 2023/24	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.
		Approval of the Annual Governance Statement 2023/24	To present to Audit and Governance Committee for approval the Annual Governance Statement for incorporation in the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and

<b>Committee</b>	<b>Author</b>	<b>Report Title</b>	<b>Report Summary</b>
			approve an annual governance statement to accompany the statement of accounts.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance Committee	Michele Aves	Appointment of Vice- Chairman for 2025/26	Members will vote to appoint the Vice Chairman of the Committee
May 2025		Training:	Members are invited to nominate a training topic
	Jess Khanom-Metaman	Leisure Annual Report	To present to Audit & Governance Committee an annual report on leisure so that the Committee can assure Council that the investment in new leisure centres is performing as per the business case and making a return to the council after servicing debt.
	Jess Khanom-Metaman	BEAM Annual Report	To present to Audit & Governance Committee an annual report on BEAM (theatre and cinema in Hertford) so that the Committee can assure Council that the investment in new leisure centres is performing as per the business case and

Committee	Author	Report Title	Report Summary
			making a return to the council after servicing debt.
	Simon Martin	Annual Assurance Statement and Internal Audit Annual Report	To present to Audit and Governance Committee the Annual Report on Internal Audit Activity for the preceding financial year and the level of assurance on the financial systems. Regulation 6 of The Accounts and Audit Regulations 2015 require the Council, at least once a year, to conduct a review of the effectiveness of its internal audit.
	Simon Martin	Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
	Nick Jennings	Anti-Fraud Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's annual anti-fraud report detailing work completed on the Anti-Fraud Plan and detailing detected fraud and any recovery of monies

<b>Committee</b>	<b>Author</b>	<b>Report Title</b>	<b>Report Summary</b>
	Nick Jennings	Shared Anti-Fraud Service Anti-Fraud Plan Progress Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
	Head of Strategic Finance and Property	Strategic Risk Register Monitoring Q4 2024/25 and Annual Review of Risk Management Strategy	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 4.
	Tyron Suddes	Data Protection Update	To present to Audit and Governance Committee an update on data protection
	Head of Strategic Finance and Property	Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit and Governance Committee		Training	TBD
September 2025	Simon Martin	Shared Internal Audit Service Internal Audit Plan Progress Report  (Shared Service reporting timescales need to be negotiated so cannot move to October)	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.

Committee	Author	Report Title	Report Summary
	Nick Jennings	Shared Anti-fraud Service Anti-Fraud Plan progress report  (Shared Service reporting timescales need to be negotiated so cannot move to October)	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
	Head of Strategic Finance and Property	Strategic Risk Register Monitoring Q1 2025/26	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 1.
	Alison Street	Financial Management 2025/26 – Quarter 1 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 1
	Alison Street	Budget 2025/26 and Medium Term Financial Plan 2025/26 – 2029/30  (Considered by Executive on 01/10/2024)	To provide Audit and Governance Committee with an update on the budget and MTFP including costs pressures, savings and efficiencies against the original proposals, and budget planning assumptions for scrutiny.



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	Nicola Munro	Annual Treasury Report 2024/25	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.
	Ben Wood	Assets of Community Value	To present to Audit and Governance Committee the Register of Assets of Community Value annual update report.
	Head of Strategic Finance and Property	Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

## **4.0 Reasons**

4.1 To ensure that Audit and Finance Committee is aware of the work programme and ensure that Members have the opportunity to request any training or briefing around upcoming items.

## **5.0 Risks**

5.1 Risk Management is reported to the Committee regularly.

## **6.0 Implications/Consultations**

### **Community Safety**

No

### **Data Protection**

Data Protection reports and policies will be brought before the Committee as appropriate.

### **Equalities**

No

### **Environmental Sustainability**

No

### **Financial**

The report details the Committee's responsibilities in relation to finance.

### **Health and Safety**

No

### **Human Resources**

No

### **Human Rights**

No

### **Legal**

Legal requirements are noted in the report summaries in the table in this report.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 None

### **Contact Officer**

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### **Report Author**

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