



MEETING : AUDIT AND GOVERNANCE COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 26 SEPTEMBER 2023
TIME : 7.00 PM

PLEASE NOTE TIME AND VENUE

This meeting will be live streamed on the Council's Youtube page:
<https://www.youtube.com/user/EastHertsDistrict>

MEMBERS OF THE COMMITTEE

Councillor Martin Adams (Chairman)
Councillors B Deering, C Hart, D Jacobs, S Nicholls, G Williamson and
D Woollcombe (Vice-Chairman)

*(Note: Substitution arrangements must be notified by the absent Member
to Democratic Services 24 hours before the meeting)*

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- must not participate in any vote taken on the matter at the meeting;
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AGENDA

1. Apologies

To receive any apologies for absence

2. Minutes - 31 May 2023 (Pages 6 - 22)

To approve as a correct record the minutes of the meeting held on 31 May 2023.

3. Chairman's Announcements

4. Declarations of Interest

To receive any declarations of interest.

5. Co-option of Independent Members

To formally co-opt Independent Members Mark Poppy and Nick Sharman onto the Audit and Governance Committee.

6. Training - The Role of Internal Audit

7. Shared Internal Audit Service - Progress Report (Pages 23 - 34)

8. Shared Anti-Fraud Service (SAFS) - Anti-Fraud Report 2022/23 (Pages 35 - 63)

9. Shared Anti-Fraud Service (SAFS) - Anti-Fraud Progress Report 2023/24 (Pages 64 - 76)

10. Data Protection Update (Pages 77 - 82)

11. Assets of Community Value (Pages 83 - 93)

12. Provisional General Fund Revenue & Capital Outturn 2022/23 (Pages 94 - 103)
13. Budget monitoring forecast outturn to year end 2023/24 (Pages 104 - 115)
14. Monitoring of 2023/24 quarter one corporate risk register (Pages 116 - 144)
15. Draft Annual Governance Statement (Pages 145 - 184)
16. Audit and Governance Work Programme (Pages 185 - 200)
17. Urgent Items

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

Agenda Item 2

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MINUTES OF A MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER,
WALLFIELDS, HERTFORD ON WEDNESDAY
31 MAY 2023, AT 7.00 PM

PRESENT:

Councillor M Adams (Chairman)
Councillors B Deering, C Hart, D Jacobs,
S Nicholls, G Williamson and
D Woollcombe

ALSO PRESENT:

Councillors P Boylan, B Crystall and
S Hopewell

OFFICERS IN ATTENDANCE:

Michele Aves	- Democratic Services Officer
Jess Khanom-Metaman	- Head of Operations
Steven Linnett	- Head of Strategic Finance and Property
Simon Martin	- Client Audit Manager, Shared Internal Audit Service
Ian Sharratt	- Leisure and Parks Development Manager
Alison Street	- Financial Planning Manager
Rhys Thomas	- Theatre Director and Arts Advisor

ALSO IN ATTENDANCE:

Debbie Hanson	- Ernst Young LLP
Dan Humphries	- Contracts Manager, Everyone Active
Rachel Merez	- Ernst Young LLP

18 APPOINTMENT OF VICE-CHAIRMAN

It was moved by Councillor Nicholls and seconded by Councillor Hart, that Councillor Woollcombe be appointed Vice-Chairman of the Audit and Governance Committee. After being put to the meeting and a vote taken, the motion was declared CARRIED. It was noted that Councillors Deering and Williamson abstained from the vote.

RESOLVED – that Councillor Woollcombe be appointed as Vice-Chairman of the Audit and Governance Committee.

19 APOLOGIES

An advance apology for lateness was received from Councillor Woollcombe.

20 MINUTES - AUDIT AND GOVERNANCE SUB-COMMITTEE, 16 MARCH 2023

It was moved by Councillor Nicholls and seconded by Councillor Hart, that the Minutes of the meeting of the Sub-Committee held on 16 March 2023 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED. It was noted that Councillors Deering, Jacobs and Williamson abstained from the vote.

RESOLVED – that the Minutes of the Sub-

Committee meeting held on 16 March 2023 be confirmed as a correct record and signed by the Chairman.

21 MINUTES - 12 APRIL 2023

It was moved by Councillor Nicholls and seconded by Councillor Hart, that the Minutes of the meeting of the Committee held on 12 April 2023 be confirmed as a correct record and signed by the Chairman. After being put to the meeting and a vote taken, this motion was declared CARRIED. It was noted that Councillors Deering, Jacobs and Williamson abstained from the vote.

RESOLVED – that the Minutes of the Committee meeting held on 12 April 2023 be confirmed as a correct record and signed by the Chairman.

22 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed all to the meeting, thanking them for their attendance. He said that it was a privilege to be the Chairman of the Committee and extended his gratitude to both officers and the previous administration for their work.

23 DECLARATIONS OF INTEREST

There were no declarations of interest.

24 TRAINING - THE ROLE OF THE AUDIT AND GOVERNANCE COMMITTEE

The Head of Strategic Finance and Property gave a presentation to Members on 'The Role of the Audit and Governance Committee'. The presentation gave Members an overview of the Committee's purpose and explained how the Committee's agendas met its remit.

The Chairman thanked the Head of Strategic Finance and Property for his presentation.

RESOLVED – that the training be received.

25 ANNUAL LEISURE CONTRACT PERFORMANCE REPORT 2023

The Executive Member for Wellbeing introduced the report, explaining that the Council was in the fourth year of a fifteen-year leisure contract with Everyone Active.

The Executive Member for Wellbeing then introduced the Contracts Manager from Everyone Active who gave a presentation to the Committee. The presentation gave a review of the 2022 year and gave detail on all aspects of the leisure contract. This included achievements, participation, staffing, partnerships and environmental and energy information.

The Chairman thanked the Contracts Manager for his presentation.

Councillor Jacobs said that the presentation contained lots of figures but none in relation to service-level agreements (SLA's), and he asked if there were any SLA's in place.

The Contracts Manager said that this information was not part of his presentation speech, but that a number of key targets were set each year in terms of participation. He said that these targets were being met and he located a slide from within the presentation which gave a breakdown of this information.

Councillor Deering asked that the presentation slides be circulated to the Committee Members. He said that the initiatives within the report were something to be proud of and which could be attributed to the previous administration.

Councillor Hart asked for clarification of what specifically was being heated to a fixed temperature of twenty degrees.

The Contracts Manager said that the heating of office space was set to twenty degrees when occupied. He said that it would be necessary to be mindful of colleagues if a reduction in this temperature was to be considered.

RESOLVED – that the report be received and noted.

26 HERTFORD THEATRE PRICING STRATEGY REPORT

The Executive Member for Wellbeing introduced the report. She said that the Hertford Theatre Growth and Legacy Project was on track for opening in Spring 2024, and that in anticipation for the opening of the new building a pricing strategy needed to be confirmed.

Councillor Williams referred to the table shown on page 65 of the report. He said that the proposed hire charges could be seen from line 12 of the table (which factored in inflation and the increase in the theatre's capacity) and asked for clarification as to why a figure of a third had been used.

The Theatre Director and East Herts Council Arts

Advisor said that the figures presented needed to meet the business case. He said that the 12.5% increase (which represented a third) shown in the proposed pricing was an attempt to not fully reflect the increase in the theatre's capacity from 400 – 550 seats in the hire charges.

Councillor Williamson asked if a figure of a half would be deemed too expensive.

The Theatre Director and East Herts Council Arts Advisor said that using a figure of a half would be too expensive, and that benchmarking against other comparable theatres had been done.

Councillor Jacobs referred to paragraph 2.13 of the report and asked how the variety of terms upon which productions are made available to the theatre aligned with the fixed price regime outlined.

The Theatre Director and East Herts Council Arts Advisor said that curated programme events did not come into the theatre on a hire basis. He said that instead a deal would be agreed with the artist's promoter, and this differed from the fixed pricing which was applied when a customer wished to take the building in its entirety.

The Theatre Director and East Herts Council Arts Advisor said that the curated programme looked to develop different audiences and a give a breadth and depth of offers. He said that he was comfortable to support non-professional organisations where reasonably possible, but from a business aspect it would not be sensible to carry the risk of such shows

within the curated programme.

The Head of Operations said that the project looked to increase theatre participation and remove intimidation, with a balance between commercial and community outreach. She said that the theatre team were experts in this area, with an understanding of the local community, including the needs of marginalised groups.

Councillor Deering said that Hertford Theatre will be fantastic for all in East Herts. He said that the Theatre Director and East Herts Council Arts Advisor and his team deserved credit for the challenging project as did the previous administration.

It was moved by Councillor Hart and seconded by Councillor Woollcombe, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the principle of, and approach to, charging for all aspects of the new Hertford Theatre building, as outlined in the report be endorsed, in order to inform the Executive's consideration for adoption.

27 RECEIPT OF THE EXTERNAL AUDITOR'S AUDITOR'S ANNUAL REPORT 2020/21

The Head of Strategic Finance and Property introduced his covering report. He said that the External Auditor would follow his introduction to present their report, which would set out the final results of their delayed audit of the 2020/21 statement of accounts.

The Head of Strategic Finance and Property drew Members' attention to the links provided within the summary paragraph of his report. These links took followers to the Minutes of the meetings of the Committee held on 5 April 2022 and 16 March 2023 where the Interim Audit Results Report 2020/21 and the Receipt of the External Auditor's Audit Results Report 2020/21 were received.

The External Auditor sought to clarify some of the points within the Head of Strategic Finance and Property's covering report.

The External Auditor referred to page 79 of the report and said that the protracted timeframe described was in part due to the communication method used between the Auditors and the Council's Finance Team. She explained that the submission of papers was completed via a canvass portal, which was more secure than email and allowed multiple staff members to view documents, but which could cause users to have to load papers multiple times. She said that this was an issue which would be looked at and streamlined for next year.

The External Auditor said that the problems which related to the errors in the calculation of the net pension liability affected all the bodies within Hertfordshire. This resulted in the Actuary having to produce an updated ISA19 report, which has impacted all the audits in Hertfordshire.

The External Auditor said that to catch up, work for the 2021/22 audits started in January of this year, before the previous audit for 2020/21 had been concluded.

She said that the target to complete work for 2021/22 was March 2023, but that requests for information from the Council had been understandably delayed due to the Council's budget and other internal actions. She said work was now required to produce a clear timetable for completion, and she assured Members that the External Auditor was not working towards an estimated completion date of November 2023.

The Chairman thanked the External Auditor for her clarification, and asked Members if they had any questions.

Councillor Deering asked if the Council was reserving its position as the delay to the Audit was very significant and had consequences for the Council.

The Head of Strategic Finance and Property said that the Auditor had included additional fee analysis at Appendix B to their report. He said that the scale fees were set by the Public Sector Audit Appointments Limited (PSAA), and any additional fees would also be moderated by the PSAA.

Councillor Deering said that, as detailed in the report, the delays had caused the Council inconvenience, extra work and extra cost, and asked if the Council was therefore seeking reimbursement from the Auditors or if it was reserving its position.

The Head of Strategic Finance and Property said that no such conversation regarding fees had taken place with the Auditors. He said that the Audit was conducted under a statutory regime, and he would therefore need to take advice from the Monitoring

Officer.

Councillor Deering asked that the Head of Strategic Finance and Property report back to the Committee once he had consultation with the Monitoring Officer.

The External Auditor said that it should be noted that some of the delays were caused by the Council not having the capacity to provide information to the Auditors in a timely manner. She said that it would not be appropriate to attribute all the delays to the Auditor.

Councillor Deering said that he understood what was being said and that he did not wish to apportion blame, hence the neutral term used in his question.

The External Auditor introduced her report. She said that the report was required to be produced following the conclusion of the Audit work and included commentary on the Council's Value for Money Arrangements.

The External Auditor referred to page 86 of the report which gave an unqualified opinion on the Council's financial statements for which there were no concerns.

The External Auditor said that there were four adjustments which reflected errors in previous years. She said that these would feed through into the provisional audit plan which Members would also be taken through for the next item on the agenda.

The External Auditor referred to page 105 of the report, which gave Value for Money commentary

against three key areas, financial sustainability, governance arrangements and arrangements to improve economy, efficiency and effectiveness. She said that there were no concerns in these three areas.

The Chairman thanked the External Auditor for her report and asked Members if they had any questions.

Councillor Jacobs referred to page 87 of the report and asked for clarification on the Auditor not yet issuing their certificate for 2020/21. He asked if the Audit was therefore incomplete.

The External Auditor said that every council in the country found itself in the unusual situation where a certificate of a completed audit could not be issued until the National Audit Office had clarified the additional work they may require for sampled bodies. She said that potentially the Audit was incomplete should East Herts Council be selected for sample, and that this was out of the Council and the Auditor's control.

The Chairman asked the External Auditor if the 2021 Audit was a reflection on how the Council had been audited in previous years.

The External Auditor said that it was difficult for her to comment as she had not completed the previous year's audit. She said that the level of errors identified was greater than in prior years, but this in part due to an increase in focus on certain areas. She said that some of the errors identified were technical and had no impact on the bottom line, being presentational only.

RESOLVED – that the External Auditor's Audit Results Report 2020/21 be received.

28 RECEIPT OF THE EXTERNAL AUDITOR'S PROVISIONAL AUDIT PLANNING REPORT 2021/22

The Head of Strategic Finance and Property introduced his covering report. He said that the External Auditor would follow his introduction to present their report, which would set out the provisional planning of their delayed audit of the 2021/22 statement of accounts.

The External Auditor presented her report which she said she would take as read, but highlighted three items; risk, materiality and value for money.

The External Auditor referred to page 138 of the report and said that primarily the risks identified for 2021/22 were largely similar to those identified in 2020/21.

The External Auditor drew Members' attention to the fraud risks identified in the report, giving further explanation on each risk and setting out the audit strategy and approach.

The External Auditor referred to page 140 of the report and said that the use of the figure of 2% of gross revenue expenditure for 2021/22 was in line with the prior year. She said that the use of 50% of materiality was a decrease from the prior's figure of 75% due to the feedback of errors found.

The External Auditor said that with regards to value for money, risk assessment procedures were ongoing.

The External Auditor gave an update to the 2021/22 audit which commenced in January 2023. She said to date 73% of procedures were in review or completed, and that Auditors were in constant communication with the Council's Finance Team alongside checking the portal for receipt of new information.

The Chairman thanked the External Auditor for her report and asked Members if they had any questions.

Councillor Jacobs referred to page 166 of the report and asked for clarification that the 2021/22 audit would be completed by June 2023.

The External Auditor said that completion of the 2021/22 audit had been slightly pushed back from June 2023 to September 2023 due to national issues and outstanding portal requests. She said that the target was to bring an Audit Results Report to the next meeting of the Committee in September 2023.

RESOLVED – that the External Auditor's Provisional Audit Planning Report 2021/22 be received.

29 ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT
ANNUAL REPORT 2022/23

The Shared Internal Audit Service Manager introduced the report. He drew Members' attention to the explanatory narrative within the report and confirmed that training on 'The Role of Internal Audit' had been scheduled for the Committees' September meeting.

The Chairman thanked the Shared Internal Audit Service Manager for his report, and as per the fourth

recommendation asked the Head of Strategic Finance and Property for management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2022/23.

The Head of Strategic Finance and Property confirmed that there were no such inappropriate limitations for internal audit in 2022/23.

It was moved by Councillor Woollcombe and seconded by Councillor Nicholls, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the Annual Assurance Statement and Internal Audit Annual Report be noted; and

(B) that the results of the self-assessment required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP) be noted; and

(C) that the SIAS Audit Charter for 2023/24 be accepted; and

(D) that management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2022/23 be sought.

30 MONITORING OF 2022/23 QUARTER FOUR CORPORATE RISK REGISTER

The Head of Strategic Finance and Property introduced

the report, which provided an update to the Council's corporate risks for quarter four and detailed how these risks were managed. He said that there had been little change from quarter three, but since the publication of the report on 31 March 2023, the World Health Organisation had declared the end of the Covid-19 pandemic, which would cause a subsequent revision of this risk.

The Head of Strategic Finance and Property said that there had also been a consultation which would see an increase in planning fees, and that the risks surrounding political change to the Council had occurred.

Councillor Jacobs said that it may be helpful to Members if a clearer statement of the risk itself was included within the format of the register.

The Head of Strategic Finance and Property said that a description of each risk was included under the 'trigger' column of the register, but that he would consider Councillor Jacobs' suggestion.

Councillor Deering referred to page 211 of the report and asked for amplification regarding the updated commentary to Risk Seven – District Plan.

The Head of Strategic Finance and Property said that the previous Committee had raised questions regarding the risk level associated to Risk Seven, causing the risk owner to update the commentary (as per page 229 of the report). He said that he would access the relevant page of the quarter three report and provide this to Councillor Deering to enable him to

see the changes in the commentary.

It was moved by Councillor Nicholls and seconded by Councillor Woollcombe, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED - that (A) the 2022/23 quarter four corporate risk register be reviewed, and officers advised of any further action that could be taken to manage risk; and

B) that the risks monitored at present are retained for 2023/24.

31 AUDIT AND GOVERNANCE WORK PROGRAMME

The Head of Strategic Finance and Property introduced the report which detailed the work programme for the Committee.

The Chairman thanked the Head of Strategic Finance and Property for his report and asked if Members had any questions or training requirements.

Members had no such questions or requirements.

It was moved by Councillor Nicholls and seconded by Councillor Hart, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the work programme as set out in the report be approved; and

(B) that any training requirements be specified.

32 URGENT ITEMS

There were no urgent items.

The meeting closed at 8.45 pm

Chairman

Date



East Herts Council Audit & Governance Committee

26 September 2023
Shared Internal Audit Service –
Progress Report

Recommendations

Members are recommended to:

- a) Note the Internal Audit Progress Report
- b) Note the Status of Critical and High Priority Recommendations

Contents

- 1 Introduction and Background
 - 1.1 Purpose
 - 1.2 Background
- 2 Audit Plan Update
 - 2.1 Delivery of Internal Audit Plan and Key Findings
 - 2.4 Internal Audit Plan Changes
 - 2.5 Critical and High Priority Recommendations
 - 2.7 Performance Management

Appendices:

- A Progress against the 2023/24 Internal Audit Plan
- B Implementation Status of Critical and High Priority Recommendations
- C Internal Audit Plan Items (April 2023 to March 2024) - Indicative start dates agreed with management
- D Assurance Definitions / Priority Levels

1 Introduction and Background

Purpose of Report

- 1.1 To provide Members with:
- The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2023/24 Internal Audit Plan to 8 September 2023.
 - The findings for the period 1 April 2023 to 8 September 2023.
 - Details of any changes required to the approved Internal Audit Plan.
 - The implementation status of previously agreed audit recommendations.
 - An update on performance management information to 8 September 2023.

Background

- 1.2 Internal Audit's Annual Plan for 2023/24 was approved by the Audit & Governance Committee at its meeting on 28 March 2023. The Audit & Governance Committee receive periodic updates against the Internal Audit Plan. This is the first update report for 2023/24.
- 1.3 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include details of changes to the agreed Annual Internal Audit Plan.

2 Audit Plan Update

Delivery of Internal Audit Plan and Key Audit Findings

- 2.1 As of 8 September 2023, 30% of the 2023/24 Internal Audit Plan days have been delivered (the calculation excludes contingency days that have not yet been allocated).
- 2.2 The following final reports have been issued since 1 April 2023:

Audit Title	Date of Issue	Assurance Level	Number of Recommendations
Next Steps Accommodation Programme (grant certification)	May 2023	Unqualified	None
Supply Chain Interruption 2022/23	Jun 2023	Substantial	Two Low Priority
Customer Services Cash Handling	Sep 2023	Reasonable	Four Medium Priority

See definitions for the above assurance levels and recommendation priorities at Appendix D.

- 2.3 The table below summarises the position regarding delivery of the 2023/24 approved projects to 8 September 2023. Appendix A provides a status update on each individual project within the 2023/24 Internal Audit Plan.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	3	11%
Draft Report Issued	2	8%
In Fieldwork/Quality Review	4	15%
In Planning/Terms of Reference Issued	6	23%
Allocated	1	4%
Not Yet Allocated	10	39%
Cancelled/Deferred	0	0%
Total	26	100%

Internal Audit Plan Changes

- 2.4 There has not been any Internal Audit Plan changes during the year to date.

Critical and High Priority Recommendations

- 2.5 Members will be aware that a Final Audit Report is issued when it has been agreed ("signed off") by management; this includes an agreement to implement the recommendations that have been made.
- 2.6 The schedule attached at Appendix B details any outstanding Critical and High priority audit recommendations. No new recommendations have been added to the schedule.

Performance Management

- 2.7 The 2023/24 annual performance indicators were approved at the SIAS Board meeting in March 2023.
- 2.8 The actual performance for East Herts Council against the targets that can be monitored in year is set out in the table overleaf:

Performance Indicator	Performance Target for 31 March 2024	Profiled Performance 8 Sept 2023	Actual Performance 8 Sept 2023	Notes
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	34%	30%	70.5 days delivered out of the current 238 days planned
2. Planned Projects * – percentage of actual completed projects to draft report stage against planned completed projects by 31 st March 2024	90%	27%	19%	5 projects to draft or final report from the 26 planned
3. Planned Projects – percentage of actual completed projects to final report stage against planned completed projects by the production of the Annual Report	100%	N/a	11%	New Indicator – first measurement will be May 2024 (Currently 3/26 delivered to final report)
4. Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	100%	Based on the results of the 1 completed questionnaire received (from the 2 issued)
5. Number of High and Critical Priority Audit Recommendations agreed as a percentage	95%	0%	0%	No High Priority recommendations made and agreed

* Based on Audit Plan 'deliverables' at draft, final and audit closed stage and items carried forward from 2022/23 that were not at draft report stage by 31 March 2023.

2.9 In addition, the performance targets listed below are annual in nature. Members will be updated on the performance against these targets within a separate Annual Report:

- **6. Annual Plan** – prepared in time to present to the March meeting of each Audit & Governance Committee. If there is no March meeting, then the Plan should be prepared for the first meeting of the financial year. This indicator was achieved for 2023/24 as the audit plan for the financial year 2023/24 was presented to the Committee in March 2023.

- **7. Chief Audit Executive's Annual Report** – presented at the May meeting of the Audit & Governance Committee. This indicator was achieved for 2023/24 as the Client Audit Manager's Annual Report (for 2022/23) was presented to the May 2023 meeting of this committee.

Summary of Performance Against KPI's

- 2.10 In respect of current performance against key performance indicators, SIAS are broadly on track with profiled targets for both delivery of planned days and projects. As the Committee will be aware, during 2022/23 SIAS had several vacant posts, with these reaching six vacancies at the end of the financial year. This resulted in SIAS using additional resources from external partners to deliver the planned work for quarter four and allowed us to complete the programmes of work for all SIAS Partners.
- 2.11 We are pleased to report that significant progress has been made in filling the vacancies. A new Assistant Client Audit Manager started in June and three Trainee Auditors started in August. A new Client Audit Manager has also started this month. Combined with the ability to use our external co-sourced partner, we are currently satisfied that sufficient internal resources are available to deliver the East Herts Council Internal Audit Plan for 2023/24.

APPENDIX A - PROGRESS AGAINST THE 2023/24 INTERNAL AUDIT PLAN

2023/24 Internal Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS *				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Key Financial Systems – 49 days									
Business Rates (shared with SBC)						49	No	1.0	Not Yet Allocated
Council Tax (shared with SBC)							No		Not Yet Allocated
Housing Benefits (shared with SBC)							No		Not Yet Allocated
Creditors							No		Not Yet Allocated
Debtors							Yes		ToR Issued
Asset Management							No		Not Yet Allocated
Treasury Management							No		Not Yet Allocated
Main Accounting							No		Not Yet Allocated
Payroll							No		Not Yet Allocated
Operational Audits – 95 days									
S106 Agreements						12	Yes	7.5	In Fieldwork
Land Charges						10	Yes	5.0	In Fieldwork
Community Grants & Funding						12	Yes	1.5	ToR Issued
Houses in Multiple Occupation						10	Yes	9.5	Draft Report Issued
Environmental Health Case Management Record Keeping						15	Yes	0.5	In Planning
Customer Services Cash Handling	Reasonable	0	0	4	0	8	Yes	8.0	Final Report Issued
Court Cost Tracking						10	Yes	1.5	In Planning
Residents Parking Permits						8	Yes	1.5	ToR Issued
Planning & Development Fees						10	Yes	2.5	In Fieldwork
On Demand Grant Audits – 7 days									
Next Steps Accommodation Programme	Unqualified	N/A				1	Yes	1	Final Report Issued
Grant Audit Contingency						6	N/A	0	Through Year

APPENDIX A - PROGRESS AGAINST THE 2023/24 INTERNAL AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS *				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Corporate Services/Themes – 28 days									
Tendering Process						12	Yes	7	In Fieldwork
Risk Management (Assurance Mapping Refresh)						2	No	0	Not Yet Allocated
Corporate Governance (Assurance Mapping Refresh)						2	No	0	Not Yet Allocated
Transformation (continuous assurance)						12	No	0	Not Yet Allocated
IT Audits – 12 days									
Mobile Phone Security (shared with SBC)						6	Yes	0	Allocated
IT Project Management (shared with SBC)						6	Yes	1	ToR Issued
Completion of 2022/23 Projects – 6 days									
Supply Chain Interruption	Substantial	0	0	0	2	6	Yes	4	Final Report Issued
Elections Payroll							Yes		Draft Report Issued
Contingency – 6 days									
Contingency						6	N/A	0	Through Year
Strategic Support – 47 days									
Head of Assurance Opinion						3	Yes	3	Complete
Audit Committee & Recommendation Follow Up						10	Yes	3	Through Year
Client Engagement & Adhoc Advice						10	Yes	3	Through Year
2024/25 Audit Planning						5	Yes	0	Allocated
Service Development						5	Yes	5	Through Year
Progress Monitoring						12	Yes	5	Through Year
SAFS Related Matters						2	Yes	0	Through Year
SBC TOTAL		0	0	4	2	250		70.5	

* C = Critical Priority, H = High Priority, M = Medium Priority, LA = Low/Advisory Priority

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

The following appendix provides Audit & Governance Committee Members with a summary of the most recent update provided by management in respect of outstanding high priority recommendations.

No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Sept 2023)
1.	Payment Card Data Security Standard (2020/21).	<p><u>Recommendation:</u> <u>PCI-DSS Self-Assessment & Compliance Structure.</u> The Council has not completed a SAQ and does not have a formal PCI-DSS compliance strategy/program in place to meet required data security standards. As the option for non-compliance was taken several years ago and since that point there have been multiple personnel changes, the Council should re-assess the level of risk and decide if the non-compliant route is still the most preferred option. A cross-Council PCI-DSS working group should be established to focus on assessing the level of risk presented by sustained non-compliance with the PCI-DSS. This group's primary objective should be to determine whether to accept the level of risk and continue to pay the monthly penalty imposed by WorldPay or agree roles and responsibilities to engineer and maintain compliance with the published standards. Should the decision be made to focus on compliance, the Councils are recommended to consult the best practice guidance produced by the PCI DSS Council in January 2019.</p> <p><u>Agreed Management Action(s):</u> The s.151 officer has advised that the level of risk and the monthly fines for non-compliance does not represent proper management of financial affairs. In addition, the expansion of the number of services to be put on the web, which require the ability to have payment facilities, means that the Council must be PCIDSS compliant in order to proceed. Having previous experience of ICON it is not possible to achieve PCIDSS compliance with this software and suitable replacement software has been identified. This will be implemented jointly with Stevenage BC. A revised Information Security Policy has been developed and will be distributed to staff annually as part of the compliance process. This emphasises card security measures in the short term.</p>	<p>Responsible Officer: Head of Strategic Finance & Property.</p> <p>Revised Due Date: 31 March 2024.</p>	<p><u>September 2023.</u> Ultimately dependent on the replacement of ICON, scheduled for implementation 1 April 2024.</p>	Partially implemented.

APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Sept 2023)
2.	Payment Card Data Security Standard (2020/21).	<p><u>Recommendation:</u> <u>Roles and Responsibilities.</u> As a subsequent output from the formation of the cross-Council PCI-DSS working group, there should be named individuals assigned to steering the Councils compliance journey. Traditionally, the ownership of the compliance process may be the Head of Finance, as they generally occupy the position of signing off the annual Attestation of Compliance (AoC). But it must also be noted that much of the compliance structure content relates to technical configuration, so the Council should designate roles based on this dual ownership. Whilst Finance owns the overall compliance objective, the IT work stream owns the infrastructure that the payment systems sit on. Both departments should have an equal vested interest in compliance.</p> <p><u>Agreed Management Action(s):</u> The above will lead the new system implementation and compliance as he has done this at a previous authority. To achieve compliance the new system will not permit card number entry by staff. Instead, customers choosing to phone up to pay will be handed off to a secure IVR system and will need to enter card details on their phone keypad. Subsequent payments, providing it is for a service with an account number for the customer, e.g. Council Tax, then the system uses a secure token that shows the last 4 digits of the card number and the expiry date. The customer is asked to confirm the expiry date and payment can be taken from that card with no need for card input unless the card is replaced/renewed.</p> <ul style="list-style-type: none"> - About 60% of PCIDSS compliance relates to firewalls, encryption and network security and requires best practice testing and maintenance which will be usefully checked for PCIDSS compliance as well as the standard annual cyber security checks. 	<p>Responsible Officer: Head of Strategic Finance & Property.</p> <p>Revised Due Date: 31 March 2024.</p>	<p><u>January 2023.</u> Ultimately dependent on the replacement of ICON, scheduled for 1 April 2024.</p>	Partially implemented.

APPENDIX C – INTERNAL AUDIT PLAN 2023/24 – PLANNED AUDIT START DATES

Apr	May	Jun	July	Aug	Sept
Supply Chain Interruption 2022/23 (Final Report)	Customer Services Cash Handling (Final Report)	Land Charges (In Fieldwork) c/f from April	Tender Process (In Fieldwork) c/f from May	Houses in Multiple Occupation (Draft Report)	Debtors (ToR Issued)
Elections Payroll 2022/23 (Draft Report)	Next Steps Accommodation Programme (Final Report)		S106 Agreements (In Fieldwork) c/f from May	Court Cost Tracking (In Planning)	Planning & Development Fees (In Fieldwork)
				Environmental Health Case Management - Record Keeping (In Planning) c/f from June	Residents Parking Permits (ToR issued) b/f from Oct
				Community Grants & Funding (ToR Issued) c/f from July	IT Project Management (ToR Issued)
Oct	Nov	Dec	Jan	Feb	Mar
Creditors	Mobile Device Security (Allocated)	Business Rates	Council Tax	Treasury Management Assurance Mapping Refresh	
	Housing Benefits	Payroll Assurance Mapping Refresh	Asset Management Assurance Mapping Refresh	Risk Management Assurance Mapping Refresh	
			Main Accounting Assurance Mapping Refresh	Corporate Governance Assurance Mapping Refresh	

APPENDIX D – ASSURANCE/PRIORITY LEVELS

Audit Opinions		
Assurance Level		Definition
Assurance Reviews		
Substantial		A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support 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.
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.
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.
Not Assessed		This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.
Grant / Funding Certification Reviews		
Unqualified		No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.
Qualified		Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.
Disclaimer Opinion		Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.
Adverse Opinion		Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.
Recommendation Priority Levels		
Priority Level		Definition
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.



East Herts Council

Audit & Governance Committee

Anti-Fraud Report 2022/23

Purpose

1. This report provides details of the work undertaken by the Council and the Shared Anti-Fraud Service to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2022/2023.

Recommendations

2. **Members are RECOMMENDED to:**
 - a) **Note the activity undertaken by the Shared Anti-Fraud Service to deliver the 2022/2023 Anti-Fraud Plan for the Council.**
 - b) **Note the other anti-fraud activity undertaken to protect the Council.**

Background

3. National reports and papers continue to be used by the Shared Anti-Fraud Service (SAFS) to ensure that the Council is aware of new and emerging fraud threats as well as those established/known risks. This helps to mitigate or manage the Council's fraud risks through a programme of work including the Anti-Fraud Plan. Details of these reports, along with other recommended reading for Members, can be found below and at **Section 57** of this report.

4. Some of the most significant recent reports include:

Fighting Fraud and Corruption Locally a Strategy for the 2020's. This strategy focuses on the governance and 'ownership' of anti-fraud and corruption arrangements. The Strategy also identifies areas of best practice and includes a 'Checklist' to compare against actions taken by the Council to deter/prevent/investigate fraud. The checklist is maintained and reviewed by SAFS and officers.

Fraud Risk Management Guide. Published in March 2023, this international guide from COSO, in the USA, and the Association of Counter Fraud Examiners lays out the case for fraud risk assessments to help organisations understand their risks so that they can plan to manage and mitigate these.

Lost Homes, Lost Hope. This paper, published by the Fraud Advisory Panel & Tenancy Fraud Forum in April 2023, uses previous data and research to estimate the current cost to local government of tenancy fraud along with the volume of fraud in this area across the sector.

5. According to reports from CIPFA, National Audit Office (NAO), Cabinet Office, and the private sector fraud risk across local government in England exceeds £2 billion each year, but no detailed research in this area has been undertaken for a number of years.
6. The Public Sector Fraud Authority (Cabinet Office), Department for Levelling Up, Housing and Communities (DLUHC), National Audit Office, and CIPFA all continue to issue advice, and best practice to support local councils in the fight to combat

fraud and prevent loss to the public purse. This includes the need for all councils to be vigilant in recognising their fraud risks and to invest sufficient resources in counter fraud activities that deliver tangible savings.

7. It is essential that the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies and a response to deal with the investigation and prosecution of identified fraud.
8. East Hertfordshire District Council (East Herts Council/the Council) is a founding member of the Shared Anti-Fraud Service (SAFS). Members of this committee, and the Senior Leadership Team have received regular reports since then detailing how SAFS works closely with the Shared Internal Audit Service (SIAS), dealing with all aspects of fraud/corruption/money laundering from prevention & deterrence to investigation & prosecution, working with staff at all levels across the Council

Report - Delivery of the 2022/2023 Anti-Fraud Plan

2022/2023 Plan

9. In March 2022, this committee approved the Anti-Fraud Plan for 2022/2023 developed with Council officers in partnership with SAFS. A copy of the Plan can be found at **Appendix 1**.
10. The Plan includes resources and costings for its delivery, and activity to protect the Council from fraud. The plan includes reference to the latest Fighting Fraud and Corruption Locally Strategy and Key Performance Indicators (KPIs) for SAFS which were agreed with senior officers. KPI performance can be found in **Table 1** below.
11. The Anti-Fraud Plan for 2022/23 was designed to meet the recommendations of the Fighting Fraud and Corruption Locally Strategy (FFCL), adopting the five 'pillars' of Protect, Govern, Acknowledge, Prevent and Pursue. The Plan identifies officers and members who are charged with delivering it.
12. The Council adopted the FFCL checklist as a 'To-do' list to assist in identifying weaknesses in its anti-fraud defences and a method to provide assurance to senior leaders and elected Members about the effectiveness of the Councils anti-fraud activity. We continue to use the checklist to inform the Councils Anti-Fraud Plan for 2023/24, adding new actions/objectives as they become relevant.
13. Members will note that this Committee has a continuing role in ensuring that the Council meets the objectives in the Anti-Fraud Plan.

Staffing

14. The SAFS Team (in April 2022) was composed of 22 professionally accredited counter fraud staff, based at the County Council's offices in Hertford.
15. Each SAFS Partner receives dedicated support and response and for 2022/23 this was achieved by allocating a number of staff to work exclusively for each Partner, but also allowing officers within the Team to work across Partners from time to time. Providing the service in this way allows SAFS staff to develop good working

relationships with Council officers as well as improved resilience and flexibility across the Partnership.

16. For 2022/23, SAFS planned to deploy 1 FTE to work exclusively for the Council supported by SAFS management and specialists in data-analytics, training, communications, financial investigations, and intelligence.
17. All SAFS officers are all fully trained and accredited and members of the Government Counter Fraud Profession. The Profession is made up of various streams including awareness training, fraud risk assessment, investigations, intelligence, data-analytics, and investigation management.
18. As part of the Anti-Fraud Plan for the Council objectives and KPIs are agreed with senior managers across the Council. Progress against these KPI's are reviewed during the year.

Table 1. SAFS KPIs for 2022/2023 and Performance

KPI	Measure	Target 2022/23	Performance 2022/2023
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	Report to SAFS Board in June/Sep/Dec/March. Service Director: Resources sits on the SAFS Board, and meets with SAFS Mgt regularly to review work, and call in support as needed.
2	Provide an investigation service.	A. 1 FTE on call at the Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit & Governance Committee in year. C. SAFS Attendance at Corporate Governance, Champion meetings, team management meetings.	A. 1 FTE available throughout the year. B. Reports to A&GC in September 2022 and December 2022 and March 2023. C. SAFS has close working with relationship with R&B and Housing Services. Regular liaison is takes place with senior management.
3	Action on reported fraud.	A. All urgent/ high risk cases 24 hours from receipt. B. All other cases 2 working days on Average. C. Sharing of Fraud Alerts- within 2 working days. D. Dissemination of non-HBC referrals to 3 rd parties within 2 working days (Police/HMRC/DWP/NCSC)	A. All urgent cases were resolved within 24 hrs. B. Non-urgent referrals took 1-day on average to respond to. C. Fraud- Alerts were shared, but there were some delays with meeting the 2-day target in 22/23. D. Referrals to 3 rd parties, including DWP, occurred within 2 days.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Membership of CIPFA Counter Fraud Centre C. Access to CIFAS best practice/guidance/fraud alerts D. NAFN Access/Training for relevant Council Staff. E. 5 Training events for staff/Members in year. F. Money Laundering Reporting Officer	A. SAFS funds the Councils licences with NAFN & PNLD. B. SAFS has access to CIPFA CF Centre. C. SAFS Officers sit on BSWP for Local Government Group and London OFIG. D. SAFS and Council staff made use of NAFN E. SAFS delivered 5 training events to staff. F. MLRO support is in place with policies agreed.
5	Allegations of fraud received. & Success rates for cases investigated.	A. All reported fraud (referrals) will be logged and reported to the Council by type & source. B. All cases investigated will be recorded and the outcomes reported. C. All 'sanctions' imposed in live with Council policies/ legislation	A. This is happening daily as referrals received B. All cases are logged, managed, and reported on SAFS case management system (CMS) and all reports use the data from the CMS. C. Any sanctions offered or considered in compliance with Council policies.
6	Making better use of data to prevent/identify fraud.	A. Support the NFI 2022/23 upload and output/reports across services. B. Consider other areas where the better use of data will benefit the Council financially. C. Develop and extend the use/capacity of the Herts-FraudHub for HBC.	A. SAFS officers ensured upload of data in line with Cabinet Office deadlines and both SAFS and Council officers worked on the output from NFI 2022/23. B. This included and enhanced exercise with the Cabinet Office/NFI as part of the County Wide CTax Framework. C. Live data was loaded into the Hub. Work on cleansing the data has been problematic, and the focus of our work on the NFI exercise became a priority in 2022/23.

Fraud Awareness and Prevention

19. A key objective for the Council is to continue developing its anti-fraud culture, ensuring senior managers and elected members consider the risk of fraud when developing policies or processes, helping to prevent fraud occurring, deterring potential fraud through external communication, encouraging all officers to report fraud where it is suspected, and providing public confidence in the Council's stance on fraud and corruption.
20. The council's website has links for the public to report fraud by email, telephone or using the SAFS online reporting tool. As well as encouraging the public to report any suspected fraud to the Council:

www.eastherts.gov.uk/benefits-financial-support/benefit-fraud

www.hertfordshire.gov.uk/fraud

Both the Council and SAFS webpages include reports of fraud cases that have been investigate or prosecuted.

21. Council staff can use the same methods to report fraud or if they work within the shared revenues and benefits service or housing services they can report fraud directly to SAFS staff that work closely with those service areas.
22. SAFS delivered training via both face-to-face and virtual means during 2022/2023 including general fraud awareness, use of the services provided by National Anti-Fraud Service, Anti-Money Laundering and new services provided by the Cabinet Office as part of the National Fraud Initiative (NFI).
23. The Council's e-training modules for anti-fraud, anti- bribery, anti-money laundering are mandatory for all staff, SAFS promote this use of this as part of our fraud awareness sessions.
24. Following the pandemic SAFS increased its work around fraud prevention as a priority for the service. We made a decision to resolve most low-level fraud through advisory or compliance letters where appropriate. More serious allegations of fraud or those needing immediate attention would be prioritised.
25. SAFS receives weekly/monthly/ad-hoc updates on new fraud threats or alerts from a variety of sources including National Anti-Fraud Network (NAFN), National Cyber Security Centre (NCSC), National Intelligence Service (NATIS), City of London Police & National Fraud Intelligence Bureau (NFIB-national lead on fraud and cyber-crime for policing), London Fraud Forum (LFF), Credit Industry Fraud Avoidance Service (CIFAS), CIPFA, Hertfordshire Police and the Home Office.

Case 1: CIFAS Alerts. SAFS receives monthly threat alerts of emerging frauds experienced by members in the previous month. This is an example of the 'Insider Threat' which was one of several areas listed in September 2022 within the finance sector. Across SAFS Partners, we have experienced many of the frauds listed below in the last 12 months.

2. The Insider Threat

This section focuses on the threat from within the workplace



Members this month have reported on the following fraud threats:

- Increase in staff members benefiting from fraud that has taken place such as withdrawal of funds from customer accounts to their own. This has occurred in relation to both staff working in branches and contact centres.
- Suspected insider fraud relating to vehicle finance. With staff members contacting the customers via their personal mobiles so the calls and messages are not recorded, there have been staff moving between two brokers for job opportunities.
- Increase in staff members who are also customers with the bank submitting false payment dispute claims. In these situations, the member can see the staff member has entered their overdraft prior to the claims being made.
- Instances of work avoidance whereby the staff member had a second job. Although this position was declared to the organisation, the employee had used their social media account to advertise appointments with clients during their primary work hours.
- Staff have been using corporate cards for personal expenses such as coffee and lunches. Larger fraudulent expenses have been circa thousands of pounds to the card. In some cases employees have requested refunds which have not been returned to the account, instead the staff member has kept the money

26. SAFS maintains a close working relationship with the Shared Internal Audit Service (SIAS) with both exchanging knowledge and best practice on the links between counter-fraud and audit-planning. The close relationship with the Council's legal service has been maintained, including work on criminal litigation and policy reviews.
27. In 2022/2023, SAFS issued fraud alerts on more than 15 occasions to Council officers/departments. These alerts covered areas such as the vulnerability to cybercrime for home working staff, new and emerging scams and spams, 'impersonation' or 'CEO' frauds and mandate frauds.

Case 2: In late 2022 SAFS shared the alert below from Hertfordshire Owl Networks.

"We have been alerted to reports of a criminal group who are mimicking the email domains of reputable law firms, solicitors, and debt collecting agencies to send emails asking for overdue payments. They are indiscriminate as to which industry they target. The emails are designed to look very similar to those of the reputable organisations they are mimicking. They use "social engineering" to convince the recipient to carry out a particular action, such as to pay an outstanding invoice. Invoices are sent as a PDF file and appear the same as a legitimate invoice, but the banking details have been replaced with those of the criminal group. Indicators of "spear phishing" emails:

- *Suspiciously spelt email addresses.*
- *Use of language prompting urgency or risk such as: "Urgent!" "Overdue!"*
- *Unexpected change of payment details.*

Reactive and Proactive Fraud Investigation

27. During 2022/2023 SAFS received 99 allegations of fraud affecting council services, this is very similar to previous years, however reporting by staff has declined significantly and for 2023/24 SAFS are working with Council officers to monitor the reasons for this.

Table 2. Types of fraud being reported (in year):

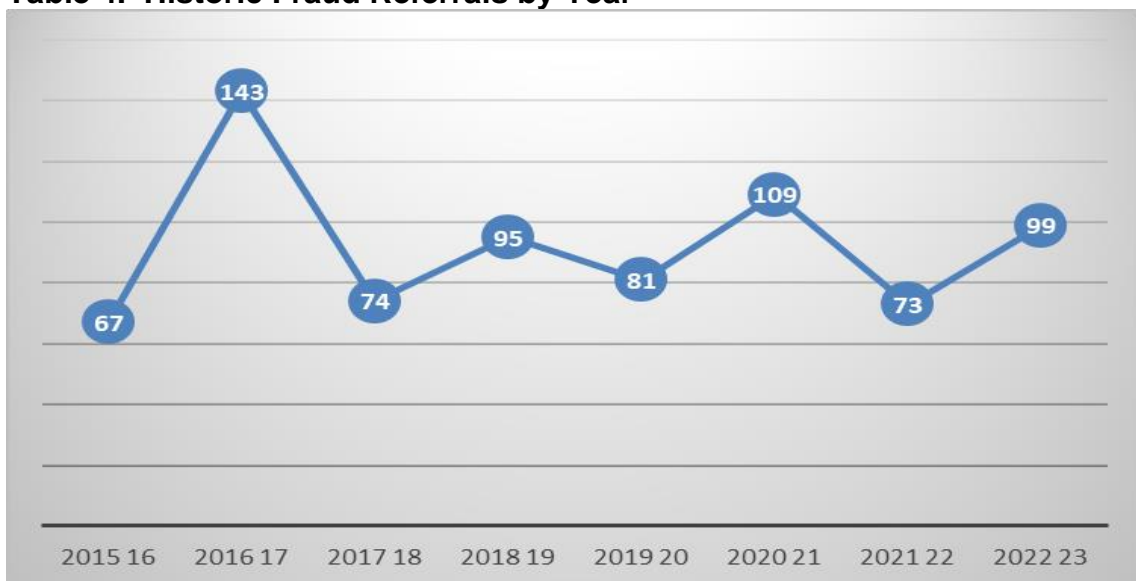
Blue Badge	Housing Benefit/CTax Fraud	Housing	Grants	Other *	Total
6	73	14	1	5	99

* Other can include Payroll/ Mandate/ Insurance matters.

Table 3. Who is reporting fraud:

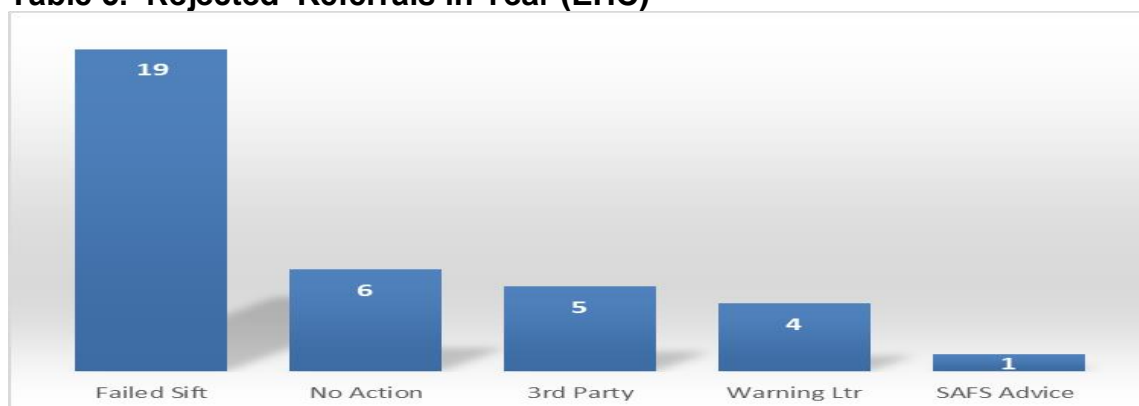
Fraud Reported by Staff	Reports from Public	Data-Matching/ Proactive Investigations	Other Agencies	Total
13	86	0	0	99

Table 4. Historic Fraud Referrals by Year



28. As table 4 shows, the volume of fraud referrals is relatively steady each year. The decline in referrals, from its peak 2016/17, is primarily due to the low value housing benefit fraud cases now falling under the remit of DWP, and the migration of much of the housing benefit caseload to Universal Credit.
29. It should be emphasised that not every referral/allegation will need to be investigated and some allegations can be false, misleading, or simply incorrect. Every referral is risk assessed and sifted by the SAFS Intelligence Team to determine what further action should be taken with each. In total, 34 allegations received in 2022/23 were not selected for further investigation.

Table 5. 'Rejected' Referrals in Year (EHC)



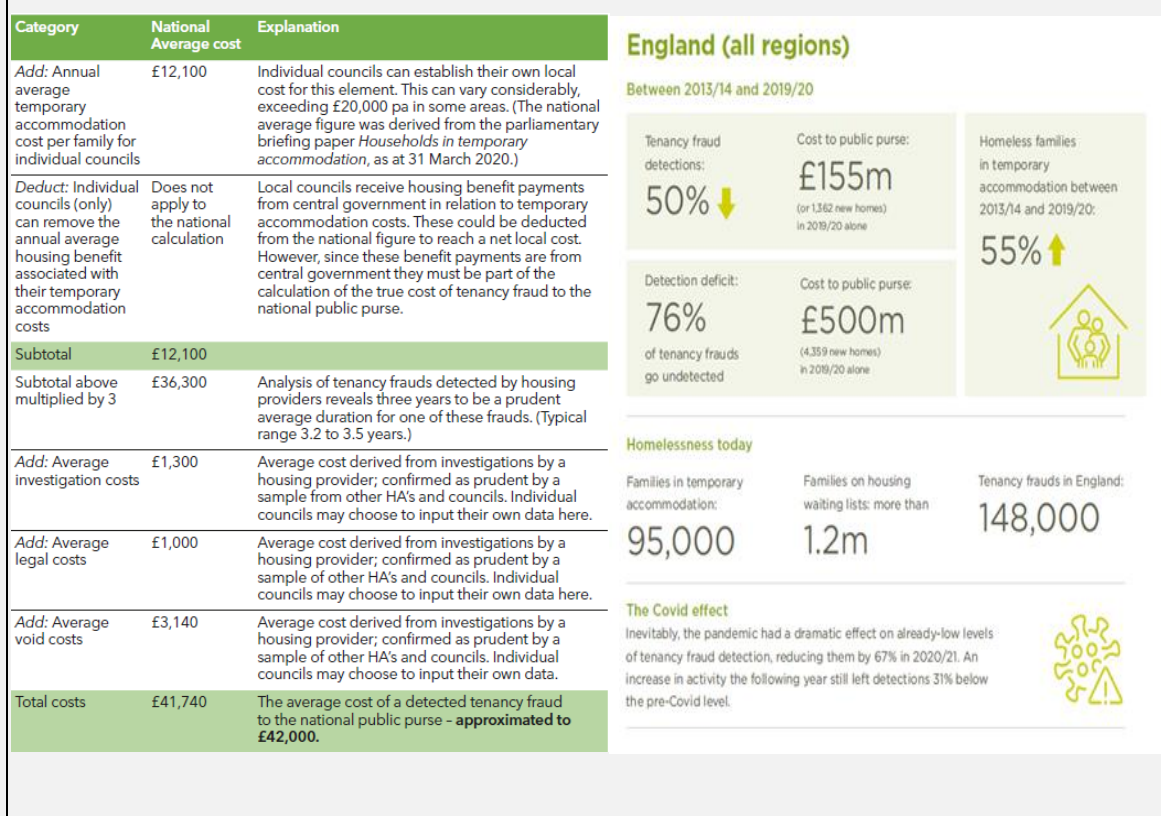
30. 'Failed Sift' is where the allegation cannot be attributed to any service provided by the Council. 'No Action' required are referrals where the subject can be identified but no error/fraud is apparent, or the Council is already aware of the facts reported in the allegation. Referrals that are passed to '3rd parties' occurs where another agency, such as DWP or HMRC, is best placed to investigate the matter. 'SAFS Advice' occurs when guidance/advice/support has been provided to Council officers, but a full investigation is not required to resolve the allegation. 'Warning Letters' are used to discourage potential low-level offending or encourage compliance with regulations.
31. In addition to the referrals that did not require an investigation, 11 'low risk' cases were resolved through compliance activity, warning letters or review. This approach identified around £40k in council tax fraud being prevented.
32. We continue to work with the Council's communication team to issue publicity encouraging local residents and businesses to report fraud and help protect public funds. The Council took part in the International Fraud Awareness Week during November 2022.
33. At this time many cases raised for investigation last year are still live. However, of the 23 cases investigated and closed in the year, 13 identified fraud - with recoverable losses of £74k, and fraud prevented/saved £25k reported. Although the volume of cases has begun to increase following the pandemic, it is still well below the pre-pandemic levels. Senior officers have been provided with a detailed breakdown of which services have been affected by fraud and the outcomes from individual investigations.
34. The Council makes effective use of anti-fraud sanctions where this is appropriate and in line with its policies. In 2022/23 five cases of fraud against the Council Tax Support scheme were resolved with the issue of financial penalties and in two other cases prosecutions were brought for offences under the Fraud Act 2006.

Table 6. Fraud Investigations Closed by Year (EHC)



35. At year end of March 2023, 31 cases remained under investigation with an estimated fraud loss of £223k. These figures represent a slight increase in the number of live cases. SAFS monitor all data above to identify trends, such as changing working practices, cost-of-living crisis and other factors.
36. As well as the financial values identified, SAFS works with the council's housing needs and nominations team where allegations of fraud impact on the Councils housing register or homelessness applications. In 2022/23 a number of housing applications were found to have been made fraudulently and the people involved excluded from the Housing Register in line with the Councils Enforcement Policy. These cases do not deliver an obvious financial value but assist in ensuring that fraudulent applications for housing are prevented ensuring those in genuine need are allocated housing first.
37. In April 2023 the Fraud Advisory Panel (FAP) published a report 'Lost Homes-Lost Hope' following up from a paper published in 2021 by the Tenancy Fraud Forum 'Calculating Losses from Housing Tenancy Fraud', both papers were supported by CIPFA, CIFAS, the Cabinet Office and the Chartered Institute of Housing.
38. The 2021 report calculated the losses of an average housing fraud, per case, to the public purse to be in the region of £41k, of which £36k is attributable to the cost for local authorities through the provision of temporary accommodation as a result of the fraud.
39. It is estimated that as many as 148,000 properties in England could be subject to tenancy fraud of some sort each year. East Herts Council does not hold stock and relies on social housing providers within the Councils boundaries to supply social housing for residents. These providers have neither the legislative powers nor the skills to investigate this type of tenancy breach.

Case 5: Social Housing Fraud



40. The contracted service that SAFS provides to a number of social housing providers, including Settle Homes, Clarion and Peabody, continues to reveal fraud against those organisations such as the illegal sub-let of social housing, fraudulent right-to-buy applications and other misuse of the social housing stock within the Councils boundaries.

Data Matching and Analytics

41. The Council is required to submit data every two years as part of the Cabinet Office mandated [National Fraud Initiative - GOV.UK \(www.gov.uk\)](https://www.gov.uk). This national data collection exercise occurs in October and for East Herts Council datasets such as payroll, housing register, creditor, housing benefit and council tax are required. The data collected from Councils, NHS and others is then analysed and matched to identify discrepancies including potential fraud. The data analytics also introduces data from sources such as Operation Amberhill, HMRC, DWP and General Register Office.
42. The output, or matches, from NFI comes back to Councils between February and March following the October data upload. These matches are shared in various formats for Councils to review and action. For East Herts Council, SAFS administers access to and reporting for those service areas that are required to provide a response.
43. The Council received 741 matches to review in a number of reports. Many of these matches require administrative review only and will not identify fraud, error, or

savings, but it is essential that all are actioned and reported to avoid any fraud being missed and ensure that the Councils data is edited /amended/updated.

44. Of the 184 high priority matches reviewed and closed, 14 instances of fraud/error identified £27k in fraud loss/savings for the Council- 8 matches are still undergoing additional scrutiny. SAFS continues to work with officers across the Council to resolve the outstanding matches by the end of the summer 2023.
45. Working with the Cabinet Office and its IT Provider for NFI, Synectic Solutions Ltd, SAFS have developed a FraudHub for all SAFS Partners that follows the same process for the two-yearly national exercise, but allows the data collected to be matched more frequently through the year. Thus, rather than waiting for 2 years to identify a fraud we can find these quicker and prevent ongoing loss.
46. SAFS manages the Hertfordshire Council Tax Framework for all Councils across the County. This framework is funded by the County Council and provides a fully managed service to review discounts claimed by residents against their Council Tax liability.
47. A review of discounts and exemptions for East Herts Council in 2022/23 identified 98 properties registered as long-term empty that were actually occupied- raising a potential income of £87k in New Homes Bonus.
48. The Council took part in an enhanced single person discount review in 2022/23, SAFS agreed contracts with the Cabinet Office to share NFI data as part of the review. This review resulted in 578 discounts being removed generating £253k in new council tax revenue for 22/23. This exercise was significantly more effective than any other similar review in the County in 22/23.

Executive Reports

49. Where the work of SAFS identifies a system/process weakness that has allowed or failed to prevent a fraud occurring an Executive Report (ER) is provided to the Service Director with responsibility for that service. The ER will detail how the weakness failed to prevent or allowed the fraud to occur with recommendations for management to consider, preventing reoccurrence.
50. SAFS issued one ER in 2022/23, this related to the administration of a planning application linked to fraud around business rates. The report was shared with senior managers and SIAS.
51. SAFS advanced its plans to deliver detailed Fraud Risk Assessments (FRA) for our Partners. This included a complete FRA for the Homes for Ukraine Scheme in 2022, and plans for similar work around fraud risks in procurement and recruit/use of agency staff in 2023/24

Transparency Code – ‘Fraud Data’

52. The Department for Communities and Local Government (DCLG) published a revised Transparency Code in February 2015, which specifies what open data local authorities must publish.
53. The Code also recommends that local authorities follow guidance provided in the following reports/documents:

The National Fraud Strategy: *Fighting Fraud Together*

(<https://www.gov.uk/government/publications/nfa-fighting-fraud-together>)

CIPFA Red Book 2 – *Managing the Risk of Fraud – Actions to Counter Fraud and Corruption*

(http://www.cipfa.org//media/files/topics/fraud/cipfa_corporate_antifraud_briefing.pdf)

54. The Code requires that Local Authorities publish the following data in relation to Fraud. The response for East Herts Council for 2022/23 is in **bold**:

- Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.

Nil. (East Herts Council is a Partner to the Hertfordshire Shared Anti-Fraud Service and makes use of the National Anti-Fraud Network (NAFN) to conduct such enquiries on their behalf).

- Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.

1.5 FTE

- Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists.

1.5 FTE

- Total amount spent by the authority on the investigation and prosecution of fraud.

£86,165 (SAFS fee) + NFI subscription + FraudHub fee= £95,000

- Total number of fraud cases investigated.

23 cases investigated and closed in year

55. In addition, the Code recommends that local authorities publish the following (for *East Herts Council Fraud/Irregularity are recorded together and not separated*):

- Total number of cases of irregularity investigated-

See above

- Total number of occasions on which a) fraud and b) irregularity was identified.

13 Occasions where fraud/irregularity identified

- Total monetary value of a) the fraud and b) the irregularity that was detected.

Reactive - £74k fraud losses reported, £25k fraud prevented.

Proactive- £27K of fraud was identified through NFI

Compliance- £40k from low level reviews

Council Tax Review Framework £340k (combined)

Total - £506k of fraud and irregularity identified.

- Total monetary value of a) the fraud and b) the irregularity that was recovered.

Not recorded separately

Appendices

- 56.** The following appendices are attached to this report:

Appendix 1 - SAFS/East Herts Council *Anti-Fraud Plan 2022/23* and associated papers.

Appendix 2 - SAFS Annual Report 2022/23

- 57.** List of Background Papers - Local Government Act 1972, Section 100D

- (a) ***Councillors Workbook on Bribery & Fraud Prevention*** (LGA 2017)
- (b) ***Fighting Fraud and Corruption Locally- A Strategy for the 2020's*** (CIPFA/CIFAS/LGA 2020)
- (c) ***Tackling Fraud in the Public Sector*** (CIPFA 2020)
- (d) ***Code of Practice – Managing the Risk of Fraud and Corruption*** (CIPFA 2014)
- (e) ***Fighting Fraud- Breaking the Chain.*** (Report of Session 2022-2023 House of Lords)
- (f) ***Government Counter Fraud Standards*** (Cabinet Office 2021)

**East Herts Council
Anti-Fraud Plan 2022/23**

in partnership with

The Shared Anti-Fraud Service



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Introduction

This plan supports the Council's Anti-Fraud Strategy by ensuring that the Council, working in partnership with the Shared Anti-Fraud Service (SAFS), has in place effective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Council's Strategy is to;

- **Be clear that the council will not tolerate fraudulent or corrupt acts and will take firm action against those who defraud the authority, who are corrupt or engage in financial malpractice.**
- **Provide a consistent framework for managers and Members, which enables effective deterrence, prevention, detection and investigation of fraud and corruption.**
- **Detail the responsibilities of employees, management and Members with regards to fraud and corruption.**
- **Assist the Head of Strategic Finance and Property in the fulfilment of the role as the council's Section 151 Officer and the Head of Legal and Democratic Services in the role as the council's Monitoring officer.**
- **Explain the role of council officers in relation to the prevention of fraud and actively promote a culture of openness and honesty in all dealings. (The council has Codes of Conduct for Members and officers.)**

This plan includes objectives and key performance indicators that support the Council's strategy and follows the latest best practice/guidance/directives from the National Audit Office (NAO), Local Government Association (LGA) and the Chartered Institute for Public Finance and Accountancy (CIPFA).

National Context.

In 2013 the National Fraud Authority stated that the scale of fraud against local government “is large, but difficult to quantify with precision”. Since 2013 a number of reports have been published including by CIPFA, NAO and MHCLG stating that the threat of fraud against local government is both real, causes substantial loss (including reputational, service as well as financial) and should be prevented where possible and pursued where it occurs. The latest annual estimates of fraud risk to local government exceed £7bn.

The Fighting Fraud and Corruption Locally, A Strategy for the 2020's, published in March 2020 is supported by CIPFA, the LGA, SOLCACE and a number of External Auditors. A copy of the Strategy can be found at <https://bit.ly/3p5Rr98>

The new Strategy compliments work undertaken in 2019 by CIPFA, NAO and Cabinet Office as well as the *Code of practice on managing the risk of fraud and corruption* CIPFA 2015 adding 'Pillars' of **Governance, Acknowledge, Prevent & Pursue** with an overarching **Protect**:

Governance: *Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Ensuring a tone from the top.*

Protect: *Against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.*

For a local authority this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.



Anti-Fraud Plan 2022-2023

The Councils Anti-Fraud Plan will be over-seen by the Shared Anti-Fraud Service (SAFS) but officers at all levels across the Council will have responsibility for ensuring that the plan is delivered.

The Anti-Fraud Plan highlights specific areas of work to protect the Council against fraud and corruption. The Council also has a duty to protect the public and it does this through its work across all services in particular, by sharing information and knowledge through communications either directly or via its website. The Council has frameworks and procedures in place to prevent fraud and encourage staff and the public to report suspicions of fraud through a number of channels.

The Anti-Fraud Plan for 2022/23 follows the guidelines and checklist contained in the Fighting Fraud and Corruption Locally Strategy and progress against this will be reported to senior management and the Councils Audit and Governance Committee. A full breakdown of planned activity to protect the Council can be found at **page 7**.

SAFS Resources 2022-2023

Anti-Fraud Arrangements

The Council is a founding member of the Hertfordshire Shared Anti-Fraud Service (SAFS) and this service has provided the majority of the anti-fraud arrangements for the Council since April 2015. In 2019 the SAFS Partnership won the '*Outstanding Partnership*' award at the Tackling Economic Crime Awards (TECAs) and in 2020 the TECAs award for '*Outstanding Professional in Counter Fraud*' was won by a member of the SAFS team

SAFS is a Partnership with each organisation paying a fee for Hertfordshire County Council to provide a contracted service across the Partnership. SAFS, as a service, has a number of key objectives developed by its Management Board (the Board) and every Partner has a seat on the Board. For the East Herts Council the Head of Strategic Finance and Property is the Board representative.

Although SAFS provides much of the Councils operational counter fraud work Council officers are responsible for ensuring the policies, procedures, training and appropriate resources are in place to protect the Council from fraud, corruption and bribery.

Budget

In December 2021 the SAFS Board agreed to increase the fees for all Partners by 2.5% to meet increased service costs from April 2022. The Board also received assurance from financial modelling that the service would be sustainable, in its current form, for the next three years.

East Herts Council fees for 2022/23 are £86,165. This sum is payable quarterly.

Staffing

The full complement of SAFS in 2022/23 will be 21.6 FTE.

East Herts Council will have exclusive access to 1 FTE Counter Fraud Officer (Investigator), access to intelligence functions, data-matching services being offered through the Herts *FraudHub* (hosted by Cabinet Office) and can call on SAFS management for liaison meetings, management meetings and three Audit Committees reports per annum. An Accredited Financial Investigator is also available to assist in money laundering or proceeds of crime investigations.

SAFS has access to specialist IT forensics, covert surveillance and national counter fraud intelligence services provided via third parties and criminal litigation services provided by Hertfordshire County Council Legal Service.

SAFS will also provide alerts (local and national) to Council officers and senior management of new and emerging fraud risks through its membership of anti-fraud forums and specialist providers including the Fighting Fraud and Corruption Locally Board (FFCLB) the Credit Industry Fraud Avoidance Service (CIFAS), Certified Institute of Public Finance and Accountancy (CIPFA) Finance, National Fraud Intelligence Bureau (NFIB), Fraud Advisory Panel and the National Anti-Fraud Network (NAFN). SAFS has officers on the various Board for CIFAS & NAFN.

Workplans & Projects 2022-2023

As well as an agreed programme of work (see **page 7**) SAFS will work in the following areas delivering specific activity agreed with service managers. Progress with this work will be reported to the relevant head of service/managers on a quarterly basis.

Service Area	Agreed Projects
Central Services / Finance	<p>General Support and advice on fraud matters.</p> <p>3 Reports to Audit Committee.</p> <p>Qtly Meetings with officers to consider any new and emerging fraud risks and performance against SAFS KPIs</p> <p>SAFS attendance at Corporate Governance/Enforcement Groups.</p> <p>Assisting with the development/review of the Councils anti-fraud policies.</p> <p>Money Laundering Reporting Officer (MLRO) role and Policy review, ML Risk Assessment and training for relevant staff.</p> <p>5 fraud training/awareness events for staff/members in year.</p> <p>Review and re-release of SAFS I-Learn training package on fraud/bribery/money laundering - hosted on the Councils Learning Pool.</p> <p>Making the on-line training mandatory with alternative options for staff without access to the Councils intranet.</p> <p>Roll out of NAFN training and registration for appropriate services/officers.</p>
Revenues and Benefits	<p>Close liaison with the Shared Revs and Bens service hosted by the Council.</p> <p>Proactive training and awareness for leadership and front-line staff.</p> <p>Reactive investigations for HB/CTRS including working with the DWP FES, where appropriate.</p> <p>Identify systems/processes/new developments to assist in recovery of debt created by fraud.</p> <p>Assist with potential fraud resulting from Covid Grant Schemes administered by the Council.</p> <p>Post payment assurance of grant schemes.</p>
Housing Services	<p>Reactive investigations for Housing Application, Tenancy fraud</p> <p>Provide a focus on fraud risks affecting temporary accommodation costs.</p> <p>Review housing register to identify fraudulent applications and, where appropriate, investigate these.</p> <p>Continue to work with Private Registered Providers (including Clarion/Catalyst/B3L) across all aspects of tenancy fraud to assist in the recovery of properties which can be prioritised for local residents from the Councils Housing Register.</p>
Data- Analytics	<p>Use of data and technology to prevent or identify fraud.</p> <p>Assist with NFI 2022/23 Data uploads (Oct 2022) and Output (February 2023).</p> <p>FraudHub. Further developing the effective use of the Cabinet Office FraudHub.</p> <p>Support for SAFS sponsored county wide Council Tax Review Framework for SPD and HER.</p> <p>Use of data-analytics to identify fraud as result of Covid-19 and other grants schemes.</p> <p>Review extension of NFI Powers to 'other' crime and debt collection.</p>
Other / Contingency	<p>Identify fraud risks and training in other areas including payroll, licensing, parking services, planning, procurement processes & contract management.</p>

SAFS KPIs.

SAFS will work to a set of KPIs agreed with senior officers and the KPIs will assist in delivering the Anti-Fraud Plan. The KPI's can be found at **page 8** and will be reported to senior officers and the Finance Audit and Risk Committee throughout the year.

SAFS - Standards of Service.

SAFS will provide the Council with the following anti-fraud services.

1. 24/7 Access to a fraud hotline, email and online solution for public reporting.
2. Process for Council staff to report suspected fraud to SAFS.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, Identity Fraud and Prevention.
4. Assistance in the design/review of Council policies, processes and documents to deter/prevent fraud.
5. SAFS will design shared/common anti-fraud strategies and policies or templates which can be adopted by the Council.
6. SAFS will continue to develop with the Cabinet Office and Council officers a data-matching solution (NFI- Herts *FraudHub*) to assist in the early identification and prevention of fraud.
 - The FraudHub will be funded by the Council
 - The FraudHub will be secure and accessible only by nominated SAFS and Council Staff.
 - Data will be collected and loaded in a secure manner.
 - SAFS will design and maintain a data-sharing protocol for all SAFS Partners to review and agree annually.
 - SAFS will work with Council officers to identify data-sets (and frequency) of the upload of these.
 - SAFS will work with Council officers to determine the most appropriate data-matching.
7. All SAFS Staff will be qualified, trained and/or accredited to undertake their duties lawfully.
8. All SAFS investigations will comply with legislation including DPA, UK GDPR, PACE, CPIA, HRA, RIPA, IPA* and relevant Council policies
9. Reactive fraud investigations.
 - Any high profile, high value, high risk cases or matters reported by senior managers will receive a response within 24 hours of receipt
 - All cases reported to SAFS will be reviewed within 2 days of receipt and decision made on immediate action including selection of cases for further review, no action, investigation or referral to 3rd parties including police, DWP, Action Fraud.
 - The Council will be informed of all reported fraud affecting its services.
 - SAFS will allocate an officer to each case.
 - SAFS officers will liaise with nominated officers at the Council to access data/systems to undertake investigations.
 - SAFS officers will provide updates on cases and a summary of facts and supporting evidence on conclusion of the investigation for Council officers to review and make any decisions.
 - Where criminal offences are identified SAFS will draft a report for Council officers to make a decision on any further sanctions/prosecutions.
10. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal in line with the Council's policies.
11. SAFS will provide Alerts to the Council, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.
12. SAFS will provide reports to senior management on the progress with delivery of this Plan and any other relevant activity planned or otherwise.
13. SAFS will provide reports through the SAFS Board and to the Council's Audit Committee as agreed in the SAFS Partnership Contract.

*Data Protection Act , UK General Data Protection Regulation, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act, Investigatory Powers Act.

EHC / SAFS Action Plan 2022/2023

FFCL Pillars	Objectives	Activities	Responsible Officer
Governance	Having robust arrangements and executive support to ensure anti fraud, bribery and corruption measures are embedded throughout the organisation.	The Council has in place an Anti-Fraud and Corruption Strategy & Fraud Response Plan and associated policies to deter, prevent, investigate and punish acts of fraud or corruption.	Chief Executive / Monitoring Officer/ S.151 Officer
		The Councils Audit and Governance Committee will receive reports during the year about the arrangements in place to protect the Council against fraud and the effectiveness of these.	S. 151 Officer/ Head of SAFS
		Audit and Governance Committee and its Chairman, along with the senior management team, will ensure compliance with the latest best practice in the Councils anti-fraud arrangements including that published by CIPFA, NAO and LGA.	AC Chairman/ S. 151 Officer / Head of Legal and Democratic Services
		Weaknesses revealed by instances of proven fraud will be fed back to departments with recommendations to fraud-proof systems, and/or reported to senior managers or Internal Audit to review outcomes.	Head of SAFS/ SIAS Manager/ S.151 Officer
		SAFS will assist the Council in providing its Fraud Data for the Transparency Code each year	Head of SAFS
		The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.	Head of Legal and Democratic Service / Head of Human Resources and OD
ACKNOWLEDGE	Accessing and understanding fraud risks. Committing the right support and tackling fraud and corruption. Demonstrating that it has a robust anti-fraud response. Communicating the risks to those charged with Governance .	Inclusion of Fraud Risks and the Councils actions to manage/mitigate/reduce this in its Annual Governance Statement. Review the Councils Money Laundering/ Bribery/ Whistleblowing/ Cyber-Crime Policies	Insurance and Risk Business Advisor / S.151 Officer
		The Councils Communication Team will publicise anti-fraud campaigns and provide internal communications to staff on fraud awareness	Head of SAFS/ Head of Communications and Digital Media
		The Council and SAFS will provide fraud awareness & specific anti-fraud training across all Council services and review the E-Learning training available for staff	Head of HR and OD / Head of SAFS
		The Council is a member of the Hertfordshire Shared Anti-Fraud Service (SAFS). The Head of Strategic Finance and Property will ensure that the services provided by SAFS are appropriate and provide an effective ROI in both savings delivered and added value.	S.151 Officer
		Audits conducted by the Shared Internal Audit Service (SIAS) will take account of known or emerging fraud risks when audit activity is being planned. SIAS will also report any suspected fraud to senior manager and SAFS to review and act upon.	SIAS Client Manager
		All SAFS staff will be fully trained and accredited. SAFS will continue to work with the Cabinet Office to support the Counter-Fraud Profession.	Head of SAFS
PREVENT	Making the best use of information and technology. Enhancing fraud controls and processes. Developing a more effective anti-fraud culture. Communicating its' activity and successes.	SAFS will provide fraud alerts and new and emerging fraud threats to be disseminated to appropriate officers/staff/services.	Head of SAFS
		SAFS will work with all Council services to make best use of 3rd party providers such as NAFN, PNLD, CIPFA, CIFAS.	Head of SAFS
		Develop the Councils use of the Herts FraudHub and Deliver the NFI 2022/2023 Exercise	Head of SAFS/ s.151 Officer
		The Council, and SAFS, will seek to work with other organisations, including private sector, to improve access to data and data-services that will assist in the detection or prevention of fraud.	Head of SAFS/ s.151 Officer
		SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	Head of SAFS
		Review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA to maximise the use of sharing data with others to help prevent/identify fraud.	Monitoring Officer / DP Manager
		SAFS will work with the LGA and Cabinet Office to support the roll out of a Counter-Fraud Profession.	Head of SAFS
PURSUE	Prioritising fraud recovery and use of civil sanctions. Developing capability and capacity to punish offenders. Collaborating across geographical and sectoral boundaries. Learning lessons and closing the	All fraud reported to the Council will be via SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members.	Head of SAFS
		All investigations will comply with relevant legislation and Council Policies. Investigations will include civil, criminal and disciplinary disposals	Head of SAFS
		SAFS will use its case management system to record and report on all fraud referred, investigated and identified.	Head of SAFS
		Legal Service and HR and debt recovery teams will seek to 'prosecute' offenders, apply sanctions and recover financial losses- supported by relevant policies.	Head of SAFS /Monitoring Officer/ s.151 Officer
		SAFS and the Councils Shared R&B Service will continue to work with DWP to deliver joint investigations where fraud affects both HB and CTRS	Head of SAFS/ Head of R&B Service
		SAFS will use its in-house expertise as well as external partners when considering the use of POCA, Surveillance or IT Forensics.	SAFS Manager
PROTECT	Recognising the harm that fraud can cause in the community. Protecting itself and its' residents from fraud.	SAFS will provide reports to Board and SAFS Champions quarterly on anti-fraud activity at the Council	Head of SAFS
		SAFS will review and share fraud trends and new threats	Head of SAFS
		Reports for Audit Committee on all Counter Fraud activity at the Council	Head of SAFS / s.151 Officer
		The Council has in place other measure to protect itself against cyber crime, malware and other potential attacks aimed at its IT infrastructure with training for staff and members	Interim Strategic IT and Partnerships Manager
		SAFS will work with bodies including MHCLG/LGA/CIPFA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government	Head of SAFS

SAFS KPIs - 2022/ 2023

KPI	Measure	Target 2022/23	Reason for KPI
1	Return on investment from SAFS Partnership.	Demonstrate, via SAFS Board, that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.	Transparent evidence to Senior Management that the Council is receiving a service matching its contribution.
2	Provide an investigation service.	A. 1 FTE on call at the Council. (Supported by SAFS Intel/ AFI/Management). B. 3 Reports to Audit & Governance Committee in year. C. SAFS Attendance at Corporate Governance, Champion meetings, team management meetings.	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. All urgent/ high risk cases 24 hours from receipt. B. All other cases 2 working days on Average. C. Sharing of Fraud Alerts- within 2 working days. D. Dissemination of non-EHC referrals to 3 rd parties within 2 working days (Police/HMRC/DWP/NCSC)	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD for Council staff. B. Membership of CIPFA Counter Fraud Centre (via HCC) C. Access to CIFAS best practice/guidance/fraud alerts (via HCC) D. NAFN Access/Training for relevant Council Staff. E. 5 Training events for staff/Members in year. F. Money Laundering Reporting Officer role. G. Support for Covid grant schemes and other local/national responses.	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.
5	Allegations of fraud received. & Success rates for cases investigated.	A. All reported fraud (referrals) will be logged and reported to the Council by type & source. B. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each, Reported. C. All 'sanctions' imposed in live with Council policies/ legislation	This target will measure the effectiveness of the service in promoting the reporting of fraud & measure the effectiveness in identifying cases worthy of investigation.
6	Making better use of data to prevent/identify fraud.	A. Support the NFI 2022/23 upload and output/reports across services. B. Consider other areas where the better use of data will benefit the Council financially. C. Develop and extend the use/capacity of the Herts-FraudHub for EHC.	Further develop a Hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.



SAFS

Shared Anti-Fraud Service
Fighting Fraud in Partnership

Annual Report 2022/2023



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Introduction

2022/2023 was an interesting year for the Shared Anti-Fraud Service, with the pandemic still hanging over us, changed ways of working, a pay review by our host authority and the culmination of a number of cases and projects that had been delayed due to Covid.

In June 2022, our largest ever prosecution was concluded with guilty pleas from all three subjects, who had conspired together to defraud a SAFS Partner of more than £700k over a period of 12 years. In fact, the true value of this fraud likely exceeded £1m. The case had commenced in 2018 and was delayed by the defendants varied attempts to frustrate the investigation and court proceedings. This case included:

- Specialist reports, police searches, seizure and forensic analysis of electronic devices and mobile phones, arrest warrants.
- Actions to bring the accused back to the UK to stand trial, POCA and restraint orders.
- More than 50 witnesses and tens of thousands of pages of evidence and material.

After four long years, guilty pleas were entered on the eve of trial by all three defendants. According to HHJ Foster, this is one of the biggest cases of its kind seen in the UK and this was reflected in lengthy prison sentences for those involved, and national press interest for several months after.

This was only one case of many investigated in 2022/23 and, although one of the largest, certainly not the most serious, nor the most complex matter dealt with by SAFS officers. The continued success of the SAFS team is reliant on the support of our numerous partners, who are too numerous to name here, and the professionalism and dedication of all involved.

With SAFS being a partnership, it's no surprise that collaboration is at the centre of everything we do. In 2022/23, we enhanced our work with the Cabinet Office to develop the Herts-FraudHub. We continued to manage the county-wide Council Tax Review Framework, not just for SAFS Partners but for all district councils across Hertfordshire. We worked in partnership with:

- DWP to investigate fraud linked to national benefits.
- Housing providers to investigate tenancy fraud.
- Third party providers of specialist investigation tools or analytics to help identify fraud or improve the quality of our investigations.
- Front line staff working in our partners who provide their time and invaluable knowledge.

We continued our work to introduce and embed Fraud Risk Assessments into our Partners and 2022/23 this included fraud surveys across schools and a fraud risk assessment for the Homes for Ukraine Scheme.

Throughout all of this our staff continued to deliver excellence at all levels:

- Whether part of our award winning 'Schools and Mules' campaign in September 2022 delivering money laundering awareness to thousands of students across the County.
- The work of our Accredited Financial Investigator in recovering hundreds of thousands of pounds lost to fraud.
- High quality fraud awareness training to more than 7,000 staff across all Partners through our E-learning programme.

The quality of our work and our staff was recognised in early 2022 when SAFS was a finalist at the **Public Finance Awards**, and then again in February 2023 when SAFS won the award for '**Local Excellence**' at the **Public Sector Counter Fraud Awards** hosted by the Cabinet Office.

Nick Jennings - Head of Shared Anti Fraud Service 2023



Level of Delivery



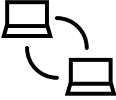



Despite facing resourcing challenges during the year, the Service achieved or exceeded the majority of its KPIs in 2022/2023.

Objectives

Achievements

Agree and ensure the delivery of each Partner Anti-Fraud Action Plan for 2022/2023	1	All Partners had plans approved by Audit Committees Partners all received regular reports via Board Members
£5M Saving (Including all Loss/ Saving & new revenue identified)	2	£1.2m in Fraud losses £1.3m in savings/prevention £1.9m new revenue <i>(£2.6m Estimated loss on live cases)</i>
Ensure that SAFS reporting options are available to all partners 95% of the time (Hotline/Online Reporting & SAFS Webpage links)	3	All reporting routes into SAFS were available 24/7 throughout the year
2 Days response time for all referrals	4	Average response time was 0.6 days
A. 60% positive outcomes B. 36 properties recovered C. 60 sanction outcomes	5	A. 63% achieved B. 31 Properties recovered C. 63 cases resulted in a sanction being applied
• Develop NFI/Fraudhub for all Partners • Maintain the new Council Tax Review Framework Contract	6	• Fraudhub Contracts agreed • NFI 2021/2022 data uploaded and working on matches • Contracts in place for the Council Tax Review Framework

Special Projects 2022/23

Anti Money Laundering Training		SAFS designed a training plan for all Partners and have rolled out the training for appropriate officers
NFI National Exercise		SAFS ensured that all data was uploaded for the exercise meeting the specifications required. A programme of work is in place to clear all matches received
Fraudhub		All Partners are signed up to Fraudhub and a schedule has been created for uploading and clearing output
CMS Retender		A new provider has been chosen and contracts agreed. Training has been provided and an exit plan provided to migrate the data
Internal Training Plan		SAFS has a rolling training plan for the team to ensure knowledge and skills are reviewed. SAFS staff can access the Government Counter Fraud Profession.
Partner Training Plan		Training plan agreed with local HR teams delivered via eLearning updates, classroom-based training, as well as workshops, webinars and awareness factsheets.

Watford Observer

Watford woman taken to court over using mum's disabled badge

Outcomes & Added Benefits



1643 Allegations of Fraud received



185 Right to Buy Applications Reviewed to comply with Anti-Money Laundering



£2.3M caseload for our Financial Investigator



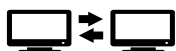
Fraudster convicted for illegally sub-letting housing association property

Luton Today | The Luton News Herald & Post

Luton fraudster caught out sub letting his council flat and fined almost £8,000



48,000 National Fraud Initiative matches received



129 Referrals shared with other agencies



£1.9m Raised in council tax through our county wide framework

Royston Crow

A Royston man has been convicted of fraud by false representation after submitting a fake claim for damages to Herts County Council

75% of HCC staff completed Anti-Fraud and Corruption E-Learning



105 council tax reviews carried out



MailOnline

Fraudster family who once appeared on This Morning faked illness to scam council out of £734,000 over 12 years - in what is believed to be one of the largest frauds ever committed against a local authority

SAFS Board Members (2022/2023)

The SAFS Board provides strategic direction and oversight for the partnership, bringing a wealth of local government and wider experience and insight to our operations.

Steven Pilsworth
Chris Wood

Hertfordshire County Council
Hertfordshire County Council

Director of Finance
Head of Assurance Services

Matthew Bunyon

Hertsmere Borough Council

Head of Finance and Business
Services

Ian Couper

North Hertfordshire District Council

Service Director: Resources

Sarah Marsh

Borough of Broxbourne Council

Head of Internal Audit

Steven Linnett

East Hertfordshire Council

Head of Strategic Finance and
Property

Clare Fletcher
Brian Moldon (Deputy)

Stevenage Borough Council
Stevenage Borough Council

Strategic Director
Assistant Director of Finance

Dev Gopal
Kanchan Vasisht (Deputy)

Luton Borough Council
Luton Borough Council

Service Director, Finance & Audit
Audit Manager

Georgie Barnard

Non Executive Board Member

Agenda Item 9



East Herts Council

Audit and Governance Committee

September 2023

Anti-Fraud Progress Report 2023/2024

Purpose

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service (SAFS) and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2023/24 in Qtr 1.
2. Further reports will be provided to this Committee in 2023/24 with detailed progress with delivery of the agreed Plan and SAFS KPI performance.

Recommendations

3. **Members are RECOMMENDED to:**

- a) **Note the progress by officers and the Shared Anti-Fraud Service to deliver the 2023/2024 Anti-Fraud Plan for the Council.**

Delivery of the Anti-Fraud Plan

2023/24 Plan

4. The 2023/2024 Anti-Fraud Plan was approved by this Committee at its March 2023 meeting. This Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Locally Strategy for the 2020s*. The Plan also provides assurance that the council continues to benefit from a positive return on its investment in the SAFS Partnership. See **Appendix 1** for details of the Plan.

2023/2024 Anti-Fraud Activity

5. The Council has in place an Anti-Fraud, Bribery & Corruption policy and an Anti-Money Laundering Policy. A review of all policies will take place in 2023/24 to ensure compliance with current best practice and any changes required by legislation, which may include the 'Economic Crime and Corporate Transparency Bill' and the 'Police, Crime, Sentencing and Courts Act 2022'.
6. A training plan to build on staff awareness and fraud reporting, along with a publicity campaign to inform the public and encourage fraud reporting, is being developed with officers in HR and Comms teams. SAFS have met with HR leads at the Council to arrange this and consider options to review the current E-learning system in place for officers.
7. SAFS have already issued a number of alerts to officers this year including matters on mandate/payment frauds, payroll frauds and others. These are shared with SAFS Board members to cascade but also with the service areas most likely to be affected. The **Head of Strategic Finance and Property** is the SAFS Board representative for East Herts Council.
8. Between April and June 2023 a further 18 allegations of fraud were received by the Council/SAFS, there have been some delays with cases being reported to SAFS by officers and we are working to alleviate this issue. 23 cases are live and under investigation with an estimated combined fraud loss of £278k.

9. SAFS officers along with colleagues across the Council continue to resolve the output from the NFI 22/23 exercise. To date of 184 matches, around 25% have been cleared. In addition the Council is taking part in the Herts FraudHub with data now being submitted to the FraudHub, along with the other 7 partners in the SAFS Partnership and we have started reviewing the output from this work in Qtr 2.
10. We are taking part in a pilot project with the Cabinet Office and the London Boroughs Fraud Investigators Group (LBFIG) to utilise the FraudHub structure to identify 'polygamous workers'- essentially employees or agency workers who work for multiple employers at the same time. If these incidents or multiple placements are not disclosed/managed they can create a variety of fraud risks.
11. SAFS manages the 'Council Tax Review' framework for all borough/district councils enabling them to identify fraudulent applications for council tax discounts. The new contract has been delivered by SAFS working with all district/boroughs and is now live and North Herts Council is signed up to take part in 2023/24 with both Empty Homes and Single Person Discount Reviews.
12. SAFS KPIs were agreed with senior officers for 2023/24 and progress against these is shown below. Under KPI-2A we are aware that the time recording from our new case management system (CMS) has not been working fully and SAFS staff have not been recording all time spent on work for the Council. We have addressed this and we will see an improvement from QTR 2 onwards. Under KPI-3 we identified an issue with our CMS which created some delays with referrals being cleared quickly, we are working with the provider to resolve this.

KPI	Objectives	Progress
1	<p>Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.</p> <p>A. Meetings to take place with the Councils Head of Strategic Finance and Property</p> <p>B. Head of Strategic Finance and Property will sit on the SAFS Board.</p> <p>C. Regular meetings to take place with Service Leads to agree and update local work plans.</p> <p>D. Reports on progress with any area of work covered by the SAFS Partnership Agreement.</p>	<p>A. SAFS Mgt have meetings planned throughout the year with Senior Mgrs.</p> <p>B. SL invited to attend all SAFS Board meetings in 23/24</p> <p>C. Meetings with R&B Mgt in place on regular basis. Meetings between NJ and SL in place as well as with HR and Comms teams.</p> <p>D. This report, and others are available upon request. Reports to A&G to be published. SL will receive reports to SAFS Board.</p>
2	<p>A. 285 Days of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management (Supported by SAFS Intel/Management).</p> <p>B. Three Reports to Audit Committee.</p> <p>C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.</p>	<p>A. 36 days in Qtr 1. – 13%. Issues in Qtr with new CMS and staff understanding of what time can be recorded.</p> <p>B. A&GC Dates are booked in for Sep /Nov/Jan.</p> <p>C. SAFS Mgt still trying to identify relevant enforcement groups at EHC but have been working with Senior Mgrs across the Council.</p>
3	<p>A. All urgent/ high risk cases will be responded to within 24 hours.</p> <p>B. All other cases 2 Days, on Average.</p>	<p>A. CMS unable to record at present.</p> <p>B. Currently 8 days on average.</p>

4	A. Membership of NAFN & PNLD B. Membership of CIPFA Counter Fraud Centre and access to CIFAS/NCSC/AF/FFCL alerts, trends, best practice C. NAFN Access/Training for relevant Council Staff D. 5 Training events for staff/Members in year. (To be agreed with Service leads and HR)	A. SAFS has membership of PNLD which has been offered to EHC Legal. NAFN membership via SAFS 23/24. B. SAFS/HCC member of CIPFA and CIFAS. C. NAFN service awareness is being shared across Council service areas. D. SAFS liaising with HR to arrange training programme for 23/24.
5	A. All reported fraud (referrals) will be logged and reported to officers by type & source. B. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each will be reported to officers. C. SAFS will work with social housing providers across the Borough to prevent tenancy fraud.	A. Fraud reporting options available for staff and residents on the NHC webpage and intranet- This is linked to SAFS reporting tools. Further Comms on this to be developed internally and externally. B. All cases are recorded on SAFS CMS C. Contracts in place with Clarion/Peabody/B3Living/Settle.
6	A. Support the output from NFI 2022/23 Council services. B. Membership and VFM from the Herts FraudHub in 2023/24.	A. Access to NFI data and relevant systems arranged for SAFS officers. Output and matches reviewed will be reported to the senior officers. Progressing well. B. Contracts with C/O signed. Data-upload schedules are now agreed and data is being shared. Output to be managed and reported

Appendices

13. The following appendices are attached to this report:

Appendix 1 - SAFS/East Herts Council *Anti-Fraud Plan 2023/24*

Further Reading

14. List of Background Papers - Local Government Act 1972, Section 100D

- (a) ***Councillors Workbook on Bribery & Fraud Prevention*** (LGA 2017)
- (b) ***Fighting Fraud and Corruption Locally- A Strategy for the 2020's*** (CIPFA/CIFAS/LGA 2020)
- (c) ***Tackling Fraud in the Public Sector*** (CIPFA 2020)
- (d) ***Guide to Understanding the Total Impact of Fraud*** (International Public Sector Fraud Forum 2020)
- (e) ***Code of Practice – Managing the Risk of Fraud and Corruption*** (CIPFA 2014)
- (f) ***Government Counter Fraud Standards*** (Cabinet Office 2021)

**East Herts Council
Anti-Fraud Plan 2023-2024**

In partnership with

The Hertfordshire Shared Anti-Fraud Service



SAFS
Shared Anti-Fraud Service
Fighting Fraud in Partnership

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Introduction

This plan supports the Councils **Anti-Fraud and Corruption Strategy** by ensuring that East Herts Council, working in partnership with the Hertfordshire Shared Anti-Fraud Service and others, has in place effective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Council's **policy statement on fraud and corruption**;

- **Be clear that the council will not tolerate fraudulent or corrupt acts and will take firm action against those who defraud the authority, who are corrupt or engage in financial malpractice.**
- **Provide a consistent framework for managers and Members, which enables effective deterrence, prevention, detection and investigation of fraud and corruption.**
- **Detail the responsibilities of employees, management and Members with regards to fraud and corruption.**
- **Assist the Head of Strategic Finance and Property in the fulfilment of the role as the council's Section 151 Officer and the Head of Legal and Democratic Services in the role as the council's Monitoring officer.**
- **Explain the role of council officers in relation to the prevention of fraud and actively promote a culture of openness and honesty in all dealings. (The council has Codes of Conduct for Members and officers.)**

This plan includes objectives and key performance indicators that support the Councils Policy and follows the latest best practice/guidance/directives from the Department for Levelling Up Housing and Communities (DLUHC), National Audit Office (NAO), Local Government Association (LGA) and the Chartered Institute for Public Finance and Accountancy (CIPFA).

National Context.

In 2013 the National Fraud Authority stated that the scale of fraud against local government “is large, but difficult to quantify with precision”. Since 2013 a number of reports have been published including by CIPFA, NAO and DLUHC indicating that the threat of fraud against local government is both real, causes substantial loss (including reputational, service as well as financial) and should be prevented where possible and pursued where it occurs.

In 2022 the Public Sector Fraud Authority (Cabinet Office) published a report stating that in 2021/22 the public sector had experienced more than 5 million acts of fraud, that more than £33bn in public money was lost to fraud each year and that fraud against the Covid-19 Financial Support packages alone had cost £19bn.

The *Fighting Fraud and Corruption Locally, A Strategy for the 2020's*, published in March 2020 and supported by CIPFA, the LGA, SOLCACE and External Auditors provides a framework for the Council to adopt in developing its counter fraud activity and this Anti-Fraud Plan follows the guidance and recommendations of the *Strategy*. A copy of the *Strategy* can be found at <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

The new *Strategy* compliments work undertaken in 2019 by CIPFA, NAO and Cabinet Office as well as the *Code of practice on managing the risk of fraud and corruption* CIPFA 2015 including the four ‘Pillars’ of **Govern Acknowledge, Prevent, Pursue** with an overarching aim of **Protect**:

For the Council this includes protecting public funds it administers and protecting the Council and its residents against fraud and cybercrime.



Anti-Fraud Plan 2023-2024

The Councils Anti-Fraud Plan will be managed by the Hertfordshire Shared Anti-Fraud Service (SAFS), but officers at all levels across the Council will have responsibility for ensuring that the plan is delivered.

The Anti-Fraud Plan highlights specific areas of work to protect the Council against fraud and corruption. The Council also has a duty to protect the public and it does this through its work across all services and in particular by sharing information and knowledge through communications either directly or via its website or social media outlets. The Council has frameworks and procedures in place to prevent fraud and encourage staff and the public to report suspicions of fraud through a number of channels.

The Anti-Fraud Plan for 2023-2024 follows the guidelines and checklists contained in the *Fighting Fraud and Corruption Locally Strategy* and progress against this will be reported to senior management and the Councils Audit and Standards Committee. A break-down of work included in the Plan can be found at **Appendix A** along with the officers with responsibility for ensuring the plan is delivered.

SAFS Resources 2023-2024

Anti-Fraud Arrangements

East Herts Council is a founding member of the Hertfordshire Shared Anti-Fraud Service (SAFS) and this service has provided the majority of the anti-fraud arrangements for the Council since April 2015. The SAFS Partnership, as well as East Herts Council, includes Stevenage Borough Council, Broxbourne Borough Council, Hertfordshire County Council, Luton Borough Council, North Herts Council, Hertsmeire Borough Council and from April 2023 Welwyn and Hatfield Council. The SAFS also provides services to other public sector bodies across Hertfordshire.

The SAFS Team is made up of 21.5 full time equivalent staff in 2023/24. All staff are fully trained and accredited (or working towards this) specialising in fraud prevention, fraud investigation, fraud awareness, fraud risk assessment as well as proceeds of crime, anti-bribery and anti-money laundering.

Since 2019 the SAFS Team has been nominated for and/or won awards for the services it provides including the **Tackling Economic Crime Awards** (TECAS), the **Institute of Revenue Rating and Valuation Awards** (IRRV), the **Public Finance Awards** (PFA), and most recently in February 2023 the **Public Sector Counter Fraud Awards**.

SAFS is a Partnership with each organisation paying an annual fee for Hertfordshire County Council for a contracted service for all Partners. SAFS, as a service, has a number of key objectives developed by its Management Board (the Board) and every Partner has a seat on that Board. For the Hertsmeire Borough Council the **Head of Strategic Finance and Property** is the Board representative.

Although SAFS will provide much of the Councils operational counter fraud work Council officers are responsible for ensuring the policies, procedures, training and appropriate resources are in place to protect the Council from fraud, corruption and bribery.

Budget

In December 2022 the SAFS Board agreed fees for all Partners from April 2023. The Board also received assurance from financial modelling that the service would be sustainable, in its current form, for at least the next three years.

Fees for East Herts Council for 2023-2024 have been agreed at £89,180+ VAT.

Staffing

The full complement for SAFS in 2023-2024 is planned to be 21.5 FTE.

The Council will have access to 285 days of counter fraud work, access to intelligence functions of the service, all data-matching services being offered through the SAFS Data-Hub and Herts *FraudHub* (hosted by Cabinet Office) and can call on SAFS management for liaison meetings, management meetings and three reports per annum to the Audit and Standards Committee. An Accredited Financial Investigator is available to assist in money laundering or proceeds of crime investigations.

SAFS has access to specialist IT forensics, covert surveillance and national counter fraud intelligence services provided via third parties and criminal litigation services to support the Councils legal team.

SAFS will provide alerts (local and national) to Council officers and senior management of new and emerging fraud risks through its membership of anti-fraud forums and specialist providers including the Fighting Fraud and Corruption Locally Board (FFCLB) the Credit Industry Fraud Avoidance Service (CIFAS), Certified Institute of Public Finance and Accountancy (CIPFA) Finance, National Fraud Intelligence Bureau (NFIB), Fraud Advisory Panel (FAP) and the National Anti-Fraud Network (NAFN).

Workplans & Projects 2023-2024

As well as an agreed programme of work (see **Appendix A**) SAFS will work in the following areas delivering specific activity agreed with service managers. Progress with this work will be reported to the relevant head of service/managers on a quarterly basis.

Service Area	Agreed Projects
Cross Cutting Corporate Initiatives	<p>General Support. Three Reports to Audit & Governance Committee. SAFS attendance at Corporate Governance Groups and management meetings. Assisting with the review of the Councils existing anti-fraud policies. Money Laundering Reporting Officer (MLRO) role. Assist with NFI Output and the Herts FraudHub. Assisting with Payroll fraud matters including disciplinary investigations. Identify new fraud risks and fraud alerts across all Council services and providing a resource to support any investigation, reporting or risk assessment required from any emerging fraud or corruption.</p> <p>Training. Five fraud training/awareness events for staff/members in year delivered face to face/virtually/hybrid. Review and re-release of SAFS I-Learn training package on fraud/bribery/money laundering – accessible via the Councils intranet. Roll out of NAFN training and registration for appropriate services/officers.</p> <p>Procurement. Work with the Shared Procurement Service developing a bespoke risk assessment for fraud in procurement/contracts.</p>
Revenues and Benefits	<p>This work will be arranged with the Shared Revenue and Benefit Service hosted by the Council. Proactive training and awareness for management and front-line staff. Reactive investigations for housing benefit, council tax support/discount and business rate fraud. Support for single person discount review utilising 3rd party framework. Identify systems/processes/new developments to assist in recovery of debt created by fraud. Use of data-analytics to identify fraud/evasion of business rate liability and collection. Joint working with DWP where council tax support and other 'national' benefits are in payment.</p>
Housing Services	<p>This work will be arranged with the Councils housing services and in partnership with Clarion Housing Group, Catalyst Housing (now part of Peabody), B3Living and other housing providers with stock within the Councils area. Proactive training and awareness for management and front-line staff. Reactive investigations for Housing Application, tenancy fraud- including sub-letting or right to buy fraud, and misuse of temporary accommodation. Provide a focus on fraud risks affecting temporary accommodation costs. Review housing register to identify fraud risks and, where appropriate, investigate these.</p>

SAFS Key Performance Indicators (KPI) & Standards of Service.

SAFS will work to a set of KPIs agreed with senior officers and these targets will assist in delivering the Councils Anti-Fraud Plan. The KPI's can be found at **Appendix B** and will be reported to senior officers and Audit and Standards Committee throughout the year.

SAFS - Standards of Service.

SAFS will provide the Council with the following anti-fraud services.

1. 24/7 Access to a fraud hotline, email and online solution for public reporting.
2. Process for Council staff to report suspected fraud to SAFS via email/phone/weblinks.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, Identity Fraud and Money Laundering.
4. A Money Laundering Reporting Officer service as laid out in the relevant Council policies.
5. Assistance in the design/review of Council policies, processes, and documents to deter/prevent fraud.
6. SAFS will design shared/common anti-fraud strategies and policies or templates to be adopted by the Council.
7. SAFS will continue to develop with the Cabinet Office and Council officers a data-matching solution (NFI- Herts *FraudHub*) to assist in the early identification and prevention of fraud.
 - The FraudHub will be funded by the Council.
 - The FraudHub will be secure and accessible only by nominated SAFS and Council Staff.
 - Data will be collected and loaded in a secure manner.
 - SAFS will design and maintain a data-sharing protocol for all SAFS Partners to review and agree annually.
 - SAFS will work with Council officers to identify datasets (and frequency) of the upload of these.
 - SAFS will work with Council officers to determine the most appropriate data-matching.
8. All SAFS Staff will be qualified, trained and/or accredited to undertake their duties lawfully.
9. All SAFS investigations will comply with legislation including DPA, GDPR, PACE, CPIA, HRA, RIPA* and relevant Council policies.
10. Reactive fraud investigations.
 - Any high profile, high value, high risk cases or matters reported by senior managers will receive a response within 24 hours of receipt.
 - All cases reported to SAFS will be reviewed within 2 days of receipt and decision made on immediate action including selection of cases for further review, no action, investigation, or referral to 3rd parties including police, DWP, Action Fraud.
 - The Council will be informed of all reported fraud affecting its services.
 - SAFS will allocate an officer to each case.
 - SAFS officers will liaise with nominated officers at the Council to access data/systems to undertake investigations.
 - SAFS officers will provide updates on cases and a summary of facts and supporting evidence on conclusion of the investigation for Council officers to review and make any decisions.
 - Where criminal offences are identified SAFS will draft a report for Council officers to decide on any further sanctions/prosecutions.
11. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal in line with the Council's policies.
12. SAFS will provide Alerts to the Council, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.
13. SAFS will provide reports to senior management on the progress with delivery of this Plan and any other relevant activity planned or otherwise.
14. SAFS will provide reports through the SAFS Board and to the Council's Audit Committee as agreed in the SAFS Partnership Contract.

**Data Protection Act , General Data Protection Regulation, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act, Investigatory Powers Act.*

Appendix A.

EHC / SAFS Action Plan 2023/2024			
FFCL Pillars	Objectives	Activities	Responsible Officer
Governance	Having robust arrangements and executive support to ensure anti fraud, bribery and corruption measures are embedded throughout the organisation.	Ensure the Councils Anti-Fraud and Corruption Strategy & Fraud Response Plan and associated policies to deter, prevent, investigate and punish acts of fraud or corruption are reviewed against latest best practice. Review and update the Councils Money Laundering/ Bribery/ Cyber-Crime Policies	Chief Executive / Monitoring Officer / S.151 Officer
		The Councils Audit & Governance Committee will receive reports during the year about the arrangements in place to protect the Council against fraud and the effectiveness of these.	Head of Internal Audit /Head of SAFS
		The Audit & Governance Committee and its Chairman, along with the senior management team, will ensure compliance with the latest best practice in the Councils anti-fraud arrangements including that published by CIPFA, NAO and LGA.	A&G Committee Chairman/ S.151 Officer / Monitoring Officer
		System/process weaknesses or risks revealed by instances of actual fraud will be fed back to departments/services with recommendations to manage/mitigate these risks. Reports will be shared with senior managers or the Shared Internal Audit Service (SIAS) to review outcomes and management response to recommendation.	Head of Internal Audit / Head of SAFS
		SAFS will assist the Council in providing its Fraud Data for the Transparency Code annually	Head of SAFS
		The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.	Monitoring Officer / Head of Human Resources
ACKNOWLEDGE	Accessing and understanding fraud risks. Committing the right support and tackling fraud and corruption. Demonstrating that it has a robust anti-fraud response. Communicating the risks to those	Inclusion of Fraud Risks and actions to manage/mitigate/reduce this in its Annual Governance Statement.	Risk Manager / Head of SIAS/ S.151 Officer
		The Councils Communication Team will publicise anti-fraud campaigns and provide internal communications to staff on fraud awareness	Head of SAFS/ Communications Mgr
		The Council and SAFS will provide fraud awareness & specific anti-fraud training across all Council services and implement E-Learning modules available for staff that is mandatory.	Head of HR / Head of SAFS
		The Council is a member of the Hertfordshire Shared Anti-Fraud Service (SAFS). Council Officers will ensure that the services provided by SAFS are appropriate and provide an effective ROI in both in terms of savings delivered and added value.	S.151 Officer
		Audits conducted by the SIAS will take account of known or emerging fraud risks when audit activity is being planned. The SIAS will report any suspected fraud to senior management and SAFS to review.	Head of SIAS
		All SAFS staff will be fully trained and accredited. SAFS will continue to work with the Cabinet Office to support the Counter-Fraud Profession.	Head of SAFS
PREVENT	Making the best use of information and technology. Enhancing fraud controls and processes. Developing a more effective anti-fraud culture. Communicating its' activity and successes.	SAFS will provide fraud alerts and new and emerging fraud threats to be disseminated to appropriate officers/staff/services.	Head of SAFS
		SAFS will work with all Council services to make best use of 3rd party providers such as NAFN, PNLD, CIPFA, CIFAS.	Head of SAFS
		Develop the Councils use of the Herts FraudHub and support Council officers with the output from NFI 2022/2023 Exercise	Head of SAFS/ S.151 Officer
		The Council, and SAFS, will seek to work with other organisations, including private sector, to improve access to data and data-services that will assist in the detection or prevention of fraud.	Head of SAFS/ S.151 Officer
		The SAFS Mgt will provide reports to the SAFS Board quarterly on anti-fraud activity across the Partnership and any learning to be shared with all Partners	Head of SAFS
		The Council will review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA to maximise the use of sharing data with others to help prevent/identify fraud.	Monitoring Officer
PURSUE	Prioritising fraud recovery and use of civil sanctions. Developing capability and capacity to punish offenders. Collaborating across geographical and sectoral boundaries.	All fraud reported to the Council will be captured via SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members. SAFS will work with officers to promote the reporting of suspected fraud by officers and the public.	Head of SAFS
		All investigations will comply with relevant legislation and Council Policies. Investigations will include civil, criminal and disciplinary disposals	Head of SAFS
		SAFS will use its case management system to record and report on all fraud referred, investigated and identified.	Head of SAFS
		Legal Service and debt recovery teams will seek to 'prosecute' offenders, apply sanctions and recover financial losses- supported by relevant policies.	Monitoring Officer/ S.151 Officer
		SAFS and the Councils Shared R&B Service will work with DWP to deliver joint investigations where fraud affects both council tax and housing benefit or other 'national' 'benefits'	Head of SAFS/ Head of R&B Service
		SAFS will use its in-house expertise as well as external partners when considering the use of POCA, Surveillance or IT Forensics.	Head of SAFS
PROTECT	Recognising the harm that fraud can cause in the community. Protecting itself and its' residents from fraud.	SAFS will provide reports and data to Fraud Champions on all anti-fraud activity as required by Council officers.	Head of SAFS
		Reports for Audit Committee on all Counter Fraud activity at the Council 3 times in 2023-2024	Head of SAFS / S.151 Officer
		The Council has in place measures to protect itself against cyber crime, malware and other potential attacks aimed at its IT infrastructure, with training for staff and elected members	S.151 Officer/ Head of IT
		SAFS will work with bodies including MHCLG/LGA/CIPFA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government	Head of SAFS

Appendix B.

SAFS KPIs - 2023/ 2024- EHC

KPI	Measure	Objectives	Reason for KPI
1	Return on investment from SAFS Partnership.	Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution. A. Meetings to take place with the Councils Head of Strategic Finance and Property , quarterly. B. Head of Strategic Finance and Property will sit on the SAFS Board that meets quarterly. C. Regular meetings to take place with Service Leads to agree and update local work plans. D. Reports on progress with any area of work covered by the SAFS Partnership Agreement will be provided on request.	Transparent evidence to Senior Management that the Council is receiving a service matching its contribution.
2	Provide an investigation service.	A. 285 Days of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management (Supported by SAFS Intel/Management). B. 3 Reports to Audit & Governance Committee. C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. All urgent/ high risk cases will be responded to within 24 hours. B. All other cases 2 Days, on Average.	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Added value of SAFS membership.	A. Membership of NAFN & PNLD B. Membership of CIPFA Counter Fraud Centre and access to CIFAS/NCSC/AF/FFCL alerts, trends, best practice C. NAFN Access/Training for relevant Council Staff D. 5 Training events for staff/Members in year. (To be agreed with Service leads and HR)	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.
5	Allegations of fraud received. & Success rates for cases investigated.	A. All reported fraud (referrals) will be logged and reported to officers by type & source. B. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each will be reported to officers. C. SAFS will work with social providers across the Borough.	This target will measure the effectiveness of the service in promoting the reporting of fraud & measure the effectiveness in identifying cases worthy of investigation.
6	Making better use of data to prevent/identify fraud.	A. Support the output from NFI 2022/23 Council services. B. Membership and VFM from the Herts FraudHub in 2023/24.	Build a data hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.

East Herts Council Report

Audit and Governance Committee

Date of meeting: Tuesday 26 September 2023

Report by: Tyron Suddes – Information Governance and Data Protection Manager

Report title: Data Protection Update

Ward(s) affected: (All Wards);

Summary – To provide an update on the council's response to data breaches and subject access requests

RECOMMENDATIONS FOR Audit and Governance Committee:

- a) That the Committee notes the content of the report and provides any observations to the Information Governance and Data Protection Manager**

1.0 Proposal(s)

- 1.1 As above

2.0 Background

- 2.1 This report provides a regular update on the council's response to reported data breaches and subject access requests.
- 2.2 There have been fourteen reported breaches from October 2022 to August 2023, one of which was reported to the Information Commissioner's Officer (ICO).

- 2.3 This breach was caused by a ransomware attack on one of the council's sub-processors and included low risk personal data of one business rates and twenty-eight council tax accounts. The following actions were taken in response:
- 2.3.1 the sub-processor took rapid containment action and took the affected server offline;
 - 2.3.2 urgent security updates were issued and implemented shortly after the breach and the sub-processor provided assurance that these will be monitored for any further updates;
 - 2.3.3 an in-depth review of the software used by the sub-processor is being carried out by third party cyber security specialists and;
 - 2.3.4 notes were added to the affected customers' accounts for additional security checks to be carried out if necessary.
- 2.4 The breach was reported to the ICO on 14th June and was acknowledged on the 19th June but no further update has yet been received. If any significant issues are raised these will be reported and addressed accordingly.
- 2.5 Of the remaining breaches, twelve were caused by human error whereby:
- 2.5.1 there were nine instances of correspondence sent to an incorrect recipient;
 - 2.5.2 housing allocation interview information was added to an internal meeting room calendar and;

- 2.5.3 a community protection order was disclosed in error.
- 2.6 The following actions were taken in response to human error related breaches:
- 2.6.1 software issues were immediately investigated and corrected and any actions were monitored with the relevant supplier;
 - 2.6.2 incorrect recipients were contacted to confirm that data had been destroyed;
 - 2.6.3 where appropriate, the affected person was contacted to provide an apology, details of the breach and, where relevant, further action that could be taken to reduce risk and;
 - 2.6.4 officers responsible were reminded of relevant procedures and the serious consequences of a data breach
- 2.7 One breach was caused by a data loss whereby access to a shared folder was lost. IT restored data to the latest backup but could not be sure if all data was restored. Staff affected were asked to confirm if any data had not been restored and confirmed it had been.
- 2.8 The amount of data breaches over the last reporting period remains acceptable, particularly given the amount of data the council processes. There has been an increase in the number of breaches being reported which evidences the council's improved data protection training programme and regular communications.

2.9 Short term actions have been put in place and are monitored and wider actions, particularly related to human error breaches, are currently being considered in light of the council's migration to MS365 and the additional preventative tools which can now potentially be implemented.

2.10 There have been eleven subject access requests from October 2022 to August 2023. All requests were processed and responded to within the statutory time limit.

3.0 Reason(s)

3.1 At its meeting on 17th November 2020¹, the Audit and Governance Committee requested that it receive reports on GDPR and data protection matters.

4.0 Options

4.1 The Committee requested an update and so there are no alternative options to consider

5.0 Risks

5.1 Data breaches can pose a financial and reputational risk to the council if they are not reported and dealt with correctly, however, the council, through e-learning, virtual classroom training and updated policies and procedures has raised awareness of what constitutes a breach and how to prevent and report these where required. Additionally, through regular reporting of breaches, the

¹ [Minute 248](#)

council can identify trends and possible actions to prevent these reoccurring.

5.2 Similarly, subject access requests, if not responded to correctly and within the statutory one month time frame, can pose financial and reputational risks to the council. This report provides reassurance that the council continues to respond to these requests in line with legislation.

6.0 Implications/Consultations

Community Safety

No

Data Protection

Yes – regular updates on data protection aim to provide assurance that the council remains compliant with data protection legislation. Equally, updating on data breaches and subject access requests provides assurance that the council remains compliant in these areas.

Equalities

No

Environmental Sustainability

No

Financial

No

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No – other than as identified above.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 None

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East Herts Council Report

Audit and Governance Committee

Date of meeting: 26 September 2023

Report by: Councillor Carl Brittain, Executive Member for Financial Sustainability

Report title: Assets of Community Value Report 2023

Ward(s) affected: All

Summary – this report updates Members on the current Community Asset Register.

RECOMMENDATIONS FOR COMMITTEE:

- a) That Committee Members review the Asset Register

1.0 Proposal(s)

- 1.1 Committee Members are encouraged to review the register and comment on any issues regarding Assets of Community Value

2.0 Background

- 2.1 Committee Members from the previous administration asked for an annual update in regard to Assets of Community Value (ACV), the first of which was provided in September 2021.

What are Assets of Community Value?

- 2.2 The Localism Act (2011) was brought in by the Conservative/ Liberal Democrat Coalition government to increase community involvement and accountability in delivery of public services. Legislation pertaining to Assets of Community Value (ACV) was designed to provide an additional safeguard for community facilities such as pubs, village halls, shops and local sports grounds. Specifically, it creates an opportunity for local groups to take on ownership of such facilities that are threatened with closure.
- 2.3 The Regulations Section 88(2) of the Localism Act defines an asset / land of community value if:
- a) There is a time in the recent past (or current) when an actual use of the building or other land that was not an ancillary use furthered the social wellbeing or interests of the local community, and
 - b) It is realistic to think that there is a time in the next five years when there could be non-ancillary use of the building or other land that would further (whether or not in the same way as before) the social wellbeing or social interests of the local community
- 2.4 The thresholds for meeting these tests are quite low and largely in the gift of the local authority who maintain the register. For example, even if a building such as a village pub has been closed for several years and has no clear

owner wishing to return it to use, it is still entirely feasible that this *could* happen and therefore the pub meets the criteria. Crucially, even a live planning application to convert the pub to residential use does not negate this.

- 2.5 Groups such as parish councils and constituted local voluntary and community organisations are able to nominate local land or buildings to be included in the list of community assets maintained by the relevant local authority. In two tier areas, this is the District/ Borough Council. Details of the nomination process can be found on our website: [Assets of Community Value \(ACV\) | East Herts District Council](#)

What happens when a building or land is nominated?

- 2.6 Following receipt of a nomination form, the Council notifies the freeholder and, if relevant, leaseholder, with an invitation to submit information or evidence in regards to any objections to the nomination. The local ward Member is also informed. A panel date is set to consider all the information, usually with four-six weeks of the nomination being received. The panel is chaired by the Head of Communications, Strategy and Policy who is responsible for determining whether assets should be accepted or not. This is done in consultation with other panel members including the Council's Policy Officer and representatives from Planning and Legal.
- 2.7 Once a decision is made, the owner is notified. In the case of it being added to the register the owner has 28 days to

appeal this process. An appeal will be undertaken internally by another senior officer not hitherto involved in the nomination. If the appeal is not upheld, the asset is then added to the register. If the owner is still unhappy with the appeal decision, their only option is to appeal to the first tier tribunal. To date, only two owners have pursued this option and in both cases the tribunal judge upheld the Council's decision to add them to the register (the Rose and Crown Pub, Aston, and the Cock Inn, Stocking Pelham).

- 2.8 As part of the registration process the Council updates the title via the Land Registry so that the ACV status will show on any future searches.
- 2.9 If an asset is placed on the register, the owner is obliged to notify the local authority when intending to dispose of it, which will trigger a moratorium period of six weeks. During this time, the community group can apply to be treated as potential bidders through by submitting an expression of interest. If the owner does not give notice to the local authority, any future disposal will be deemed unlawful.
- 2.10 The owner will be able to begin the sale process after an interim period of six weeks if no bidder has come forward. If a written intention to bid is received in that time, then a full six month moratorium period will take place which gives community groups time to prepare a bid. During that six months the owner is not able to

dispose of it to any other buyer. In practice this means they are able to advertise but not agree a sale.

- 2.11 The sale itself takes place under normal market conditions and whilst the community group will be given an opportunity to submit a bid the owner is not compelled to accept it.
- 2.12 Certain buildings and land are excluded, including residential property and land, hotels, land (specifically places of worship) owned by the church of England and land used by public utilities. A property will remain on the list for five years. It can be re-nominated after that point.

How well used is the legislation?

- 2.13 After an initial period of publicity and interest, the provisions of the Localism Act have received little attention or support from national government in recent years. However, at local level, communities have been continuing to make use of the tool albeit the number of assets purchased by local groups remains relatively low.
- 2.14 The Department for Levelling Up, Housing and Communities does not collect formal statistics on either the number of listed assets or the number bought by community groups. However they did provide a grant to the Plunkett Foundation to maintain an overall list nationally which can be found here: [Keep it in the Community Homepage \(force.com\)](https://www.force.com/keep-it-in-the-community-homepage)

2.15 ACV status is usually applied for in the case of village and town pubs in an attempt to prevent them being closed in anticipation for residential development. We have seen a similar pattern in East Herts also however a number of other types of assets have also been listed including woods and shops.

Does an ACV registration make any difference?

2.16 This is an important question. There are very few examples nationally of where adding an asset to the register has resulted in a community group taking on ownership through the moratorium process. Where a local group has the necessary funds to make a realistic bid and the landlord is co-operative and engaged, the legislation probably isn't needed. Where an owner has no intention of disposing for anything less than market value, they will simply keep their asset advertised and wait for the six months to elapse before moving ahead with a sale.

2.17 Most of the assets listed in East Herts are relatively uncontroversial and go unchallenged. However some have become complicated and this is largely in the case of village pubs that have been closed and where the owner is attempting to convert the building to residential use. Local groups often apply for ACV status in this instance to provide some level of protection against this happening and often in the context of galvanising local support to keep them open. This has been the case in the past regarding the former pubs mentioned above (the Rose and Crown, Aston, and the Cock Inn, Stocking Pelham)

and has also been the case in regards to more recent additions including the Bell Inn, Benington and the White Horse, Wareside.

- 2.18 It should be noted that an ACV status is no guarantee of preventing conversion to residential development. Any planning application would be considered on its own merits. However in some cases the ACV status may be of relevance to planning determinations. Whilst falling short of a material consideration in East Herts it does provide a proxy for community interest and commitment to retain local facilities (noted in the rulings by the judges in the first tier tribunal cases referenced above).
- 2.19 It is worth noting that whether a local group has the necessary funds or capacity to take on ownership of a community asset is irrelevant to the nominating process. In some cases local groups simply wish to prevent the loss of a community facility and slowing it down by six months is all that can be realistically achieved.
- 2.20 In East Herts the current list of assets can be found a Appendix A and also on our website: [Assets of Community Value Register | East Herts District Council](#)
- 2.21 Currently there are 26 assets listed, 1 other in the process of being registered (Little Hadham Community Orchard) and 1 other being considered, having recently been nominated (the Baker's Arms, Bayford).

3.0 Reason(s)

- 3.1 The Community Asset register has to be kept up to date by East Herts Council, as outlined in the 2011 Localism Act.

4.0 Options

- 4.1 There are no options to not maintain the register as it is a statutory requirement

5.0 Risks

- 5.1 N/A

6.0 Implications/Consultations

- 6.1 Owners of any assets registered (including any leaseholders or tenants) are consulted with upon receiving a nomination

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

No

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Current Community Asset Register

Contact Member

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Appendix A – Community Asset Register, East Herts as at 11/9/23

Asset & notes	Nominating Group	Date added	Expiry date
White Horse, Wareside. Community group notified of owner's intention to sell on 17 th April and they did not submit an expression of interest on the basis that the prospective buyer wanted to re-open the pub. However the sale appears to have fallen through.	Wareside Community Group	01/04/23	31/3/28
Wareside CofE School, Wareside	Wareside Parish Council	29/03/23	29/03/28
Water Lane Hall, Bishop's Stortford. Notice of a relevant disposal was immediately given to the nominating group, triggering the 6 month moratorium period. This expired 19 th March and the protected period will end 19 th March 2024	Bishop's Stortford Civic Federation	13/9/23	19/3/24
Feathers Inn, Wadesmill	Thundridge Parish Council	29/3/23	28/3/28
The Bell Inn, Benington. This was already on sale when the pub was nominated. The community group triggered the moratorium process on 10 th August and it expired February 2023 meaning the protected period lasts until 24 th February 2024	Friends of the Bell	01/8/22	24/2/24
The Bull Inn PH, Much Hadham	Save The Bull Action Group	12/08/22	12/08/27
The Farmers Boy Pub, Brickendon	Brickendon Liberty Parish Council	17/02/22	17/02/27
The Yew Tree PH, Walkern	Walkern Parish Council	08/04/2017	08/04/2027
The White Lion PH, Walkern	Walkern Parish Council	08/04/2022	05/04/2027
Walkern & Sandon United Reform Church, Walkern	Walkern Parish Council	08/04/2022	08/04/2027
Budgens, Walkern	Walkern Parish Council	08/04/2022	08/04/2027
The Boot Public House, Dane End,	The Book Pub Local Residents Group	08/11/21	08/11/26

ZisZis Food Store 155 London Road, Hertford Heath, SG13 7PN	Hertford Heath Parish Council	29/07/21	29/07/26
The Silver Fox 16-18 London Road, Hertford Heath, Sg13 7RH	Hertford Heath Parish Council	29/07/21	29/07/26
Coutryman Inn, Chipping. Notice to dispose was given 22/7/22 and the community group triggered a moratorium process which expired 16/12/22. The protected period will end 16/12/23	Buckland and Chipping Parish Council	01/7/21	16/12/23
Astonbury Woods Astonbury Lane, Hertfordshire	Aston Parish Council	17/05/21	17/05/26
Hertford Heath Village Hall, Hertford Heath,	Hertford Heath Parish Council	20/03/21	20/03/26
The Goat Public House, Hertford Heath	Hertford Heath Parish Council	20/11/2020	19/11/2025
The Village Hall, Hertford Heath	Hertford Heath Parish Council	20/11/2020	19/11/2025
Mission Room, Hertford Heath	Hertford Heath Parish Council	20/11/2020	19/11/2025
Holy Trinity Church, Hertford Heath	Hertford Heath Parish Council	20/11/2020	19/11/2025
Hertford Heath School, Cub and Beaver Hut, Hertford Heath	Hertford Heath Parish Council	20/11/2020	19/11/2025
Boxwood, Walkern, Hertfordshire.	Friends of Fairlands Farm CIC.	20/11/2020	19/11/2025
College Arms Pub, Hertford Heath	Hertford Heath Parish Council	11/09/2020	10/09/2025
Hertford Corn Exchange, Hertford,	Hertford Civic Society	03/03/2020	02/03/2025
The Crooked Billet, Ware	Community group	10/04/2019	09/04/2024

Agenda Item 12

East Herts Council Report Audit & Governance Committee

Date of meeting: 26 September 2023

Report by: Steven Linnett, Head of Strategic Finance and Property

Report title: Provisional General Fund Revenue & Capital Outturn 2022/23

Ward(s) affected: All

Summary – This report presents the provisional outturn for the General Fund Revenue Budget and the Capital Programme for the 2022/23 financial year. The outturn remains provisional as the figures are subject to external audit.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE

- a)** Note the General Fund revenue outturn of £195k overspend to be funded from the General Reserve; and
- b)** The Capital Programme was underspent by £14.797m due to slippage caused by various factors, including archaeological finds. Budgets of £12.916 million will be carried forward to the next financial year as a consequence.

1.0 Proposal(s)

- 1.1** To advise members on the general fund revenue outturn for 2022/23 and provide explanations for significant variances against approved budgets.
- 1.2** To advise members of the final capital outturn position and the financing arrangements for the 2022/23 capital programme.

2.0 Background

2.1 The 2022/23 budget was approved by Council on 1 March 2022.

2.2 In year budget monitoring and management actions have sought to deliver the Council's plans. Members have been kept updated throughout the year through quarterly budget monitoring reports where significant variances have been reported.

3.0 Reason(s)

3.1 The final outturn for the year, detailed in this report is still subject to external audit. The audit of the 2021/22 accounts is currently being finalised, the audit of the 2022/23 accounts will commence when the 2021/22 accounts is complete, the final audited accounts will be presented to Audit & Governance Committee on completion of the audit.

3.2 An overspend of £195k is reported against the 2022/23 revenue budget. This is summarised in table 1. It is recommended that this is funded from the Councils General reserve.

Table 1: Summarised 2022/23 Outturn Position

	2022/23 Original budget	2022/23 Outturn	Variance
	£'000	£'000	£'000
Net Cost of Services	16,129	16,033	(96)
Corporate budgets	333	(253)	(586)
Net use of reserves	265	(2,618)	(2,883)
Funding	(5,202)	(1,442)	3,760
Council Tax	(11,525)	(11,525)	-
Underspend		195	195

3.3 Details on the significant variance against the 2022/23 Revenue budget are shown in appendix A.

3.4 The progress of the capital programme has been reported to Audit and Governance Committee throughout the year as part of the budget monitoring process. Capital Expenditure in 2022/23 was £15.43m as set out in table 2.

Table 2: 2022/23 Capital Outturn & budget carry forwards to 2023/24

	2022/23 Revised budget	2022/23 Outturn	Variance	Carry forward to 2023/24
	£'000	£'000	£'000	£'000
Land & Buildings	26,561	13,517	(13,044)	11,596
Vehicles & Equipment	1,236	136	(1,100)	1,020
Community Assets	1,759	1,375	(384)	255
REFCUS/CERA	671	402	(269)	45
Total	30,227	15,430	(14,797)	12,916

3.5 An underspend of £14.797m is reported in respect of 2022/23. This is largely due to schemes not commencing as a budget saving measure, or progressing in line with initial expectations or other factors have contributed to delays such as archaeological investigations discovering a large number of burials in Castle Park.

3.6 It is recommended that £12.916m of the budget underspends be carried forward from the 2022/23 to the 2023/24 capital programme. This relates to the slippage of projects against the assumed spend profile as at 31 March 2023. Further details can be found in Appendix B.

3.7 The 2022/23 capital programme expenditure has been financed from the following sources:

Table 3: Capital financing

	£'000
Capital receipts	1,427
Third party contributions	2,207
External borrowing	11,743
Revenue	53
Total	15,430

4.0 Options

4.1 The Executive can choose to fund the overspend from earmarked reserves.

4.2 The Executive can choose not to carry forward capital budgets although this would cause budget shortfalls and overspends on major projects that span financial years. This is not recommended.

5.0 Risks

5.1 There is a risk that the external auditors will require the accounts to be adjusted after audit which may decrease or increase the revenue over spend reported.

6.0 Implications/Consultations

6.1

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

Contained within the body of the report

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Regular monitoring and forecasting of the budget and capital programme are required to ensure that the Council is managing its resources effectively and complies with section 28 of the Local Government Act 2003 and the Council's Financial Procedure Rules.

Specific Wards

Yes/No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – revenue outturn position

7.2 Appendix B – 2022/23 Capital Outturn

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1. Net Cost of Services

An underspend of £96k is reported against the net cost of services budget, the main areas of variance against budget are detailed across the following paragraphs:

- A national shortage in planning staff has adversely impacted on recruiting to vacant posts, these are being filled by agency staff which attracts a higher cost, net £449k in 2022/23.
- Grant income from central government received in respect of the revenues and benefits service of £200k above the budgeted income amount was received in year, £100k of this has been transferred to earmarked reserves to fund future schemes in line with the grant determinations.
- Income received from the County Council as part of the calculation for diverting waste from landfill, the calculation is based on tonnages for all districts and can therefore vary significantly. In recent years East Herts have received very small amounts and no longer budget for this income. In 2022/23 we are forecast to receive £200k.

2. Net use of reserves

In 2022/23 there was budgeted to be a contribution to reserves of £265k, the outturn position is a contribution from reserves of £2.618m, a movement of £2.88m there are several factors affecting the reserves position, as detailed below:

- When the 2021/22 budget was set in March 2021 it was anticipated that a contribution to reserves of £3.1m in respect of the NNDR compensation would be made with this being released over the following 2 years, this £1.555m was included in the 2022/23 MTFP. However, following the pandemic's impact on Business rates collection and accounting guidance from central government, a contribution to reserves of £10.8m was made in 2020/21 instead of 2021/22, therefore in line with regulations a third of this was drawn down from reserves both 2021/22 and 2022/23. This accounts for a movement of £1.98m
- At the time of setting the 2022/23 budget there was no contributions from reserves were forecast. However as a result of pressures in year

£600k is to be drawn from reserves. This includes £113k to fund the transformation project, £162k to fund the performance bond and increased insurance cost at Hertford Theatre during the building works and £300k to smooth the impact of Business rates, it is anticipated that this will be repaid in future years.

- As detailed in the Net Cost of Services section contributions to reserves of £100k have been made from income to be utilised in future years

3. Funding

The funding budgets approved as part of the MTFP in March 2022 totalled £5.2m, these were based on information available at the time of setting the budget.

- Business rates income was significantly lower than budgeted. This was partially offset through Section 31 grants received from central government to compensate local government for mandatory business rate reliefs granted. The deficit on the collection fund was significantly higher than forecast when the budget was set. This is partially offset by the drawdown from reserves of £3.536m mentioned in the reserve commentary.
- General grants of £713k and New Homes Bonus of £1.38m were received in line with budget, the general reserves were utilised in the year and New Homes Bonus was transferred to the priority spend reserve.

Capital Outturn March 2023				
	Revised Budget	Outturn	Variance	Carry Forward to
	2022/23	2022/23	2022/23	2023/24
	£'000	£'000	£'000	£'000
Land and Buildings				
Investment in operational assets	250	23	(227)	4
Grange Paddocks Leisure Centre	1,535	1,243	(292)	97
Hartham Leisure Centre	6,985	2,685	(4,300)	4,300
Hertford Theatre	11,958	6,242	(5,716)	5,716
Car Park Resurfing & extension	455	0	(455)	305
Old River Lane and Arts Centre	1,000	448	(552)	552
Northgate End	2,890	2,835	(55)	55
New Hostel	148	0	(148)	148
Elizabeth Road Redevelopment	1,080	0	(1,080)	1,080
Pinehurst Community Hall	200	20	(180)	180
Hillcrest	60	21	(39)	39
Vehicles and Equipment				
Rolling programme to be utilised on ICT projects subject to ITSG review	1,029	116	(913)	913
Buntingford Depot	20	20	0	0
LED Lighting Upgrades	187	0	(187)	107
Community Assets				
Folly View, Herford - Open Space Improvements	15	0	(15)	15
Replacement play equipment across the district (in response to the Condition Audit survey) and open space improvem	112	58	(54)	12
The Wash, Hertford	50	0	(50)	50
Cannons Mill Lane, Bishops Stortford	30	0	(30)	30
Castle Park - HLF	1,500	1,300	(200)	200
Phisiobury Park - HLF	52	17	(35)	35
Revenue Expenditure Funded as Capital Under Statute (REFCUS)				
Home Improvement Loans	120	0	(120)	0
Improve & renew structures along rivers and watercourses	48	9	(39)	39
Land Management Asset Register & Associated Works	50	44	(6)	6
Green Deal Loans	20	1	(19)	0
Historic Building Loans	20	0	(20)	0
Community Capital Grants	65	0	(65)	0
Affordable Housing	348	348	0	0
Current Capital Programme Budget Total	30,227	15,430	(14,797)	13,883

Approved But Not Yet Committed	
Buntingford Depot site works	384
Ward Freman	843
Transflormation Programme	1,000
St Andrews Street CP Resurfacing	70
Capital Contingency - Major Projects	1,500
Current Capital Programme Budget Total	3,797

Agenda Item 13

East Herts Council Report

Audit & Governance Committee

Date of meeting: 26 September 2023

Report by: Councillor Carl Brittain, Executive Member for Financial Sustainability

Report title: QUARTERLY CORPORATE BUDGET MONITOR –
QUARTER 1 JUNE 2023

Ward(s) affected: ALL

Summary –

- The net revenue budget for 2023/24 is £12.113m as set out in table 1, this is funded by Council Tax. The forecast outturn as at 30th June 2023 predicts an overspend of £403k.
- The revised capital budget for 2023/24 is £36.688m as set out in Appendix C. The forecast spend is £37.158m, an overspend of £490k. Hertford Theatre is forecasting an overspend of £2.645 million and officers are working to reduce this overspend by project phasing and re-engineering.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:

- a) The net revenue budget forecast overspend of £403k be noted;
- b) The capital programme forecast overspend of £490k be noted;

- c) The forecast overspend on Hertford Theatre of £2.645 million and officer actions to reduce this figure be noted.

Proposal(s)

1.1 Not applicable

2.0 Background

2.1 The revenue budget and capital programme were approved by council on 1st March 2023. The budgets were set amid an ongoing period of continued financial uncertainty arising from the pandemic, the lack of a multiple year Comprehensive Spending Review and risks for local government, particularly the impact of high inflation. The report that follows provides details of the forecast outturn position against the budgets set in March 2023.

2.2 The 2023/24 net revenue budget is £12.113m, the table below shows the budget alongside the 2023/24 forecast outturn as at Quarter 1. A breakdown of the revenue budget and forecast outturn can be found in Appendix A:

Table 1: 2022/23 Revenue forecast outturn

	2023/24 Budget	2023/24 Forecast outturn	Variance
	£'000	£'000	£'000
Net Cost of Services	17,030	17,289	259
Total corporate budgets	1,373	1,517	144
Total reserves	(818)	(818)	-
Total Funding	(5,472)	(5,472)	-
Net revenue spend	12,113	12,516	403
Funded by Council Tax	(12,113)	(12,113)	-
Overspend/(underspend)	-	403	403

2.3 With high inflation, the cost of living crisis has impacted on the council's spending with contract costs, utilities and salaries increases at levels above budget. Increases to the Bank of England's base rate have resulted in interest rate rises which

impact on the rate at which the council can borrow and also on the return that the Council can achieve on its investments. A summary of significant variances is provided in Appendix B, this gives details of the £403k forecast overspend.

2.4 The revised capital budget for 2023/24 is £36.668m as set out in Appendix C. The forecast outturn is £37.158m giving a variance of £490k. The main variances are being the current projected overspend on the Hertford theatre build of £2.645 million which officers are working to bring down and the £2.0 million saving arising from delay to the likely commencement of the Arts Centre . Appendix C provides a further breakdown of the capital projects.

2.5 The outstanding debt as at Quarter 1 was £3.64m, of this £1.25m is less than 30 days old. The total outstanding debt has increased by £609k from the position at 31st March 2023. Debt over 365 days old totals £1.5m, this is being reviewed by officers, with legal advice being sought as necessary. The split of aged debts can be found in Appendix D

3.0 Reason(s)

3.1 Section 28 of the Local Government Act 2003 requires the Council to monitor the budget and monitor and assess the adequacy of reserves and balances during the year. East Herts Council's financial management framework requires quarterly reports to Audit & Governance Committee and the Executive with expenditure forecasts to the year end.

3.2 The Executive must consider the budget forecasts and ensure that action is taken in relation to any expenditure over spends or any underachievement of income so that the Council's financial resources are not exceeded.

4.0 Options

4.1 Not applicable

5.0 Risks

5.1 Higher inflation and rising interest rates will put pressure on the Councils revenue and capital budgets.

6.0 Implications/Consultations

6.1 The finance team has consulted with Heads of service, service managers and budget managers in writing this report

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

All financial implications are included in this report.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Section 28 of the Local Government Act 2003 requires the Council to monitor the budget and monitor and assess the adequacy of reserves and balances during the year. East Herts Council's financial management framework requires quarterly reports to Audit & Governance Committee and the Executive with expenditure forecasts to the year end.

Specific Wards

None

7.0 Background papers, appendices and other relevant material

7.1

Appendices	
A	2023/24 Revenue budget & forecast outturn
B	Significant variances
C	2023/24 Capital programme & forecast outturn
D	Quarter one Debtors position

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2023/24 Revenue budget - Qtr 1 Forecast outturn position

		2022/23 budget £'000	Forecast outturn £'000	Variance £'000
Net Cost of Services	Chief Executive & Directors	349	339	(10)
	Communications, Strategy & Policy	1,537	1,527	(10)
	HR & Organisational Development	570	560	(10)
	Strategic Finance & Property	1,963	1,989	26
	Corporate	595	485	(110)
	Housing & Health	2,159	2,159	1
	Democratic and Legal	1,506	1,568	62
	Planning & Building Control	2,209	2,609	400
	Operations	2,653	2,622	(31)
	Shared Revenues & Benefits Service	1,798	1,796	(2)
	Revenues & benefits retained costs	(467)	(490)	(23)
	Housing Benefit Subsidy	(371)	(404)	(33)
	Shared Business & Technology Services	2,291	2,291	(1)
	CERA	238	238	-
	Total Net Cost of Services	17,030	17,289	259
Corporate Budgets	Minimum Revenue Provision	557	557	-
	Interest Payments on loans	1,179	1,469	290
	Interest & Investment income	(1,000)	(1,146)	(146)
	Pension Fund Deficit contribution	637	637	-
	Corporate Budgets Total:	1,373	1,517	144
Use of Reserves	Contributions to Earmarked reserves	590	590	-
	Contributions from Earmarked reserves	(1,408)	(1,408)	-
	Use of General Reserve	-	-	-
	New Homes Bonus Priority Spend	-	-	-
	Net Use of Reserves:	(818)	(818)	-
Net Cost of Services Total:		17,585	17,988	403
Funding	Capital salaries	(150)	(150)	-
	NDR	(2,933)	(2,933)	-
	Section 31 grants	(1,169)	(1,169)	-
	(Surplus)/Deficit on collection fund	1,583	1,583	-
	Government grants	(1,361)	(1,361)	-
	Business Rates pool 22/23 pooling gain	(511)	(511)	-
	New Homes Bonus	(931)	(931)	-
Non Departmental Budgets Total:		(5,472)	(5,472)	-
Total:		12,113	12,516	403

Summary of significant variances – Qtr 1 2023/24

Budget area	2023/24 budget £000	Forecast outturn £000	Variance £000	Reason for variance
Planning service – staffing costs	2,209	2,609	400	<p>Planning is currently forecasting to be £400k overspent at year end. At present this is due to the following:</p> <ul style="list-style-type: none"> - Decrease in planning applications as a result of rising construction costs and overall cost of living crisis. - Ongoing recruitment difficulties which has meant that the service continues to use consultants to assist with the workload and planning application backlog. <p>In terms of mitigation, planning fees are due to be increased by 35% for major applications and 25% for all other applications. Draft regulations to introduce these fee increases were laid on 20 July and need to receive parliamentary approval before coming into effect.</p> <p>A recruitment and retention strategy is in place and there is a rolling programme of recruitment. A number of posts have already been filled and it is anticipated that more will be filled in the Autumn/Winter.</p>
NNDR	1,313	1,532	218	<p>The business rates bills that the council has received in respect of its premises are £218k over budget, this is due to valuations on the properties set by the Valuation Office. Officers are in the process of appealing the valuations.</p>

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Budget area	2023/24 budget £000	Forecast outturn £000	Variance £000	Reason for variance
Operations – Car parking. Reduction in income	(401)	(171)	230	Reduction in income from Northgate end car park as the usage has not been as initially expected. It is unlikely to receive the budgeted income amount until the completion of the ORL redevelopment.
Corporate– contract inflation	741	631	(110)	Contract inflation for the waste contract has been confirmed at 3.68%, this is lower than budgeted and has resulted in a £110k underspend.
Parks & Opens Spaces	1,551	1,430	(121)	Increased income of £121k is forecast against the parks and opens spaces budgets, this is due to S106 contributions to cover the ongoing maintenance cost of facilities and renegotiation of rates charged in respect of agency arrangements with Herts County Council.
Interest payments	1,179	1,479	290	Due to increased bank of England base rate interest on the Councils borrowing is higher than budgeted. Officers are working hard to secure rates in advance of need that are on average 1% below the rates on deals of the day.
Investment income	(1,000)	(1,146)	(146)	Interest that the Council receives on its investments is also above budget due to the high interest rates.
Total	5,592	6,364	762	
Other minor balances	6,521	6,152	(369)	
Overall total	12,113	12,516	403	

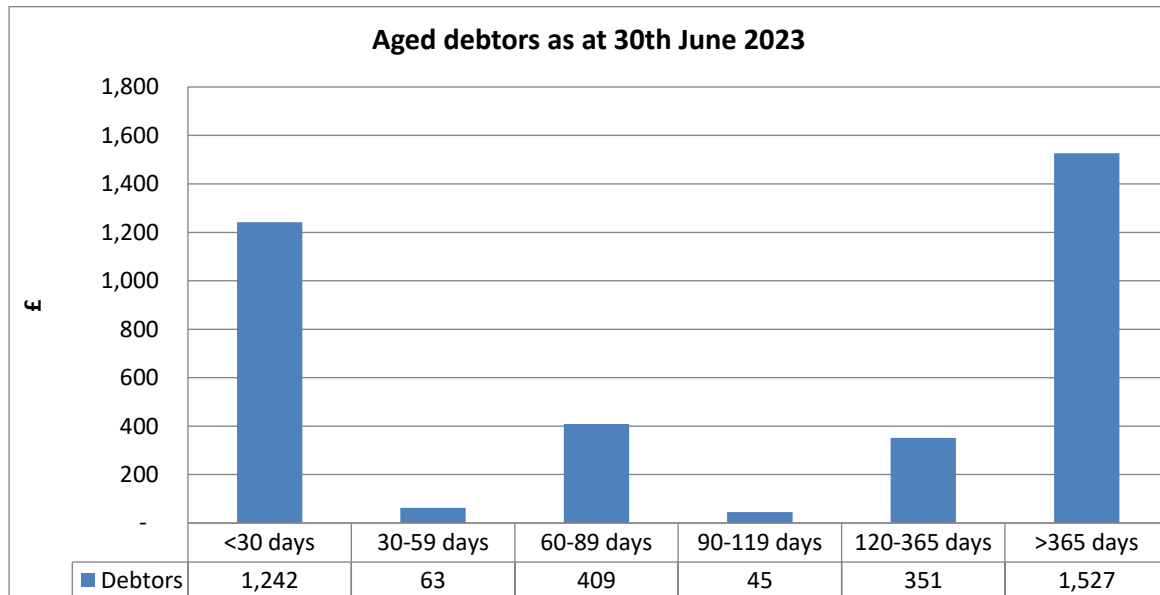
Capital Forecast Outturn Quarter 1 June 2023

	Carry Forward from 2022/23	Revised Budget 2023/24	Forecast Outturn 2023/24	Variance 2023/24	Carry Forward to 2024/25
	£'000	£'000	£'000	£'000	£'000
Land and Buildings					
Investment in operational assets	204	454	454	0	0
Grange Paddocks Leisure Centre	97	97	97	0	0
Hartham Leisure Centre	4,300	6,378	6,378	0	0
Hertford Theatre	5,716	21,995	24,640	2,645	0
Old River Lane and Arts Centre	552	2,552	552	(2,000)	0
Northgate End	55	55	55	0	0
Hostels	187	187	187	0	0
Pinehurst Community Hall	180	180	180	0	0
Vehicles and Equipment					
Rolling programme to be utilised on ICT projects subject to ITSG review	913	1,363	1,363	0	0
LED Lighting Upgrades	107	107	107	0	0
Community Assets					
Replacement play equipment	27	77	27	(50)	0
Castle Park - HLF	200	2,900	2,900	0	0
Revenue Expenditure Funded as Capital Under Statute (REFCUS)					
Home Improvement Loans	0	120	120	0	0
Improve & renew structures along rivers and watercourses	39	48	48	0	0
Land Management Asset Register & Associated Works	6	50	50	0	0
Green Deal Loans	0	20	0	(20)	0
Historic Building Loans	0	20	0	(20)	0
Community Capital Grants	0	65	0	(65)	0
Capital Programme Budget Total	12,583	36,668	37,158	490	0

Approved But Not Yet Committed
Buntingford Depot site works
Car Park Resurfing & extension*
St Andrews Street CP Resurfacing
Transformation Programme
Capital Contingency - Major Projects
Current Capital Programme Budget Total

384
305
70
1,000
1,500
3,259

The following graph shows the age of the £3.63m of debts outstanding as at 30th June 2023



The table below shows the aged debt by department

	As at 30/06/2023
Asset Management	533,356.13
Bed & breakfast	178,514.97
Unallocated cash	- 27,898.47
Community Safety & Health	113,052.44
Waste	2,300.09
Direct debit	50.00
Environmental Health	85,393.32
Finance	732,419.75
Grounds Maintenance	7,689.20
Housing Other	208,256.66
Launchpad	42,721.08
Legal	1,265.81
Operations Miscellaneous	507,991.16
Parking	278,522.61
Pest control	318.10
PIA	10.00
Planning	271,818.21
Hertford Theatre	3,317.99
Trade Refuse	693,608.31
Trade Waste Miscellaneous	3,832.91
Total	3,636,540.27

Agenda Item 14

East Herts Council Report

Audit and Governance Committee

Date of meeting: 26 September 2023

Report by: Executive Member for Financial Sustainability

Report title: Monitoring of 2023/24 quarter one corporate risk register

Appendixes:

Appendix 1 – Summary of corporate risks quarter one 2023/24

Ward(s) affected: All

Summary – The report provides updates on our 13 corporate risks for quarter one and details of how East Herts will manage these risks moving forward.

RECOMMENDATIONS FOR Audit and Governance Committee:

- A) The 2023/24 quarter one corporate risk register be reviewed, and officers advised of any further action that could be taken to manage risk.**
- B) An update to risk titles are agreed.**
- C) Risk Number 12 '*Outbreak of disease in humans impacting on service delivery and our residents*' is incorporated into Risk Number 13 '*Inadequate Business Continuity Plan / Emergency Plan and its impact on the Council and its residents*'**

1.0 Background

1.1 Leadership Team reviews the content of the corporate risk register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee.

Towards the end of Quarter four, a separate report is normally produced which recommends of any changes to the 13 corporate risks set and this is set out in quarter four reports. At this stage, no new risks have been identified.

1.2 Following a change in management of administering risk updates and writing reports, it was agreed that corporate risks are managed directly on our performance management system Pentana, which is also used to manage our corporate actions, thus allowing a more holistic approach to performance and risk management.

1.3 This enables users to be able to see real time updates on each risk and contributes towards our digital by design aim by allowing members to self-serve. Members can log in at any point to [Pentana](#) to assess our risk register (please consult a member of Democratic Services for login details).

2.0 Risk register results for quarter one

2.1 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Heads of Service but these are often delegated. (Heads of Service are responsible

for keeping all risks under review and taking action to reduce the impact of the risk on the council.)

2.2 Details of our 13 corporate risks can be shown in the table below. A summary of risk scores is shown in the matrix below. Risks in the red are those actively managed.

Risk	Title	Risk Score
1	Insufficient financial resources to provide statutory services	A4
2	Insufficiently robust governance arrangements to make robust decisions	B3
3	IT failure adversely impacting on cyber security and/or effective service provision	A4
4	Staff capacity shortages affecting the ability to deliver services	B3
5	Supply chain / contractor failure and its impacts on services	C4
6	Risk a Judicial Review and/or major legal challenge would have on the Council	B3
7	Unadopted local plan acts against controlled development	A2
8	Lack of mitigation of and adaptation to climate changes adversely impacts of service delivery	A4
9	Serious harm to a child or adult a risk due to inadequate safeguarding arrangements	A1
10	Discrimination or indirect indiscrimination arising from inadequate attention to the public sector equality duty	A2
11	Inadequate Internal control measures impacts on service delivery	B2
12	Outbreak of disease in humans impacting on service delivery and our residents	A3
13	Inadequate Business Continuity Plan / Emergency Plan and its impact on the Council and its residents	A1

Table 1 (above) - corporate risks /quarter one risk scores, Matrix 1 (below) - summary of our corporate risk scores

Impact	Likelihood				
		1	2	3	4
	A	9,13	7,10	12	1,4,8
	B		11	2,4,6	
	C				5
	D				

2.3 Details of how we score the risk score can be found below.
Please see appendix 1 for a comprehensive breakdown of each risk.

Likelihood	Score	Description	Likelihood of occurrence	Probability of occurrence
	4	High	Monthly	The event is expected to occur or occurs regularly
	3	Medium	Annually	The event will probably occur
	2	Low	1 in 5 years	The event may occur
	1	Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances

Impact	Score	Description	Financial	Reputation	Service / operation
	A	Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long-term disruption to services
	B	Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C	Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D	Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

Table 2: Methodology of corporate risk scoring

2.4 There is change to the quarter one matrix position on risk 12, from A4 to A3. In addition, there have been changes made to the risk titles for all 13 corporate risks. This is to provide a better understanding of the roles, risk, impacts and responsibilities East Herts has to all readers.

In addition, there is a proposal to incorporate Risk 12, *'Outbreak of disease in humans impacting on service delivery and our residents'* into Risk 13 *'Inadequate Business Continuity Plan / Emergency Plan and its impact on the Council and its residents'*.

Any future outbreak of disease will be monitored in several of the current risks, most notably Risk 13 as mentioned but also in risks such as 1,3,4,5,9 and 11.

Community Safety

No

Data Protection

None specific but the topic features within the corporate risk register.

Equalities

None specific but the topic features within the corporate risk register.

Environmental Sustainability

None specific but climate change features within the corporate risk register.

Financial

None specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated and the annual audit plan is risk based.

Health and Safety

None specific but risk management processes can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

Human Resources

No

Human Rights

No

Legal

None specific but legal matters feature within the corporate risk register.

Specific Wards

No

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Appendix 1

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 4	<p>1- Insufficient financial resources to provide statutory services</p> <p>Risk Owner – Head of Strategic Finance & Property</p>	<ul style="list-style-type: none"> Reduction in government grant combined with higher demand for demand-led services such as homelessness, or failure to generate income. Failure to realize capital receipts from disposals to support capital expenditure. External auditor challenges MRP Policy and capital financing decisions Council Tax referendum levels set too low to generate sufficient tax revenue Sudden economic downturn results 	<ul style="list-style-type: none"> Reductions in services required Performance against community expectations and targets reduced Investment in improvement not possible or severely reduced Failure to meet statutory duties with potential for legal action or Local Government Ombudsman finds significant cases of maladministration Corporate Manslaughter charges if maintenance works not carried out, e.g. Legionella in air handling and cooling units Large numbers of staff redundancies Major media engagement Potential for MHCLG intervention 	<ul style="list-style-type: none"> Minimum Balances held on risk assessment basis to cushion impact over short term (max 2 years) Modelling of impact of grant settlement scenarios and function and funding changes Three-year MTFP savings programme Transforming East Herts savings plan to deliver savings and efficiencies through an emphasis on digital self-service; process automation; agile working leading to a much-reduced accommodation requirement with target of £1 million cashable savings. Transforming East Herts Commercial Strategy specifies commercial skill sets and set out the council's approach to risk appetite and gives guidance on how income generating ideas should be taken forward. New capital programme items must make a return for the investment in cost reductions or income on top of covering the interest and MRP costs

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
		<p>in negative Tax base figures because of increased local Council Tax support claims</p> <ul style="list-style-type: none"> Members do not agree significant savings budget setting leading to an unbalanced budget which leads to a s.114 report Delay and/or significant cost over runs on major projects 	<ul style="list-style-type: none"> Delay leads to cost increases beyond the ability of the council to finance the capital costs Delays and cost overruns lead to non-delivery of savings requiring service offer reductions to compensate Projected savings not achieved after project completion due to changes in market away from service offer Significant local media engagement Reputational damage. 	<ul style="list-style-type: none"> Charges will be required to be in conformity with policy on fees and charges recovering total costs and concessions will need to be justified in policy terms and funded by higher charges for others. Business case reviews to ensure that projects make a return For major projects cost and income estimates commissioned from industry expert consultants to feed into business case Project delivery by Major Projects Team with quarterly reports on progress to Leadership Team and Executive. Capital Programme is phased and financed across years and contingency built into budgets so can be re-phased if required.

Update on current position

In developing our medium and longer term plans we need to have regard to the broader context in which we will be working. This includes:

- The impact of operating in the current economic situation with significant inflation driven by global supply chain issues and the impact of the Russo-Ukrainian war and the “weaponisation” of energy supplies and grain foodstuffs by the Russian government causing global price increase and supply shortages.;
- The shape of the government’s economic and policy agenda, which appears to be to put off any hard decisions until after the next election, so there will be no reform of the funding formula, business rates and the waste strategy has had implementation dates put back for the collection of food waste and the introduction of Extended Producer Payments for packaging providers. There is no sign of additional funding for local government other than tinkering round the edges of the system to maintain councils like East Herts with funding protection to stand still in cash terms (with inflation this means a real terms cut).
- The cost of living crisis and the high likelihood of the UK falling into recession will cause spending pressures in a number of areas: the final pay award is likely to exceed the budget provision of 4%; inflation on contracts has already exceeded the budget provision of 4%; business failures will increase with knock-on unemployment e.g. Wilko going into administration with the possibility of their store in Bishop's Stortford closing; potential increases in local council tax support being claimed; customers being unable to pay the council leading to higher levels of debt and write offs;
- Specific uncertainty over the future of local government funding, with Government still not publishing 3-year settlements making planning over the medium term less certain.
- The growing impact of climate change on service delivery and costs as well as the national and local commitments to achieve carbon neutrality;

The latest MTFP Projections were reported to Council in March 2023 and require the Council to make savings of at least £6 million in the next 4 years. This figure is certain to increase with the impacts of inflation and increased borrowing costs. Savings of this magnitude are beyond efficiencies and Members will need to make some challenging decisions which will inevitably lead to service reductions, increases in fees and charges and the sale or transfer of assets. The capital programme

Update on current position

will need to be reduced to fund essential health and safety and legal compliance works. The capital programme is financed mainly through borrowing which adds revenue pressure through servicing the debt.

The Council's business and financial planning is underpinned by the Corporate Plan and its priorities, which provide a clear focus for decisions about spending and savings and direct activity across the Council. The joint administration will produce the new Corporate Plan for the council for approval alongside the budget.

Savings plan for 2023/24 is on target with the restructure of Strategic Finance and Property having been completed and delivering the £328k planned saving which is 37% of the total savings plan.

Fees and Charges policy approved at December 2021 Council which sets full recovery as the standard charging basis. There have been a number of below cost charges agreed with no clear policy or justification in the past that are having to be dealt with as part of aligning charges with North Herts for joint commercial waste services. New template developed for staff hourly charges for full cost recovery developed for income opportunities with other local authorities.

Hartham Leisure Centre is due for completion in September 2023 and the this has been delivered under budget.

Hertford Theatre construction works commenced May 2022 and currently in discussion with main contractor over price increases. Old River Lane main development by Cityheart to proceed with Arts Centre development paused for public consultation.

All major capital projects are at risk of price increases as a result of the combined impact of COVID / BREXIT related inflationary pressures. In addition to the increasing cost of materials, there is a significant shortage of labour supply for the construction and M&E industries, which is in turn pushing up the price of labour. This is a national issue as evidenced by the average 6% increase in the Office for National Statistics Construction Output Prices Index. The insurance market has also hardened significantly with premiums increasing by 13%

Labour market shortages is driving up pay and this has led to pressures on the cost of the waste contract as well as the cost and delivery of building materials. The price of labour for construction has increased due to skills shortages.

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
B 3	<p>2 – Insufficiently robust governance arrangements to make robust decisions</p> <p>Risk Owner – Chief Executive / Head of Communications Strategy & Policy</p>	<ul style="list-style-type: none"> • Brexit trade deal risks • Planning policy changes • Local government reorganisation / Devolution • Climate change / zero Carbon / Build Back Greener • Change to local taxation • Leadership /Management change • Recession leading to increase in unemployment, business failure; low business growth and commercial property values decreasing significantly. 	<ul style="list-style-type: none"> • Potential project delays due to labour shortages or materials imports, or increased project costs due to tariffs or supply chain difficulties. • Non-Tariff barriers leading to supply chain price increases and longer replenishment times. Some UK businesses may relocate to the EU making current domestic supplies into imports. • Government policy changes to introduce development zones, ends s.106 and CIL for government infrastructure levy • Government imposes unitary authorities and reduce exchequer grants by savings made • District required to be carbon neutral from 2030 and Government targets set with fines for non-achievement 	<ul style="list-style-type: none"> • Address issues of labour shortage with contractors at progress meetings. Raise skills shortages at the LEP to ensure we train young people. • Consider forward funding stockpile of materials subject to delays as part of contract mobilisation • Consider risks to supply chain as part of procurement exercises • Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies • Both officers and Members are engaged in Herts Growth Board (with consideration of the devolution framework in the Levelling Up White Paper which was published in February 2022) • Work underway to progress carbon reduction and also exploring potential investments that support

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
			<ul style="list-style-type: none"> • Business Rates and or Council Tax replaced with Land Value Tax or Local Income Tax • Potential protests and non-payment campaigns • Measure may end land banking with developers commencing on multiple sites to build out permissions and avoid LVT • Uncertainty as to tax yields and redistribution mechanisms cause difficulties budgeting • Change in leadership politically sets radically different policy agenda and tone • Change in Leadership Team structure • Unemployment. • Empty properties / shops. • Lower rental income from council property portfolio. • Increased demand on council services. • Reduction in Council Tax Base due to LCTSS being a discount. 	<p>this aim but would also produce income for the council in the medium term.</p> <ul style="list-style-type: none"> • Both officers and Members are engaged in networking and lobbying to seek to influence change and to gain early indications of new policies. • LVT is in operation in Denmark, Estonia and Latvia and there are suggested routes to implementation already published. Local Income Tax would require key data from HMRC before implications could be understood. • Corporate Plan process • Member induction and training • Code of conduct • Monitoring Officer/ s.151 officer • HR policies • Estimates of workload v capacity • Corporate Plan process • European Regional Development Fund project to support businesses with advice and support on growing. Ware and Bishop's Stortford Launchpad are both seeing strong demand.

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
			<ul style="list-style-type: none"> Reduction in Business Rates income to the safety net level 	<ul style="list-style-type: none"> UK Shared Prosperity Fund investment plan submitted to DLUHC, focusing partially on business support and growth.

Update on current position
<ul style="list-style-type: none"> External environment is uncertain due to economic slow down, high inflation and cost of living challenges. The Councils' MTFP went to Exec on 14th Feb and Council on 1 March setting out pressures and proposed responses in terms of the impact on inflation, wage pressures and material costs to the council directly and through its contractors. The UK Shared Prosperity Fund has also been confirmed as going ahead by government and projects will be delivered within 2023/24 Further inflationary pressure is building with public sector pay disputes and the union pay claim for 2023/24 is for a 13% increase plus work to tackle the real terms pay reductions for local government staff. It is unlikely that pay awards of 2% can continue and there are already shortages of qualified staff which is being made worse by qualified staff being able to command salaries 32% higher in the interim and agency sectors. Resident satisfaction with the council increased in the residents' survey launched in November 2022 which demonstrates that hard decisions to reduce service levels or introduce new or higher charges, if properly explained, seem to be accepted by the public.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 4	<p>3. IT failure adversely impacting on cyber security and/or effective service provision</p> <p>Risk owner – Deputy Chief Executive</p>	<ul style="list-style-type: none"> • Data and/or information lost causing breach of Data Protection Act • Cyber-attack results in total loss of data and systems • Investment in ICT does not result in savings 	<ul style="list-style-type: none"> • Substantial fine from Information Commissioner • Major media engagement • Reputational damage • Disruption to services potentially long-running • Inability to carry out enforcement as no records to check against • Resources devoted to recovery moved off to assist police investigation delaying recovery • Major media engagement • Reputational damage • Council becomes financially unsustainable 	<ul style="list-style-type: none"> • Network Virtual Desktop configuration prevents download of data to local storage devices • Network firewall and security systems tested and monitored • Staff training • Confidential waste shredded • Massive reductions in printing since pandemic • Intuned laptops to be rolled out underway • Projects to include estimated benefits and monitored through benefits realisation reports. The investment requirements are tried and tested systems that have resulted in savings elsewhere.

Update on current position

- Cyber Security and system resilience continue to be a high risk for the council. It is unlikely that this assessment will change due to the unforeseen nature of cyber attacks
- The new Head of IT Shared Service started on 27th March 2023 and is currently reviewing the position across all areas and will be bringing an update to Leadership Team on his initial findings in due course. As per the previous update there continues to be considerable cost demands for upgrades to services and this remains a funding issue for the council

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
B 3	<p>4. Staff capacity shortages affecting the ability to deliver services</p> <p>Risk Owner - Head of Human Resources and Org Development</p>	<ul style="list-style-type: none"> • Loss of key staff • Staff capacity unable to deliver projects • Unable to recruit to key posts • Industrial action 	<ul style="list-style-type: none"> • Disruption to Council services • Poor customer service • Internal control or governance failure • Reputation damaged in the media • Staff cannot undertake level or volume of work to meet all priorities • Council does not deliver performance expectations • Opportunities lost to improve outcomes • Partners lose confidence in ability to deliver • Public lose confidence in ability to deliver 	<ul style="list-style-type: none"> • Staff / manager development including the on-line learning pool and maximise the benefits of the apprenticeship levy. • Develop a future manager programme. • Succession planning for key staff within Services • Use of flexible retirement to ensure continuity of experienced staff whilst bringing on staff into roles • Prioritisation of work through the Corporate Plan and Executive Members • Major projects taken forward with corporate project management standards via the Major Projects Team • Market supplements where appropriate

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
			<ul style="list-style-type: none"> • Disruption to Council services • Poor customer service • Internal control or governance failure • Reputation damaged in the media • Disruption to Council services • Poor customer service • Non-delivery of projects 	<ul style="list-style-type: none"> • Selective use of external resources and contingent labour through neutral vendor to drive down costs. • Internal communications emphasising welfare and mental health • Review the external trading model to ensure it 'washes its face' and does not impede on our ability to support HR / OD within the council. • Contingency planning

Update on current position

We continue to face challenges in recruiting to posts particularly in Planning (also in Legal, Housing and senior R&B posts) where there is both a local and national skills shortage (a market supplement has been introduced for Planning (and legal planning) to both recruit and retain but it has had limited success so far due to supply. In some cases we are still reliant on agency / interim staff to cover vacant posts whilst we try to recruit, particularly for the Senior HR Manager role.

Lean Six Sigma phase 3 did review our end-to-end recruitment process to ensure it is easy to use and offers the candidate a great experience, how we advertise, our learning and career development offer etc. A follow up meeting with HR is being arranged to consider recommendations for improvement. As part of transformation, we are also challenging ourselves about the skills sets we need to deliver services moving forward and this does mean looking at all of the roles we have that are traditional in councils and seeking alternatives where appropriate.

Turnover is at 12% which and remains in line with averages in the sector, but we will see some increase in this turnover figure as restructuring is progressed. We still have some one-off key roles that would leave us vulnerable if the postholder were to leave. We are looking at succession planning across the council to 'grow our own' across the council. We are using the Blueprint and Next Steps Programmes to deliver this.

Update on current position

As part of Transforming East Herts a programme of cultural change needs to be put in place with the first deliverable being commercial skills training.

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
C 4	<p>5. Supply chain / contractor failure and its impacts on services</p> <p>Risk owner - Head of Operations</p>	<ul style="list-style-type: none"> Poor performance or failure of key partner or contractor Failure to mobilise major outsourced contracts properly and/or on time 	<ul style="list-style-type: none"> Disruption to all Council services Additional costs resulting from response Demand to partner organisations to provide mutual aid to support our response Cost and time involved in unplanned procurement exercises Major media engagement Reputational damage Damage to relations with outsourcing partner and potential damages claim 	<ul style="list-style-type: none"> Risk of contractor failure increased due to COVID. Regular discussions are continuing with contractors and key third sector partners to ensure minimal failures in delivery. Credit risk scores are obtained for major contractors during the operation of the contract and particular attention is paid to trade news concerning contractors' financial health. Offer of open book accounting to examine any potential cost increases as a result of changing circumstances. Waste-related business continuity plans are also regularly reviewed. Brexit restrictions and the closure of Asian export markets will impact on the sale of materials and income may cease and costs may increase. Talks are ongoing with other Hertfordshire authorities to determine alternative options. The council is investigating a circular economy option for the plastics waste stream in particular.

Update on current position

- Risk of business failure remains the same due to inflation, risk of recession and Brexit: staff shortages and increased use of agency staff (and risks associated with service delivery of no shows, not knowing the routes etc); Business continuity plans refreshed and regular dialogue maintained with contractors who have been informed the council would look at cost increases provided the council was told in advance and the contractor undertook to use reasonable endeavours to resolve cost pressures themselves.
- Customer numbers and membership figures closely monitored at leisure centres. Continued discussions with contractor to monitor impacts of utility prices and exploring options for purchasing energy that reduces costs. Grange Paddocks has exceeded income expectations and it is hoped Hartham follows suit when fully opened later this year.
- Contingency plans to step in should contractors fail. Principal route will be to use a TEKAL company to provide the service pending retendering as the company vehicle preserves the private sector T&Cs of employment.
- Recyclate prices vary widely month by month but generally all recyclate is now a cost to take for processing and no net income is earned. The Extended Producer Responsibility for packaging has been delayed a year. This would have meant payments to the council for collecting packaging materials. Haulage and recyclate processing contract to be retendered in 2023/24. Waste, Recycling and Streets contract Competitive Dialogue process has begun with three bidders for the contract.
- Shortage of staff in the joint client unit has meant that some areas of work have stopped to concentrate on performance management of contractor.
- HCC AFM system to end in 2023/24 but East Herts had removed AFM from budget in 2021/22 as income very low. 2022/23 AFM income windfall gain but no budgetary impact from AFM change on East Herts.
- APCOA parking contract extended with cost saving and promise to replace all fossil fuel vehicles with electric vehicles.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
B 3	<p>6. Risk a Judicial Review and/or major legal challenge would have on the Council</p> <p>Risk owner - Head of Legal and Democratic Services</p>	<ul style="list-style-type: none"> • Council loses case • Not enough staff to deliver services internally • Inability to recruit to key posts 	<ul style="list-style-type: none"> • Council policies may no longer be fit for purpose • Unregulated activity until soundly based policy put in place • Large costs award against Council • Reputational damage • Major media engagement • Monitoring Officer and/or s.151 officer issues Report in the Public Interest • Department for Levelling Up, Housing and Communities intervention • Potential requirement to repeat procurement exercise and compensate unsuccessful bidders in first exercise • Additional and or abortive costs • Dip in quality of support being offered. • Delay in response time and consequential impact on deadlines. • Points not being picked up at an early enough stage. • Increased expenditure on obtaining external support. • Existing staff spread too thinly. 	<ul style="list-style-type: none"> • All Executive, Committee and Council reports require sign off by legal and finance to ensure compliance with budget and policy framework and current legislation. • List of policies maintained with review dates. • Information Governance function strengthened to ensure compliance with data protection. • Policies should be backed by evidence and Leadership Team consideration involves constructive challenge as well as formal Monitoring Officer and s.151 officer. • Periodically going out to recruit to test the market at a given time. • Reviewing external advice to ensure it is to the required standard.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Update on current position

A successful legal challenge resulting in one of the Council's major capital projects being halted could potentially result in heavy financial penalties or repercussions. There are no updates on the previous quarters position

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 2	<p>7. Unadopted local plan acts against controlled development</p> <p>Risk owner - Head of Planning</p>	<ul style="list-style-type: none"> Failure to refresh District Plan to timescales and /or refreshed District Plan found to be unsound at examination 	<ul style="list-style-type: none"> Planning becomes developer led rather than planning policy led through 5-year land supply test Additional costs to redo work Additional costs of planning appeals and possible judicial reviews Reputational damage Loss of affordable housing and S.106 / community infrastructure levy benefits Failure to meet 5-year Housing Land Supply requirements Possible intervention by the Department for Levelling, Housing & Communities 	<ul style="list-style-type: none"> Evidence based planning policy decisions Strong focus on Member, Parish, partner and community buy-in

Update on current position

It is a legal requirement for Local Planning Authorities to review local plans at least once every five years. Reviews should consider changing circumstances affecting the area, or any relevant changes in national policy.

- It is a legal requirement for Local Planning Authorities to review local plans at least once every five years. Reviews should consider changing circumstances affecting the area, or any relevant changes in national policy.
- The District Plan was adopted in October 2018, over 4-years ago. There has been significant uncertainty around the government's proposed reforms to the planning system and uncertainty around the standard method for assessing housing need.
- Early work has suggested that the District Plan will need to be updated to reflect various changes that have been made to national planning policy (including new policies on climate change; sustainability; biodiversity; and design) and a potential update to local housing need.
- The published consultation on the NPPF provides some clarity on the government's proposed reforms and will enable the Council to progress more detailed work over forthcoming months although no specific date has been confirmed by the government.
- Whilst it difficult for the Council to agree a detailed timeline at this stage, work can begin updating the plan's evidence base, so that the Council is in a strong position to commence any formal stages once the government has confirmed any changes to the planning system.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 4	<p>8. Lack of mitigation of and adaptation to climate changes adversely impacts of service delivery</p> <p>Risk owner - Head of Housing & Health</p>	<ul style="list-style-type: none"> Severe weather causing major incident (includes flood, wind, snow, cold and heat) Drought Weather extremes require substantial retrofit costs for asset adaptations 	<ul style="list-style-type: none"> Disruption to Council services as staff diverted to response Additional costs of response Service changes required if long recovery phase Service change required to adapt e.g. heatwave early day starts Major media engagement Disruption to some services through water restrictions Additional costs of support to vulnerable service users Public health issues Non-availability of capital resources may cause working conditions on some days to be unbearable. Instances of abandoning assets where hold the line defences against floods no longer viable Increasing attacks by non-native species causing biodiversity loss Increased costs arising from new operating requirements, e.g. sustained +30 degree heat requires refuse freighter insides to be degreased and jetted out regularly to prevent oils and fats combusting 	<ul style="list-style-type: none"> Business Continuity Plan Severe Weather section Emergency Plan including specific response plans to flooding etc. Health and Safety Policy details severe weather response Council reducing carbon footprint for the district Emergency Plan Business continuity plan Council reducing carbon footprint for the district New modern workspace work stream of the Transformation Programme will address climate change issues in the design

Update on current position

- East Herts recently updated our position by declaring a Climate Change Emergency, a reaffirming of our commitment. This includes commitments laid out on our [website](#)
- Diesel vans in the municipal fleet replaced by Nissan Leaf Battery Electric Vehicles saving 242 tonnes of CO2 per year
- Implement stricter emission requirements for all taxi/private hire new vehicle application and renewals, 100% will be electric or euro 6 by April 2023
- Seeking external funding to introduce e- vehicle chargers in rural locations of district and all of EHDC land holdings
- Planting or provided over 7,700 trees in 22/23
- Survey work to assess costs with a view for government funding for decarbonisation of heating and hot water at Wallfields
- Multi-agency environmental and climate change forum continues
- Engagement with insurers over design / materials for new buildings. Use of sustainable materials and modern methods of construction proving problematic. Insurers want more emphasis on property protection (in addition to life saving standards)
- Major developments are also situated in or adjacent to flood zones. Construction insurance for Hertford Theatre procured after significant difficulties due to the materials and methods of construction, plus the flood risk. Premium rates substantially higher than normal. Similar difficulties anticipated with buildings insurance upon completion
- HCCSP strategic theme – adaptation.
- Climate Change Strategy 2022 – 2026 approved by Council in July 2022.
- Adaption risk register and action planning work under way with a view to publishing adaption risk register alongside corporate risk register

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 1	<p>9. Serious harm to a child or adult a risk due to inadequate safeguarding arrangements</p> <p>Risk owner - Head of Housing & Health</p>	<ul style="list-style-type: none"> Child / vulnerable adult protection failure 	<ul style="list-style-type: none"> Possible legal action for damages Possible prosecution Major media engagement Reputational damage 	<ul style="list-style-type: none"> Safeguarding policy Annual training for staff and Members

Update on current position

9. Child / Vulnerable Adult Protection.

The annual safeguarding training has been updated from 2023/24.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
10 A 2	<p>10. Discrimination or indirect indiscrimination arising from inadequate attention to the public sector equality duty</p> <p>Risk owner - Head of Housing & Health</p>	<ul style="list-style-type: none"> Council found to have discriminated against individuals or communities with protected characteristics OR council has made a decision without considering equalities and diversity implications. 	<ul style="list-style-type: none"> Possible legal action for damages Possible enquiry and report by Equalities & Human Rights Commission Major media engagement Reputational damage 	<ul style="list-style-type: none"> New strategy being developed to address challenges and embed equalities and diversity in decision making.

Update on current position

Responsibility for equalities has transferred to the Community Wellbeing Team. Part of their approach will be to refresh the strategy and agree a new set out of actions going forward.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
B 2	<p>11. Inadequate Internal control measures impacts on service delivery</p> <p>Risk owner - Head of Strategic Finance and Property</p>	<ul style="list-style-type: none"> Failure of internal control or unethical behaviour 	<ul style="list-style-type: none"> Qualified accounts Possible Police involvement if fraud involved Major media engagement Reputational damage Increased costs as a result of loss or fine or compensation payments 	<ul style="list-style-type: none"> Key reconciliations carried out regularly. Internal audit work planned and undertaken on key areas. Assurance Mapping Electronic workflow where controls much harder to circumvent Separation of duties appropriate to the staffing numbers

Update on current position
<p>Audits remain on track and there is sufficient audit scope for an assurance opinion to be given</p> <p>Assurance Mapping approach for key systems introduced which shows visually where assurance is gained and also identifies duplications and unnecessary steps which will inform officers undertaking lean process reviews and help Audit & Governance Committee to see where there are risks and then internal audit resources can be directed there.</p> <p>Full suite of updated anti-fraud and corruption policies approved by Audit and Governance Committee in November 2021. Intranet and website content updated. The Shared Anti-Fraud Service recommenced meetings with teams to provide training and increase awareness.</p> <p>The s.151 Officer is working closely with the Monitoring Officer to ensure the Annual Governance Statement reflects any changes to governance required to reflect the planned move to the committee system by the fourth year of this council.</p>

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 3	<p>12. Outbreak of disease in humans impacting on service delivery and our residents</p> <p>Risk owner - Head of Housing and Health</p>	<ul style="list-style-type: none"> Pandemic and/or Public Health Emergency Declared 	<ul style="list-style-type: none"> Loss of staff and/or key skills due to illness and related absenteeism Requirement to enable entire workforce to work from home Requirement for Council and Committees to meet via video conference Loss of income/additional costs Loss of essential services /utilities/ suppliers Demand from partner organisations to provide staff and other resources to support their response Major media engagement Disruption to all Council services Increased risk of fraud from support programmes 	<ul style="list-style-type: none"> Business Continuity Plan Emergency Plan Dynamic risk assessments and keeping office open and COVID secure in line with government guidance. Agile working introduced and scaled up to ensure social distancing Fraud alerts on pandemic circulated by SAFS

Update on current position
<p>The threat of new variants and new waves of infection is real and constant, but our agile working policy means the Council is much better positioned to adapt. The recent decision in May 2023 by the World Health Organisation to declare an end to the virus as a "global health emergency" is reflective on its lessening impact on our residents. However, the virus continues to mutate and a new variant has led the Government to introduce a booster vaccine programme for vulnerable and over 65s categories and it is closely monitoring the variant with a view to extending the booster programme to the over 50s should it be thought necessary to respond to the variant mutations.</p>

East Herts Council Corporate Risk Register – 2023/24 quarter one

Score	Risk Title / Risk Owner	Trigger	Consequence	Mitigation / control
A 1	<p>13. Inadequate Business Continuity Plan / Emergency Plan and its impact on the Council and its residents</p> <p>Risk owner - Head of Housing & Health</p>	<ul style="list-style-type: none"> Major Incident Occurs Plan fails 	<ul style="list-style-type: none"> Loss of essential services / utilities/ suppliers Demand from partner organisations to provide staff and other resources to support their response Major media engagement Disruption to all Council services Unable to support partner organisations to provide staff and other resources to support their response Possible legal action or public inquiry 	<ul style="list-style-type: none"> Emergency Plan Major Incident protocols Business Continuity Plan Keep plans under review every 6 month and keep evidence. Review of response after every incident Training for staff in EP roles Regular exercises once a quarter Emergency and Resilience work provided through Hertfordshire County Council

Update on current position

- Desk top exercise accessing plans and refresh of contact lists to be undertaken
- Communications test undertaken from County to Districts to check notification cascade.
- Review of business continuity plan by internal team underway. Cabinet Office review of cyber security has led to grant funding plus a Cyber Treatment Plan is now in place. All staff and Members have completed mandatory cyber risk online training. Proposed test of the emergency plan postponed during pandemic. The test will be the priority once the business continuity plan review is complete.

East Herts Council Corporate Risk Register – 2023/24 quarter one

Key to scoring

Likelihood	Score	Description	Likelihood of occurrence	Probability of occurrence	
	4	High	Monthly	The event is expected to occur or occurs regularly	
	3	Medium	Annually	The event will probably occur	
	2	Low	1 in 5 years	The event may occur	
	1	Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	
Impact	Score	Description	Financial	Reputation	Service / operation
	A	Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long-term disruption to services
	B	Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C	Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D	Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

East Herts Council Report Template

Audit and Governance Committee

Date of Meeting: 26 September 2023

Report by: Steven Linnett, Head of Strategic Finance & Property

Report title: Draft Annual Governance Statement 2022/23

Ward(s) affected: All

Summary

The Accounts and Audit Regulations 2015 require that all authorities conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each year. The Annual Governance Statement must be considered separately from the Statement of Accounts.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:

- (a) That Members review and comment on the draft Annual Governance Statement for 2022/23.**

1.0 Proposal(s)

- 1.1 That Members review and comment on the draft Annual Governance Statement (AGS) for 2022/23.

2.0 Background

- 2.1 The Council is responsible for preparing and publishing its Annual Governance Statement in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executive and Senior Managers (SoLACE) framework.
- 2.2 This fulfils the statutory requirement that local authorities review their governance arrangements at

least once a year.

- 2.3 The Delivering Good Governance in Local Government Framework requires local authorities to be responsible for ensuring that:
- (a) their business is conducted in accordance with all relevant laws and regulations;
 - (b) public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
 - (c) there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 2.4 The annual governance statement acts as a vehicle for the review of the Council's governance arrangements. The review should be reported both internally within the Council, to the Audit and Governance Committee and externally alongside the published accounts to provide assurances that:
- (a) Governance arrangements are adequate and operating effectively in practice or
 - (b) Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future
- 2.5 The process of preparing the governance statement should itself add value to the corporate governance and internal controls framework of the Council.
- 2.6 It is important to recognise that the governance statement covers all significant corporate systems, processes and controls for all of the Council's activities.
- 2.7 The draft Annual Governance Statement is attached as appendix A for Members to review and comment on.
- 2.8 The Joint Administration has set a policy objective for the council to have moved from the Leader and Executive model of decision making to the committee system model by the 4th year of this council. The process to change the decision-making

model will take approximately 18 months to complete and is subject to public consultation before any changes can occur. This work is likely to be the sole piece of work arising from next year's Annual Governance Statement.

3.0 Reason(s)

- 3.1 As part of a framework of good governance, it is important that management and Members can demonstrate that governance issues are acted upon and the implementation of recommendations is monitored.

4.0 Options

- 4.1 Members can suggest amendments or additions to the draft Annual Governance Statement.

5.0 Risks

- 5.1 The timely implementation of governance recommendations will reduce the risks to the Council.

6.0 Implications/Consultations

- 6.1 Leadership Team have been consulted on the draft Annual Governance Statement and have provided confirmation that appropriate controls have been in place in their service areas throughout the year.

Community Safety

No

Data Protection

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to data protection.

Equalities

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to equalities.

Environmental Sustainability

No

Financial

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to financial control, budgeting and medium-term resource planning.

Health and Safety

Part of the Annual Governance Statement is to consider how effectively the council is meeting its duties in relation to health and safety.

Human Resources

Part of the Annual Governance Statement is to consider how the council's officers and members behave ethically and also how the council plans its workforce over the medium term

Human Rights

No

Legal

The Accounts and Audit Regulations 2015 stipulate that all authorities must conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement each financial year.

Part of the Annual Governance Statement specifically considers how the council complies with the law.

Specific Wards

No

7.0 Background papers, appendices and other relevant mater

Appendix A – Annual Governance Statement 2022/23

Contact Member

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Annual Governance Statement 2022/23



1. Scope of Responsibility

East Herts Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. East Herts Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, East Herts Council is responsible for ensuring arrangements are in place for the good governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

East Herts Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016.

This statement explains how East Herts Council has complied with the Code and also meets the requirements of Regulation 6 of the Accounts and Audit (England) Regulations 2015 in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

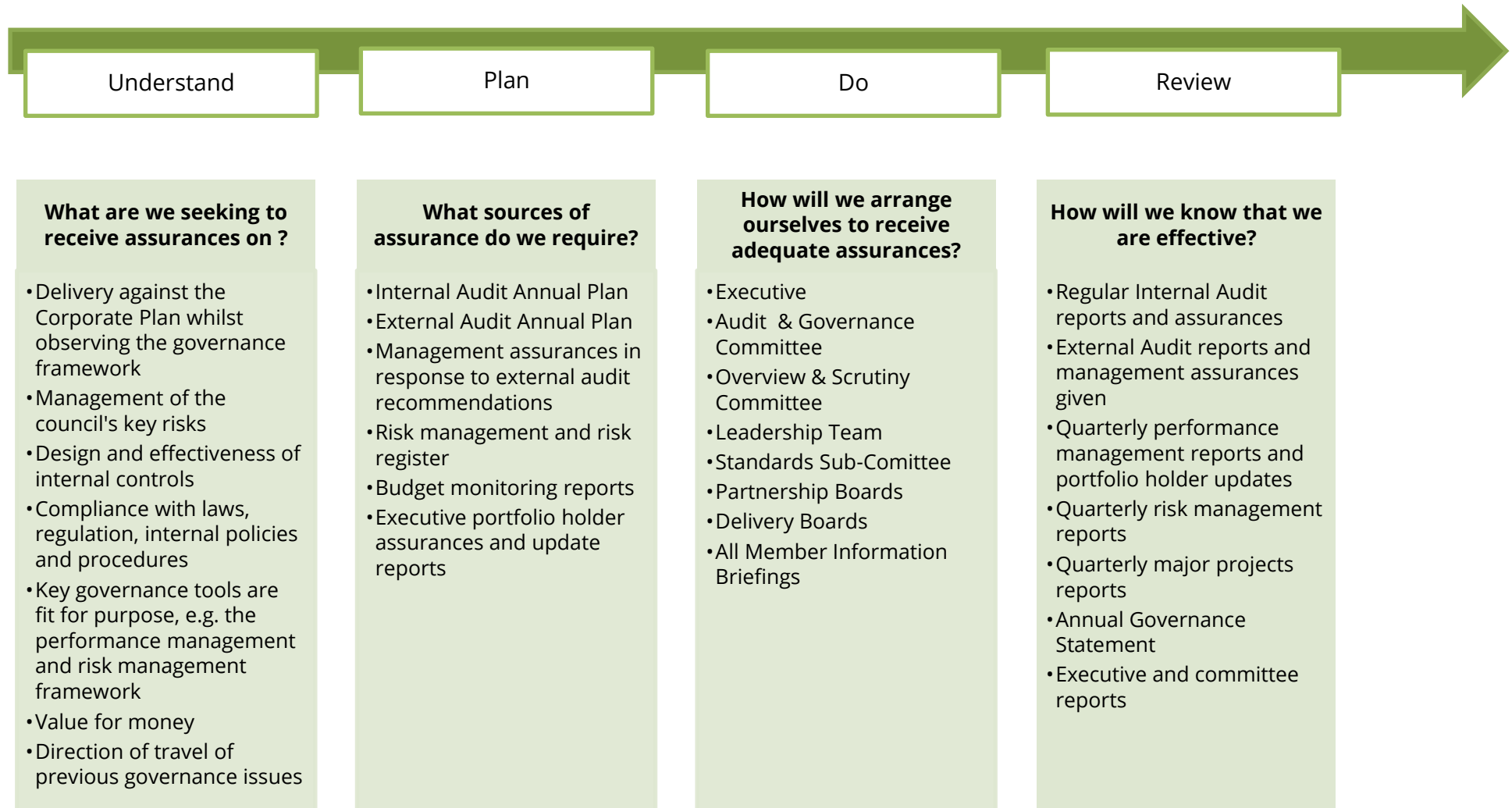
The governance framework comprises the cultures, values and systems and processes by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services and value for money. The overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

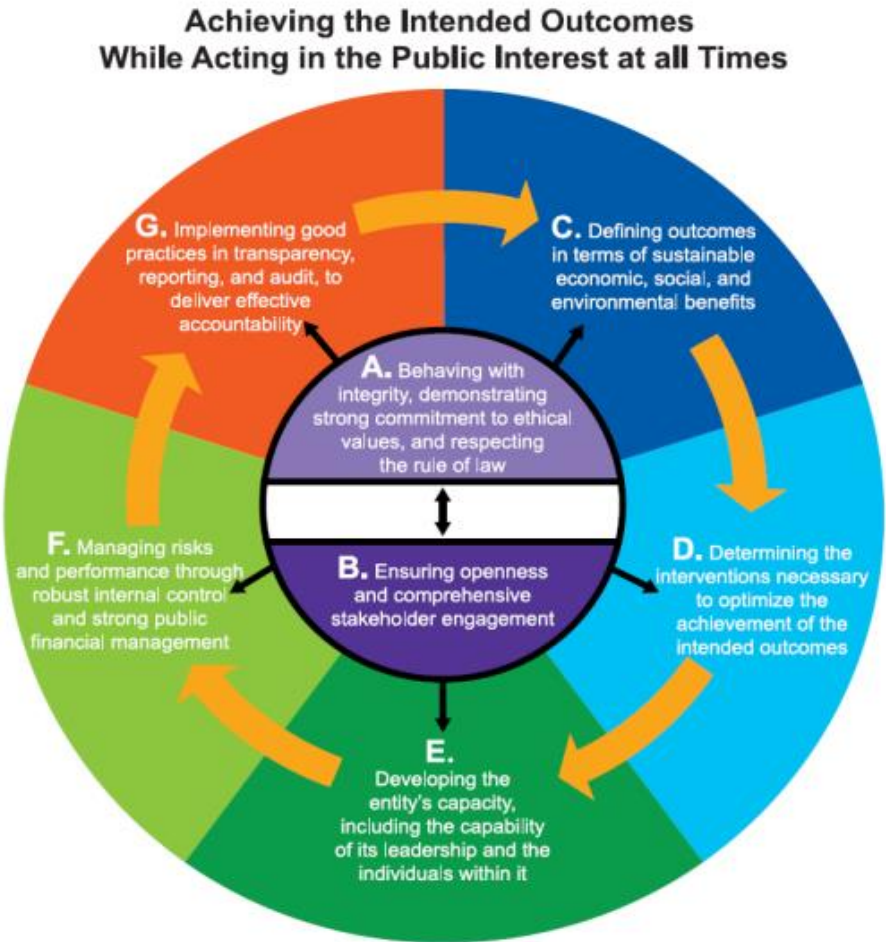
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assessment/assurances of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of East Herts Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at East Herts Council for the year ended 31 March 2023 and up to the date of approval of the statement of accounts.

3. Assurance Cycle



4. The Governance Framework



Source: CIPFA 2016

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
<p>A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p> <p>Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.</p>	<p>Behaving with integrity</p> <ul style="list-style-type: none"> Ensuring Members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation 	<ul style="list-style-type: none"> Codes of conduct for Members and Officers Members sign an individual commitment to comply with the Code Induction for new Members on the Code of Conduct and staff on standards of behaviour expected Performance appraisals Related party transaction declarations Action taken on Local Government Ombudsman (LGO) complaints
	<ul style="list-style-type: none"> Ensuring Members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) 	<ul style="list-style-type: none"> Corporate Plan sets operating direction and organisational values approved by the Council Member Code of Conduct is based on Nolan Principles Corporate objectives cascaded down into Service Plans Corporate Plan and Service Plan objectives reflected in individual appraisal goals
	<ul style="list-style-type: none"> Leading by example and using these standard operating principles or values as a framework for decision making and other actions 	<ul style="list-style-type: none"> Members trained on and familiar with code of conduct requirements Declarations are made at, and recorded, at meetings Meetings conducted according to values Standards Sub-Committee in effective operation including delivering training sessions to others to be proactive in communicating positive messages about good conduct Requirement for elected Members to be specifically trained before serving on Planning and/or Licensing Committees

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<ul style="list-style-type: none"> • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> • Anti-fraud and anti-corruption policies are working effectively • Up-to-date register of interests (Members and staff) • Related Party Transactions completed annually • Up-to-date register of gifts and hospitality • Whistleblowing policies are in place, up to date and protect individuals raising concerns • Whistleblowing policy has been made available to members of the public, employees, partners and contractors • Complaints policy in place and reported upon annually to Executive • All policies are managed through corporate performance management system to ensure effective and timely review with communication of changes and provision of training as appropriate • Policies are published online to demonstrate openness and transparency • Changes/improvements as a result of complaints received and acted upon and reported in annual report to Members • Members and officers code of conduct refers to a requirement to declare interests • Minutes show declarations of interest were sought and appropriate declarations made • Relevant recommendations from LGO incorporated into future working practices and procedures • Legal implications identified in all Executive and committee reports

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	Demonstrating strong commitment to ethical values <ul style="list-style-type: none"> Seeking to establish, monitor and maintain the organisation's ethical standards and performance 	<ul style="list-style-type: none"> Good ethical governance is championed by Members, particularly through Executive, the Standards Sub-Committee, the Monitoring Officer and Leadership Team Audit & Governance Committee takes the lead in overseeing and promoting good governance Clear mechanisms in place for reporting / referral to Monitoring Officer
	<ul style="list-style-type: none"> Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation 	<ul style="list-style-type: none"> Provision of ethical awareness training including thorough Code of Conduct training Standards Sub-Committee takes the lead in promoting this
	<ul style="list-style-type: none"> Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values 	<ul style="list-style-type: none"> Appraisal process in place Procurement policy and approach include good governance and ethical conduct Requirement to declare conflicts of interest Robust processes with checks and balances to ensure that procurement is undertaken in accordance with the principles of transparency, fairness and equal treatment.
	<ul style="list-style-type: none"> Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation 	<ul style="list-style-type: none"> Partnership Guidelines and reviews Procurement Strategy showing commitment to local businesses and SMEs Adhering to Bribery and Anti-Corruption policies as required by the Council Ensuring confidentiality of information throughout the process Data protection requirements specifically built into contract specification

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	Respecting the rule of law <ul style="list-style-type: none"> Ensuring Members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations 	<ul style="list-style-type: none"> Constitution Statutory guidance and provisions are followed These are assessed through internal and external audit Audit & Governance Committee oversee this Legal implications identified in all Executive and committee reports
	<ul style="list-style-type: none"> Creating the conditions to ensure that the statutory officers, other key post holders and Members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements 	<ul style="list-style-type: none"> Job description/specifications Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (CIPFA, 2016). The Council's arrangements conform to these governance requirements with the CFO reporting directly to the Chief Executive Legal implications identified in all Executive and committee reports The Monitoring Officer routinely attends Leadership Team meetings. The CFO routinely attends Leadership Team. In addition, the CFO has access to (and regularly attends) the Audit & Governance Committee and to the internal and external auditors. In performing the role, the CFO is able to bring influence to bear on all material decisions of the Council through advice and guidance on all corporate reports. As part of that role, the CFO leads on the budget monitoring reports, financial strategy reports and is able to promote to the organisation the delivery of good financial management. In discharging this role, the CFO is supported by a team of officers, including a deputy, and these arrangements ensure that the CFO has adequate resources to support the design and maintenance of sound financial governance arrangements.
	<ul style="list-style-type: none"> Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders 	<ul style="list-style-type: none"> Executive reports / decision making reports all document legal advice / implications Where appropriate, make use of general power of competence e.g. Millstream or the power to charge for discretionary services

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<ul style="list-style-type: none"> Dealing with breaches of legal and regulatory provisions effectively 	<ul style="list-style-type: none"> Monitoring Officer takes lead role in ethical governance and ensuring compliance with the law Decision making process incorporates this Legal team provide in-house advice and guidance Statutory teams familiar with and operating effectively to deliver on their statutory duties
	<ul style="list-style-type: none"> Ensuring corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> Effective anti-fraud and anti-corruption policies and procedures are in place and are regularly updated and incorporated into all contracts Assurance mapping exercise to be completed by Internal Audit will improve likelihood of detection Grievance and disciplinary code for officers Monitoring Officer at senior level within the organisation Mature and experienced Standards Sub-Committee 360 appraisal of managers acts as an additional layer of challenge Annual appraisal review assesses competencies and behaviours.
B Ensuring openness and comprehensive stakeholder engagement Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such	Openness <ul style="list-style-type: none"> Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness 	<ul style="list-style-type: none"> Quarterly performance reports to record performance against Corporate Plan Freedom of Information publication scheme Information Governance Team input to all FOI requests to ensure that exemptions are not unreasonably applied Data Protection Information Charter Compliance with the General Data Protection Regulation 2016 and Data Protection Act 2018 Transparency web pages Website publishes clear and accessible information Public inspection of accounts Annual publication of accounts

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
as individual citizens and service users, as well as institutional stakeholders		<ul style="list-style-type: none"> • Public consultation on new policies and individual development applications. • Webcasting of all Committee meetings since the COVID 19 Pandemic
	<ul style="list-style-type: none"> • Making decisions that are open about actions, plans, use of resources, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided in accordance with rules governing e.g. exemptions. 	<ul style="list-style-type: none"> • Record of decision making and supporting materials • Publish decisions by Members and Officers in accordance with the Constitution, Scheme of Delegation, Financial Procedure Rules and Contract Procedure Rules. • Forward Plan promotes community interest in democracy by publishing report schedule
	<ul style="list-style-type: none"> • Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear 	<ul style="list-style-type: none"> • Decision making protocols • Report template including requirement to obtain professional advice in key areas • Meeting reports show details of advice given • Discussion between Members and officers on the information needs of Members to support decision making • Committee work programmes • Agreement on the information that will be provided and timescales • Calendar of dates for submitting, publishing and distributing timely reports is adhered to
	<ul style="list-style-type: none"> • Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action 	<ul style="list-style-type: none"> • Community Engagement Strategy for District Plan • Annual budget consultation • Consultation on Master Plan options • All Member Information sessions • Online consultation exercises

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	Engaging comprehensively with institutional stakeholders <ul style="list-style-type: none"> Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably 	<ul style="list-style-type: none"> Communications Strategy and specific communications strategies for major projects Local ward Member communication networks Specific consultation with underrepresented groups through Equalities Strategy Community Engagement Strategy Statement of Community Involvement for District Plan
	<ul style="list-style-type: none"> Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively 	<ul style="list-style-type: none"> Online databases of residents who register to be kept informed / consulted about matters e.g. planning policy Significant partnership working e.g. Harlow & Gilston Garden Town, Hertfordshire Growth Board Shared services for Revenues & Benefits, ICT, Waste and Recycling Services, Building Control, CCTV and Equalities. The Council is also part of the Hertfordshire Emergency Resilience Partnership.
	<ul style="list-style-type: none"> Ensuring that partnerships are based on: <ul style="list-style-type: none"> Trust a shared commitment to change a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit 	<ul style="list-style-type: none"> Shared services for Revenues & Benefits, ICT, Waste and Recycling Services, Building Control, CCTV and Equalities Joint Committee/Joint Member Boards/Officer Boards as appropriate with a shared commitment to improvement, cost reduction and value for money Open culture of challenge between partners to seek improvement

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	Engaging stakeholders effectively, including individual citizens and service users <ul style="list-style-type: none"> Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. 	<ul style="list-style-type: none"> Online record of public consultations Feedback reports on public consultations Consultation responses included in relevant Executive reports e.g. budget Service user satisfaction surveys
	<ul style="list-style-type: none"> Ensuring that communication methods are effective and that Members and officers are clear about their roles with regard to community engagement 	<ul style="list-style-type: none"> Communications Strategy Monitoring reports on the effectiveness of our communications output including regular reports on the effectiveness of East Herts Council's Social Media Usage Communications and media training for Members and Senior Leadership Team
	<ul style="list-style-type: none"> Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs 	<ul style="list-style-type: none"> Communications Strategy Community Engagement Strategy Resident Satisfaction Survey as part of budget consultation Themed consultation exercises
	<ul style="list-style-type: none"> Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account 	<ul style="list-style-type: none"> Feedback included online in response to consultations Reports to Executive include feedback on consultation e.g. budget report Extensive use of East Herts Council's social media to interact with communities

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	<ul style="list-style-type: none"> Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity 	<ul style="list-style-type: none"> Corporate Equalities Objectives Equalities Policy and Action Plan Consultation with specific underrepresented groups within our community
	<ul style="list-style-type: none"> Taking account of the interests of future generations of tax payers and service users 	<ul style="list-style-type: none"> Corporate Plan Executive / Scrutiny reports Strategic Housing Needs Assessment Harlow & Gilston Garden Town
C. Defining outcomes in terms of sustainable economic, social, and environmental benefits The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this	Defining outcomes <ul style="list-style-type: none"> Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions 	<ul style="list-style-type: none"> Corporate Plan Published performance indicators MTEP and Capital Programme to fund ambitions Commercial Strategy Performance management report Pentana performance management system Statement of organisational values
	<ul style="list-style-type: none"> Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer 	<ul style="list-style-type: none"> Statement of Community engagement for the District Plan Communications strategy Service plans
	<ul style="list-style-type: none"> Delivering defined outcomes on a sustainable basis within the resources that will be available 	<ul style="list-style-type: none"> Quarterly budget reports Quarterly performance monitoring reports Medium Term Financial Plan Capital Programme Commercial Strategy

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
process and in balancing competing demands when determining priorities for the finite resources available.	<ul style="list-style-type: none"> Identifying and managing risks to the achievement of outcomes 	<ul style="list-style-type: none"> Risk management report Risk management training Risk assessments for specific projects External Audit report giving assurance that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources
	<ul style="list-style-type: none"> Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available 	<ul style="list-style-type: none"> Service plans Performance indicators Executive reports identify issues of competing community demands How your Council Tax is Spent information issued with annual Council Tax bills
	Sustainable economic, social and environmental benefits <ul style="list-style-type: none"> Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision 	<ul style="list-style-type: none"> Capital programme Medium Term Financial Plan Treasury management strategy Capital Strategy Asset Management Plan Corporate Plan Commercial Strategy
	<ul style="list-style-type: none"> Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints 	<ul style="list-style-type: none"> Corporate plan with four year time horizon Medium Term Financial Plan Capital Strategy Asset Management Plan Reports on decision making Mandatory training (e.g. for the Development Management Committee)
	<ul style="list-style-type: none"> Determining the wider public interest associated with balancing conflicting 	<ul style="list-style-type: none"> Community engagement strategy Consultation and community engagement diary

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	<p>interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p>	<ul style="list-style-type: none"> Communications Strategy
	<ul style="list-style-type: none"> Ensuring fair access to services 	<ul style="list-style-type: none"> Customer service strategy 24/7 Website offering online services Transparency webpages Clear policies explaining the Council's processes and what customers can expect from the Council e.g. housing allocations
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision making mechanisms to ensure that their defined outcomes can be achieved in a way that</p>	<p>Determining interventions</p> <ul style="list-style-type: none"> Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Thus ensuring best value is achieved however services are provided 	<ul style="list-style-type: none"> Options appraisals within key decision reports All Executive reports available for consideration at Overview & Scrutiny Reports to Audit & Governance Committee Legal, Financial and HR implications considered as part of every decision and evidenced within committee reports Individual risk assessment on larger projects
	<ul style="list-style-type: none"> Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts. 	<ul style="list-style-type: none"> Consultation outcomes incorporated within key Executive / Council reports Specific consultation part of the annual budgeting process Complaints process

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations.	Planning interventions <ul style="list-style-type: none">Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	<ul style="list-style-type: none">Calendar of meetingsAnnual work programmes for Audit & Governance and Overview & Scrutiny CommitteesExecutive Forward Plan
	<ul style="list-style-type: none">Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered	<ul style="list-style-type: none">Communication strategyEast Herts Together
	<ul style="list-style-type: none">Considering and monitoring risks facing each partner when working collaboratively including shared risks	<ul style="list-style-type: none">Risk management reportRisk identified within Executive reportsRisk register for specific projects
	<ul style="list-style-type: none">Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	<ul style="list-style-type: none">Report cycles allow flexibility to respond to changing priorities
	<ul style="list-style-type: none">Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	<ul style="list-style-type: none">Corporate Plan KPIs in placeFinancial performance regularly measured through quarterly budget meetings and report
	<ul style="list-style-type: none">Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none">Pentana is the Council's online performance management systemQuarterly performance management reportsMembers have on-line access to Pentana
	<ul style="list-style-type: none">Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan	<ul style="list-style-type: none">Clear alignment between corporate objectives and resourcesRegular budget monitoring analysis and reporting across all Council Services

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	<ul style="list-style-type: none"> Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy 	<ul style="list-style-type: none"> Medium Term Financial Plan Capital Strategy – reports to Executive / Audit and Governance Committee on performance / progress
	Optimising achievement of intended outcomes <ul style="list-style-type: none"> Ensuring the Medium Term Financial Plan integrates and balances service priorities, affordability and other resource constraints 	<ul style="list-style-type: none"> Annual budget consultation Audit and Governance Committee Reports
	<ul style="list-style-type: none"> Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term 	<ul style="list-style-type: none"> Full and detailed budgeting exercise, both capital and revenue, over the medium term Internal and External Audit review
	<ul style="list-style-type: none"> Ensuring the Medium Term Financial Plan sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage 	<ul style="list-style-type: none"> MTEP identifies plan for savings Transformation Programme business case predicts a minimum amount of £1 million of savings from changes to the customer service model and moving the financial system to the cloud. Further budget reductions will come from additional income following the Fees and Charges Policy and the Commercial Strategy. External auditor report gives assurance Quarterly budget reporting

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	<ul style="list-style-type: none"> Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community over and above the direct purchasing of goods, services and outcomes" 	<ul style="list-style-type: none"> Procurement strategy identifies social value Social value assessed as part of award process under procurement Social Value Policy and priority Themes, Outputs and Measures set.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the	Developing the entity's capacity <ul style="list-style-type: none"> Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness 	<ul style="list-style-type: none"> Assets Management Plan Asset Management Group – regular review of assets Commercial Strategy
	<ul style="list-style-type: none"> Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently 	<ul style="list-style-type: none"> Benchmarking LGA Peer Review on services available External Audit Use of Resources Statement Local benchmarking exercise at Service level
	<ul style="list-style-type: none"> Recognising the benefits of partnerships and collaborative working where added value can be achieved 	<ul style="list-style-type: none"> Significant commitment to partnership working Joint working / shared services
	<ul style="list-style-type: none"> Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources 	<ul style="list-style-type: none"> Review of workforce development plan and strategy Commitment to apprenticeships

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<p>organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p>Developing the capability of the entity's leadership and other individuals</p> <ul style="list-style-type: none"> Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained 	<ul style="list-style-type: none"> Constitution contains job descriptions for lead Members Officer Job descriptions Shared understanding of roles between Leader and CE Officer Member protocol
	<ul style="list-style-type: none"> Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body 	<ul style="list-style-type: none"> Constitution Scheme of Delegation Financial Procedure Rules Individual reports for major projects set out decision making basis so that this is open and transparent, particularly for new projects
	<ul style="list-style-type: none"> Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the Chief Executive leads the council in implementing strategy and managing the delivery of services and other outputs set by Members and each provides a check and a balance for each other's authority 	<ul style="list-style-type: none"> Job description for Chief Executive Role profile for Leader in Constitution

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<ul style="list-style-type: none"> Developing the capabilities of Members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged ensuring Members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external 	<ul style="list-style-type: none"> Regular meetings between Executive and Leadership Team Senior Leadership Training & Development - ensuring Members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged Induction programme for both staff and Members Annual staff appraisal Annual training programme for Members Commitment to apprenticeships including those at a higher level and support for appropriate professional qualifications Bespoke training at committees including presentations by service departments to Audit and Governance Committee Community Leadership is discussed and led by Portfolio Holder Member support through Democratic Services Member training programme Officer training e.g. professional training, continuing professional development, management and leadership training Internal Audit reports on governance to Audit and Governance Committee Workforce monitoring reports to Executive through Portfolio Holder

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	<ul style="list-style-type: none"> Ensuring that there are structures in place to encourage public participation 	<ul style="list-style-type: none"> Community Engagement Strategy Residents' satisfaction survey Regular user satisfaction surveys The Council also has a Statement of Community Involvement (SCI) - a document that sets out what consultation will take place when the Council is developing and reviewing its planning policy documents (including the District Plan) and when determining planning applications.
	<ul style="list-style-type: none"> Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections 	<ul style="list-style-type: none"> Publish member attendance records Annual training plan Participation in appropriate Peer Reviews
	<ul style="list-style-type: none"> Holding staff to account through regular performance reviews which take account of training or development needs 	<ul style="list-style-type: none"> Annual performance appraisals and probationary appraisals Staff development plan within appraisal process Capability procedure Sickness procedure Routine Service Team Meetings and 1:1 Meetings
	<ul style="list-style-type: none"> Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing 	<ul style="list-style-type: none"> Conditions of Service Health and Safety policies Employee Assistance Programme – Confidential Helpline Mental Health First Aiders Workplace Health Scheme Monthly Programme Council policies which support employees e.g. bereavement
F. Managing risks and performance through robust internal control and strong public financial management	Managing risk <ul style="list-style-type: none"> Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making 	<ul style="list-style-type: none"> Risk management specifically reported to Executive and Audit and Governance Committee on a quarterly basis Risk assessments on larger projects

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<p>Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture</p>	<ul style="list-style-type: none"> Implementing robust and integrated risk management arrangements and ensuring that they are working effectively 	<ul style="list-style-type: none"> Risk management strategy and policy Annual internal audit plan Risk management within individual project plans e.g. elections Emergency plan and Business Continuity Plan and the review of risks specific to emergencies such as the Covid-19 pandemic Regular exercises to test the Emergency Plan, Business Continuity Plan, Disaster Recovery and Cyber Security
	<ul style="list-style-type: none"> Ensuring that responsibilities for managing individual risks are clearly allocated 	<ul style="list-style-type: none"> Risks assigned with responsible owners Named officers for e.g. Health and Safety, Data Protection, Emergency Planning, Business Continuity
	<p>Managing performance</p> <ul style="list-style-type: none"> Monitoring service delivery effectively including planning, specification, execution and independent post implementation review 	<ul style="list-style-type: none"> Departmental service plans which are reviewed regularly Senior Leadership ownership of specific Corporate Plan outcomes. Performance monitoring Benchmarking Transparency pages on website Report format strengthening consideration of implications
	<ul style="list-style-type: none"> Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook 	<ul style="list-style-type: none"> Report template to Executive / Committees includes specific sections for analysis, options, risk, finance, and other relevant considerations Agendas published at least 5 days in advance Decision notices and minutes published after meetings
	<ul style="list-style-type: none"> Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that 	<ul style="list-style-type: none"> Constitution defines roles and responsibilities of Overview & Scrutiny Committee and Audit and Governance Committee Annual work programmes for those committees Regular training sessions for committee members pertinent to that committee and the wider business and functions of the council

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
<p>and structure for scrutiny is in place as a key part of accountable decision-making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>	<p>of any organisation for which it is responsible</p>	
	<ul style="list-style-type: none"> • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement 	<ul style="list-style-type: none"> • Annual timetable / calendar of meetings • Work programmes / forward plan for Executive and Committees • Senior Leadership ownership of specific Corporate Plan outcomes. • Annual Budget and Tax Setting report to Executive
	<ul style="list-style-type: none"> • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements) 	<ul style="list-style-type: none"> • Financial Procedure Rules • Annual accounts and Statement of Accounts • External auditor reports
	<p>Robust internal control</p> <ul style="list-style-type: none"> • Aligning the risk management strategy and policies on internal control with achieving the objectives 	<ul style="list-style-type: none"> • Internal Audit Plan • Regular reports from Internal Audit to Audit and Governance Committee
	<ul style="list-style-type: none"> • Evaluating and monitoring the authority's risk management and internal control on a regular basis 	<ul style="list-style-type: none"> • Quarterly risk management reports • Risk management training for Members and officers • Internal Audit Review of Effectiveness • Annual Governance Statement • External Audit Annual Report
	<ul style="list-style-type: none"> • Ensuring effective counter fraud and anti-corruption arrangements are in place 	<ul style="list-style-type: none"> • Anti-fraud and anti-corruption policy • Whistleblowing policy • Shared Anti-Fraud Service • Acquisition and use of specialist data analysis software to detect fraud and corruption • Regular reports to Audit and Governance Committee on counter fraud activity • Shared Anti-Fraud Service fraud risk evaluation of all business grants applied for as a consequence of Covid-19

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	Strong public financial management <ul style="list-style-type: none"> Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	<ul style="list-style-type: none"> Clear links between Corporate Plan, Medium Term Financial Plan and subsequent reporting on outcomes Asset Management Strategy Embedded financial management process covering process from beginning to end Review of that process through External Audit
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit	Implementing good practice in transparency <ul style="list-style-type: none"> Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand 	<ul style="list-style-type: none"> Publication of all reports and decisions on website Transparency pages on website Consistent, accessible, reporting style used with supporting evidence providing more detail for those who require it. Web pages give key information and ability to drill down to specific documents and background papers for those requiring detail. Annual performance report Regular internal audit reports to Audit and Governance Committee
	Implementing good practices in reporting <ul style="list-style-type: none"> Reporting at least annually on performance, value for money and the stewardship of its resources 	<ul style="list-style-type: none"> Annual performance report that supplements quarterly performance and budget reports Annual reports from External Auditor Value for money opinion Statement of Accounts

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
contribute to effective accountability.		<ul style="list-style-type: none"> Internal audit reports also comment on Value for Money implications where applicable
	<ul style="list-style-type: none"> Ensuring Members and senior management own the results 	<ul style="list-style-type: none"> Clearly defined roles for Executive portfolio holder, Audit and Governance Committee and Overview and Scrutiny Committee Portfolio holders present reports at Executive Each portfolio holder has regular briefings with officers
	<ul style="list-style-type: none"> Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement) 	<ul style="list-style-type: none"> Annual Governance Statement Assurance mapping exercise planned for 2021/22
	<ul style="list-style-type: none"> Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate 	<ul style="list-style-type: none"> Shared service legal agreements Annual Governance Statement
	<ul style="list-style-type: none"> Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations 	<ul style="list-style-type: none"> Benchmarking Quarterly performance reports to Executive and Overview & Scrutiny Committee including end of year performance.
	Assurance and effective accountability <ul style="list-style-type: none"> Ensuring that recommendations for corrective action made by external audit are acted upon 	<ul style="list-style-type: none"> Management comments / response is incorporated as part of the reports from both Internal and External Audit Annual Opinion on the Control Environment report from Internal Audit

Principles of good governance	Sub-principles and behaviours and actions that demonstrate good governance in practice	East Herts Council's Compliance & Supporting Evidence
	<ul style="list-style-type: none"> Ensuring an effective internal audit service with direct access to Members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon` 	<ul style="list-style-type: none"> Compliance with CIPFA's Statement on the Role of the Head of Internal Audit (2019) Compliance with Public Sector Internal Audit Standards Annual review of effectiveness of internal audit reported to Audit and Governance Committee Annual Governance Statement Action Plan and follow up
	<ul style="list-style-type: none"> Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations 	<ul style="list-style-type: none"> Executive report on outcomes and recommendations / action plan arising from review Self-challenging through entry for various awards and nomination as finalist
	<ul style="list-style-type: none"> Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement 	<ul style="list-style-type: none"> Annual Governance Statement Risk management report Performance report Requirement for performance information to management is specified in contract specification.
	<ul style="list-style-type: none"> Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met 	<ul style="list-style-type: none"> Proportionate governance arrangements in place for partnership working Service Level Agreements for some community grants ensuring that outcomes are measurable and delivered.

5. Review of Effectiveness

East Herts Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Leadership Team, the Monitoring officer, the Chief Finance Officer (Head of Financial Services), and the Head of Business Services who have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates. The following processes have been applied in maintaining and reviewing the effectiveness of the governance framework:

Council

Council is responsible for approving the budget and policy framework, which includes the Corporate Plan and the Constitution.

Executive

Executive has approved the Council's performance management framework. Executive also approves the risk management policy and receives quarterly reports on risk management, performance monitoring and budget monitoring.

Audit and Governance Committee

This Committee undertakes the core functions of an Audit Committee and approves the annual Internal Audit Plan, receives quarterly monitoring reports updating them on progress against that plan. It also receives the external auditor's annual audit letter, annual governance report, annual plan and grant claim certification report. It approves the risk management policy and receives quarterly reports on risk management. The Committee has lead oversight responsibility for corporate governance, risk management and other internal control issues. It also leads the cross Member scrutiny and consideration of the budget. The Audit & Governance Committee also reviews the Constitution.

Standards Sub-Committee

This Sub-Committee undertakes a proactive role in relation to the promotion of the ethical conduct framework. It has also published documents to inform the public about its role, the importance of good ethical conduct in the area, and the high standards of conduct evident in the District. A new framework for dealing

with ethical governance has been adopted by the county and the district and borough councils in Hertfordshire in order to maintain a level of consistency across the geographical area, particularly in relation to twin-hatted Members. The Standards Sub-Committee has put in place arrangements for dealing with complaints, conduct investigations and hearing allegations.

Overview & Scrutiny Committee

The Overview & Scrutiny Committee reviews performance across all services delivered by the Council and partner organisations, and the impact they have on the District and its communities.

Chief Finance Officer (Head of Strategic Finance & Property)

The Chief Finance Officer (CFO) has been designated as the s151 Officer. That officer maintains the statutory powers to report to Executive or Council on any proposals, decision or omission that gives rise to any unlawful expenditure. The CFO also has clearly defined responsibilities for Risk Management, Internal Control, and systems and processes for financial administration and control, which are set out in the Financial Procedure Rules.

Monitoring Officer (Head of Legal and Democratic Services)

The Head of Legal & Democratic Services has been designated as the Monitoring Officer. The Monitoring Officer has the specific duty, contained within Section 5 of the Local Government and Housing Act 1989, to ensure that the Council, its officers, and its Elected Councillors, maintain the highest standards of conduct in all they do. The role of the Monitoring Officer is:

- To report on matters he/she believes are, or are likely to be, illegal or amount to maladministration;
- To be responsible for matters relating to the conduct of Councillors and officers; and
- To be responsible for monitoring and reviewing the operation of the Constitution, to ensure that the aims and principles of our Constitution are given full effect.

Internal Audit

The internal control system comprises the whole network of systems established within the Council to provide reasonable assurance that corporate objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws and regulations
- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- The integrity and reliability of information, accounts and data
- Effective monitoring systems and optimum use of performance management information

6. Governance Issues – Progress from last year

Key Improvement Area	Lead Officer	Update
<u>Full implementation of high priority recommendations related to IT</u>	Helen Standen	Completed.
<p><u>Procurement</u> The Procurement Strategy requires updating to reflect the new national procurement strategy and the enhanced profile of social value as well as reflecting net zero ambitions.</p> <p>The council should produce an annual procurement programme as well as a 3 year “procurement pipeline” in order that local businesses can see what opportunities are coming up and to encourage them to bid.</p> <p>The council should produce an annual procurement report showing: savings or costs avoided; social value gained; contracts awarded to local businesses by size; contracts awarded to SMEs; and the</p>	Steven Linnett	<p>In progress. The National Procurement Strategy has been delayed pending Royal Assent to the Procurement Bill therefore work on the Procurement Strategy has been paused and it is intended to produce a Strategy as part of the 2024/25 budget round.</p> <p>In progress. This is proposed be implemented as part of the 2024/25 budget round.</p> <p>Will follow from approval of the above.</p>

Key Improvement Area	Lead Officer	Update
contribution from procurement to net zero targets.		
<p><u>Asset Management Plan</u></p> <p>The asset management plan requires updating to ensure the council's strategy is up to date and meets best practice.</p> <p>The council would benefit from the establishment of a cross service officer group to discuss asset management issues and also review assets and identify assets for disposal</p>	Steven Linnett	<p>Completed</p> <p>Completed</p>
<p><u>ICT Resilience</u></p> <p>An external review of the ICT Strategy and delivery vehicle has been commissioned by the partner councils and recommendations arising from that will need to be taken forwards</p>	Helen Standen	In progress. SOCITM review completed and recommendations being implemented. New Joint Committee established with Member oversight of Joint ICT Service now in place to ensure delivery of improved ICT Service.

Key Improvement Area	Lead Officer	Update
<p><u>Workforce Plan</u></p> <p>Following changes to working practices as a result of COVID 19 and anticipated changes from the Transformation Programme the council would benefit from a workforce plan that analyses its workforce and determines the steps it must take to prepare for future staffing needs. These future skill needs can be met by recruiting, by training or by outsourcing the work.</p>	<p>Head of Human Resources and Organisational Development</p>	<p>In progress. The workforce plan will be developed once changes associated with Service Reviews, new customer service model and Finance in the cloud are implemented.</p>

7. Governance Issues

The following governance issues have been identified as needing addressing during 2023/24

Key Improvement Area	Lead Officer	Update
<u>Communications Strategy</u> The Communications Strategy now requires revision to reflect changes in technology, social media and the further decline of printed media and to separate consultation from communication.	Ben Wood	
<u>Consultation Strategy</u> The council would benefit from a separate Consultation Strategy which sets out how and when the council will consult. This accords with the priorities of the new Joint Administration.	Ben Wood	
<u>Member Officer Protocol for working in a no overall control council</u> At the elections in May 2023 the council moved to being under no overall control by a single political party. There is a need to set out expectations concerning information, briefings and policy	Richard Cassidy	

Key Improvement Area	Lead Officer	Update
development that more appropriately meet the needs of the political groups in a no overall control council.		
<u>Contract Procedure Rules</u> Contract Procedure Rules are in need of review and updating, particularly as they reflect the transition under Brexit and not the final position under the Procurement Bill, which is in its final stage before anticipated Royal Assent and amendments introduced under the Public Procurement (International Trade Agreements) (Amendment) Regulations 2023 and this will be undertaken alongside the development of the Procurement Strategy to ensure that they are properly aligned.	Steven Linnett/James Ellis	

8. Certification

To the best of our knowledge, the governance arrangements, as defined above have been effectively operating during the year with the exception of those areas identified in Section 7. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for

the improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Cllr Ben Crystal
Leader of the Council

Date:

Richard Cassidy
Chief Executive

Date:

East Herts Council Report

Audit & Governance Committee

Date of meeting: 26 September 2023

**Report by: Steven Linnett, Head of Strategic Finance & Property
(s.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 it's 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
- 1.3.7 Receive copies of Executive budget monitoring reports, for information, so that the final accounts outturn position can be compared to forecasts during the year.

2.0 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:

Audit & Governance Committee	29 November 2023	Training: Treasury Management	Presentation to Members on Treasury Management and the Committee's role in overseeing treasury policies
		Annual Infrastructure Funding Statement Report 2022/23	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2020/21
		External Audit Planning Report 2022/23	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
		External Audit Planning Report 2023/24	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
		Budget 2024/25 and Medium Term Financial Plan 2024/25 – 2028/29	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.
		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.

		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.
		Annual Treasury Report 2022/23	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.
		Treasury Management 2023/24 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
		Strategic Risk Register Monitoring Q2 2023/24	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 2.
		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	30 January 2024	Budget Scrutiny - Budget 2024/25 and Medium Term Financial Plan 2023-27	To present to Audit and Governance Committee the Executive's proposed General Fund Budget and Medium Term Financial Plan for scrutiny.
		Investment Strategy 2024/25 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Investment Strategy for scrutiny.
		Capital Strategy and Minimum Revenue Provision Policy 2024/25 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Capital Strategy and Minimum Revenue Provision Policy for scrutiny.

		Procurement Strategy 2024/5 – 2029/30 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Procurement Strategy for scrutiny.
		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.
		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.
		Financial Management 2023/24 – 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.
		Internal Audit Plan	To present to Audit and Governance Committee the Shared Internal Audit Service Audit Plan for the financial year.
		Anti-Fraud Plan	To present to Audit and Governance Committee the Shared Anti-Fraud Service Anti-Fraud Plan for the financial year.
		Data Protection Update	To present to Audit and Governance Committee the progress on data protection policies and practices.
		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	May 2024	Appointment of Vice- Chairman for 2024/25	Members will vote to appoint the Vice Chairman of the Committee
		Training: Shared Anti-Fraud Service	Presentation to Members on the work of the Shared Anti-Fraud Service and the importance of tackling fraud.
		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.
		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.
		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.
		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
		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.
		Strategic Risk Register Monitoring Q4 2023/24 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.
		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
		Data Protection Update	To present to Audit and Governance Committee an update on data protection
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance	September 2024	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		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 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 approve an annual governance statement to accompany the statement of accounts.
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.
Anti-Fraud Report 2023/24	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
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.
Financial Management 2024/25 – 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
		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.
		Data Protection Update	To present to Audit and Governance Committee an update on data protection
		Assets of Community Value	To present to Audit & Governance Committee the Register of Assets of Community Value annual update report.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

Committee	Date	Report Title	Report Summary
Audit & Governance (Accounts Approval) Sub Committee	Date determined by external audit completing 2021/22 and 2022/23 accounts	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the Final External Auditor's Audit Results Report	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 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'.

Committee	Date	Report Title	Report Summary
		Approval of the Statement of Accounts	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	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 approve an annual governance statement to accompany the statement of accounts.

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

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