

MINUTES OF A MEETING OF THE  
AUDIT AND GOVERNANCE COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON TUESDAY 22  
APRIL 2025, AT 7.00 PM

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PRESENT: Councillor M Adams (Chair)  
Councillors S Nicholls, G Williamson and  
D Woollcombe, Mr M Poppy and Mr N  
Sharman

ALSO PRESENT:

Councillors C Brittain and B Crystall

OFFICERS IN ATTENDANCE:

Michele Aves	- Committee Support Officer
Brian Moldon	- Head of Finance
Alison Street	- Financial Planning Manager

ALSO IN ATTENDANCE:

Debbie Hanson	- Ernst Young LLP
Simon Martin	- Shared Internal Audit Service

408 APOLOGIES

There were apologies for absence from Councillor Deering and Councillor Hart.

409 MINUTES - 18 FEBRUARY 2025

It was moved by Councillor Nicholls and seconded by Councillor Woollcombe that the Minutes of the meeting of the Committee held on 18 February 2025 be confirmed as a correct record and signed by the Chair. After being put to the meeting and a vote taken, the motion was declared

CARRIED.

**RESOLVED** – that the Minutes of the Committee meeting held on 18 February 2025 be confirmed as a correct record and signed by the Chair.

410 CHAIR'S ANNOUNCEMENTS

The Chair welcomed all to the meeting, which was the last before the County Elections. He said that it had been a pleasure to serve on the Committee, and that he hoped Members would return for the next civic year.

411 DECLARATIONS OF INTEREST

There were no declarations of interest.

412 INTERNAL AUDIT PLAN REPORT 2025/26

The Shared Internal Audit Service (SIAS) Manager introduced the report which detailed the internal audit programme for 2025/26. He said that the programme linked with both the risk register and consultations with Leadership Team. He said that the programme was not set in stone, allowing for adjustments if required, with Members to be advised of any changes in SIAS' quarterly reports.

The Shared Internal Audit Service Manager said that key performance indicators could be seen at page 32 of the report, with the programme strategy (written by the Head of SIAS) available in the report's appendix.

The Chair thanked the Shared Internal Audit Service Manager for his report.

Councillor Williamson asked who decided the frequency of audits being included in the work programme.

The Shared Internal Audit Service Manager said that there was an A – Z of risks within the 'audit universe', with those assessed as high risk featuring within the

programme. He said that insight and intelligence gleaned from discussion with Leadership Team and topical requirements were also factored in.

Councillor Nicholls said that the programme was very thorough and detailed, and noted that devolution and local government reorganisation was included on the reserve list.

The Shared Internal Audit Service Manager confirmed that devolution would be on the programme going forward, being placed on the reserve list as it was too early to feature at present. He said that this was a good example of where an amendment to the programme would be required.

Mr Sharman referred to the Council's failure regarding financial reporting, and asked if a review should be carried out to ensure that processes had improved and were robust and fit for purpose.

The Shared Internal Audit Service Manager said that unless there was an appetite for oversight (which the Committee could make provision for should it wish) such duplication with external audit would be avoided.

The Head Finance S151 said that the report from the external auditor would go to Council in May and would include a recommendation from the Section 151 Officer (not Internal Audit) to monitor the actions within it.

Councillor Woollcombe sought clarification of who the Chief Audit Executive was, and asked how client satisfaction was measured for the specific key performance indicator.

The Shared Internal Audit Service Manager confirmed that he was the Chief Audit Executive. He said that typically client satisfaction was measured via a

questionnaire which SIAS sent to the audit sponsor or key contact post audit.

It was moved by Councillor Williamson 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) Members are recommended to approve the proposed East Herts Council Internal Audit Plan for 2025/26 be approved; and

(B) that the SIAS Internal Audit Strategy be noted, and any comments provided prior to approval by the SIAS Board.

- 413 'EXTERNAL AUDITORS COMPLETION REPORT FOR THOSE CHARGED WITH GOVERNANCE - 2021/22 AND 2022/23  
The Ernst and Young (EY LLP) representative introduced the report which covered both 2021/22 and 2022/23 and updated the annual governance statement, therefore closing EY's audit responsibility.

The EY LLP representative referred to page 7 of the report which gave important local background, including content on the council's delays in financial reporting. She said that although disclaimer opinion had been given, value for money commentary was present.

The EY LLP representative highlighted other key points and said that the statutory recommendations included in the report (which could be seen at Appendix E) were required to be considered at a meeting of full Council within 30 days.

The Chair thanked the EY LLP representative for her report.

Councillor Nicholls said that the report was very detailed, and that Members had not had much time to read through it. She asked why there had been a delay in publishing a supplementary agenda.

The Head Finance S151 apologised for the delay, which was to enable management responses to be included within the report (as seen in yellow text at pages 77 – 80). He said that the report was going to Council in May, and that this would give Members more time to digest its contents. He emphasised that the Committee Work Programme was fluid, but that going forward it would be kept up to date so that Members knew what items to expect.

Mr Sharman welcomed the assurances within the report regarding the preparation of financial statements. He referred to the aforementioned management responses and said that it was good that firm action dates had been given, as these were previously lacking. He asked if officers were confident that they could meet the audit backstop date.

The Head Finance S151 said that the 2023/24 versions had been seen last week and were near completion. He said that he was therefore confident that these would be available to view online by the end of April.

The Head Finance S151 said that the backstop for 2024/25 was February 2026, which was a challenging but achievable objective that was being worked towards.

Mr Sharman said that this was reassuring to hear. He asked if the new auditor (Azets) could give feedback to the Committee at every meeting, not necessarily in attendance, but to raise any issues and thus avoid any surprises.

The Head Finance S151 said that he had worked with

both EY LLP and Azets in previous roles. He said that he would feedback that the Committee would like an update at every meeting.

Councillor Nicholls said that she was concerned by the lack of communication between the previous Section 151 Officer and Chief Executive. She asked if the new staff in these positions would see a change in both planning and relationships.

The Head of Finance S151 said that there was a 'golden triangle' which involved the Chief Executive, Section 151 Officer, and the Monitoring Officer meeting monthly. He said that the Executive Member for Financial Sustainability would also have regular meetings with section 151 officer.

Councillor Woollcombe said that it was good to see the EY LLP representative at the meeting, and for Members to have sight of a calendar which told them what was due and when.

The EY LLP representative said that a plan, including a timeline for 2021/22, would have been received by the Committee. She said that there was no plan for 2022/23 as communication had broken down with the former Section 151 Officer and Chief Executive, but there was now a more positive environment under the new post holders.

Councillor Woollcombe said that it would be beneficial for Members to have simple graphics within reports to illustrate where the council was and where they needed to be.

The Head of Finance S151 said that this could be included on the Committee's Work Programme.

Mr Poppy asked if Finance officers had the capacity to

deliver what was planned.

The Head of Finance S151 said that the review of the Finance Team was being undertaken, to establish what they had, and what was needed. He said that a short-term contractor was being engaged to assist with capacity within the team, and that the team was clear on its goals.

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 external auditor's Completion Report for 2021/22 and 2022/23 be received and any comments be given; and

(B) that the 2021/22 and 2022/23 Statement of Accounts be approved.

414 APPROVAL OF ANNUAL GOVERNANCE STATEMENT 2021/22 AND 2022/23

The Head of Finance S151 introduced the report which gave the final versions of the governance statements for 2021/22 and 2022/23. He said that there was a new section within the report which included the issues raised by EY LLP and which also contained updated action points.

The Chair thanked the Head of Finance S151 for his report.

Mr Sharman observed that some of the officers with responsibility for key areas of improvement were no longer at the council. He asked if these actions had been completed or if these names required updating.

The Head of Finance S151 said that if the actions had

been completed, they would show the name of the officer who had done the work (who may now no longer be in post). He said that any actions taken forward would appear on the 2023/24 statement.

It was moved by Councillor Nicholls and seconded by Councillor Williamson, 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 Updated Annual Governance Statement for 2021/22 be reviewed and commented on; and

(B) that the Updated Annual Governance Statement for 2022/23 be Members review and commented on; and

(C) that the Statutory Recommendations that the External Auditors (EY) have made be acknowledged; and

(D) that Members ensure that the Statutory Recommendations are presented at a meeting of the full Council within 30 days of EY presenting the report to members of the Audit and Governance Committee.

415 DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24  
The Head of Finance S151 introduced the report which followed on from the previous year's Annual Governance Statement. He said that it should be noted that when the completion report is presented by the new auditor – Azets, it will also include the same Statutory Recommendations that have been included in the completion report covering 2021/22 and 2022/23 by the previous auditor – EY LLP.

The Chair thanked the Head of Finance S151 for his



report.

Mr Sharman said that the report referred to the breakdown in the relationship between the former Section 151 Officer and Chief Executive - which he wished to make clear the Committee had not been aware of. He added that the report also felt weighted towards perfection at the beginning.

Councillor Nicholls agreed with Mr Sharman's comments.

It was moved by Councillor Williamson 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 Draft Annual Governance Statement for 2023/24 be reviewed and commented on; and

(B) that it is noted that when the Completion report is presented for 2023/24 by the new External Auditors (Azets), it is anticipated that this will also include the same Statutory Recommendations that have been included in the Completion report covering 2021/22 and 2022/23 by EY, and that the 2023/24 completion report will also have to be presented at a meeting of the full Council within 30 days of Azets providing/presenting the report.

- 416 **AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**  
The Head of Finance S151 introduced the report which set out the Committee's current work programme (as collated by the previous Head of Strategic Finance). He said that there would be discussion with the Chair regarding the reports which would come before Members and the frequency of the Committee's meetings going forward, with any changes to the programme achievable

from the next municipal year.

The Head of Finance S151 said that he anticipated that there would be a need for Members to receive training from the Shared Internal Audit Service (SIAS) and the Shared Anti-Fraud Service (SAFS), as well as sessions on risk and treasury management.

The Chair thanked the Head of Finance S151 for the report.

Councillor Nicholls said that as previously discussed, Members would welcome more meetings as this may alleviate the large number of items on each agenda. She added that an extra meeting in July would be a good idea and said that she was open to suggestions as to what training the Committee should receive.

Councillor Woollcombe echoed Councillor Nicholl's comments and said that he would like further information on how disclaimed opinions would affect long term viability.

The Head of Strategic Finance said that approximately 80% of other local authorities had disclaimers and that he anticipated that it would take approximately 3 – 4 years for these to unwind.

The Chair suggested that it may be beneficial to receive training on the role of external audit, and how this differs to internal audit.

Mr Sharman encouraged the inclusion of regular risk register reports on future agendas.

Councillor Williamson also echoed Members' comments. He again referred to the weight of the Committee's agendas and said that training added further pressure. He said that reviewing the calendar could alleviate this - if

reports fitted in with the revised schedule. Councillor Williamson said that the recent joint meeting held with the Overview and Scrutiny Committee to consider the budget was effective.

The Head of Finance S151 said that these points were understood and that the joint meeting would be taken forward.

It was moved by Councillor Nicholls and seconded by Councillor Woolcombe, 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.

417 URGENT ITEMS  
There were no urgent items.

The meeting closed at 8.06 pm

Chairman	.....
Date	.....