

MINUTES OF A MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER,
WALLFIELDS, HERTFORD ON
WEDNESDAY 26 NOVEMBER 2025, AT
7.00 PM

PRESENT: Councillor M Adams (Chair)
Councillors B Deering, J Dunlop, C Hart and
S Nicholls, Mr M Poppy and Mr N Sharman

ALSO PRESENT:

Councillors C Brittain, B Crystall, S Hopewell
and V Glover-Ward

OFFICERS IN ATTENDANCE:

Michele Aves	- Committee Support Officer
Jackie Bruce	- Section 106 Programme Manager
Matt Canterford	- Assistant Director (IT)
Brian Moldon	- Director for Finance, Risk and Performance
Steve Sargeant	- BEAM Venue Director
Alison Street	- Financial Planning Manager
Ben Wood	- Director for Regeneration, Customer and Commercial Services

ALSO IN ATTENDANCE:

Darren Bowler	- Shared Anti-Fraud
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	Martha Charima	Service (SAFS)
	Paul Grady	- Azets
	Simon Martin	- Azets
		- Shared Internal Audit Service

245 APOLOGIES

There were apologies for absence from Councillors Williamson and Willcocks.

246 MINUTES - 30 SEPTEMBER 2024

It was moved by Councillor Nicholls and seconded by Councillor Deering that the Minutes of the meeting of the Committee held on 30 September 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. It was noted that Councillor Dunlop abstained from the vote.

RESOLVED – that the Minutes of the Committee meeting held on 30 September 2025 be confirmed as a correct record and signed by the Chair.

247 CHAIR'S ANNOUNCEMENTS

The Chair welcomed all to the meeting and reminded participants to use their microphones when speaking as the meeting was being webcast. The full webcast of the meeting can be viewed here: [Audit & Governance Committee - 26th November 2025 - YouTube](#)

The Chair asked that attendees kept their comments and questions as succinct as possible, due to the number of participants and the length of the agenda.

248 DECLARATIONS OF INTEREST

There were no declarations of interest.

249 EXTERNAL AUDITORS ANNUAL REPORT 2024/25

The Azets representatives introduced the report which

provided a summary of the findings and key issues arising from the 2024/25 audit of the Council.

The Chair thanked the Azets representatives for the report.

Members also conveyed their thanks to the Azets representatives for their hard work and commented that the relationship between Azets and the Council felt positive.

Expansion was sought on the operational 'bottlenecks' mentioned within the report, and the action being taken to eradicate these.

The Azets representative said that the wording of this recommendation was made by the previous auditor, EY, in their 2022/23 report, and related to the challenges in producing accounts with a lean Finance Team.

Questions were raised on the risks around Local Government Reorganisation (LGR) and how this was impacting decision making and the Risk Register.

The Committee's attention was drawn to Item 10 on the agenda, which gave specifics around Members and LGR. They were advised that the financial impact of LGR was not entirely known, as Government had not yet decided on how many unitary councils there would be.

The Director for Finance, Performance and Risk said that he believed that the Medium-Term Financial Plan (MTFP) - which was also on the agenda, was robust, but savings would need to be found over the next five years.

It was moved by Councillor Nicholls and seconded by Councillor Dunlop that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the external auditor’s Annual Auditors Report (Appendix A) for 2024/25 and any comments be received.

250 SHARED ANTI-FRAUD SERVICE - ANTI-FRAUD REPORT 2025/26

The Shared Anti-Fraud Service Manager introduced the report, which was a mid-year update giving details of the work undertaken by the Service and officers to protect the Council against the threat of fraud.

The Chair thanked the Shared Anti-Fraud Service Manager for the report.

There were no comments or questions from the Committee.

It was moved by Councillor Deering and seconded by Councillor Nicholls that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council be noted.

251 SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT

The Shared Internal Audit Service Manager introduced the report which set out details of audit activity between mid-September to early November, and the status of all internal audit work being delivered in the financial year.

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

Members also extended they’re thanks to the Shared

Internal Audit Service Manager for his continued good work and asked if Local Government Reorganisation (LGR) was impacting this.

The Shared Internal Audit Service Manager said that it was primarily expected that LGR would affect the time taken for officers to service audit requests, but he explained that there were protocols for this, and the Service was flexible. He added that LGR may have more influence on work – which was being considered.

It was moved by Councillor Nicholls and seconded by Councillor Dunlop that 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 Internal Audit Report be noted, and;

(B) the Implementation Status of High Priority Recommendations be noted.

252 SECTION 106 UPDATE REPORT AND 2024/25
INFRASTRUCTURE FUNDING STATEMENT

The Executive Member for Planning and Growth introduced the report which was the annual report seen by the Committee for Section 106 at East Herts and the ongoing work of the Section 106 Programme Manager.

The Chair thanked the Executive Member for Planning and Growth for the report.

Members raised questions in relation to Parish and Town Councils' understanding of Section 106, unspent allocations, affordable housing costs, the indexing linking of payments and Hatfield Forest contributions.

The Section 106 Programme Manager said that several years ago training had been provided to the Parish

Councils at their Conference, but she was happy to provide such information again. The Executive Member for Planning and Growth added that Section 106 training for Parish Councils could also be added to a Development Management Forum if desired.

Members were advised that since 1996, only one contribution had been refunded – due to the wording of the contribution rendering it unfulfillable. It was explained that contributions were monitored on a spreadsheet, with affordable housing contributions overseen by Finance and the Director for Communities.

Members heard that Section 106 payments were index linked to the individual contribution payment trigger and this is then the final amount available from the contribution, and that the time limit for these to be spent (with most being ten years) was triggered upon payment of monies, and not the date on which the agreement was signed. It was explained that the Section 106 Programme Manager worked closely with communities and fellow officers to ensure that funding was used as quickly as possible – enabling it to achieve what it was intended for.

It was confirmed that in respect of Hatfield Forest, eleven unilateral undertakings had been signed, with two payments collected for Natural England.

It was moved by Councillor Dunlop and seconded by Councillor Nicholls that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the contents of the report and the ‘2024/25 Infrastructure Funding Statement’ (Appendix A) be noted and commented on.

253

BEAM TRADING UPDATE

The BEAM Venue Director introduced the report,

accompanied by a slide presentation which gave an overview of BEAM's achievements and challenges since it's opening.

The Chair thanked BEAM's Venue Director for the report and his presentation.

Members agreed that BEAM was a fantastic resource. Questions were asked regarding cinema attendance, food offering and, the venues website.

The Committee were told that cinema occupancy at BEAM was higher than other similar venues across the country, but there were plans to improve on the current 21% with a broader cinema programme. To include first release blockbusters, specific theming, cult classics and Q & A events – for which a higher price can be charged. It was further explained that cinema customers also used BEAM's food and beverage offerings - which delivered a higher profit.

Members heard that BEAM's food offering was designed to be contained and cautious at first and would remain focused on reducing food wastage. They were told that the menu would develop (but the small kitchen made food allergy guarantees unachievable) and opening hours would expand, with growth expected to continue in conference and delegate catering rates. It was confirmed that the venues 'wet sales' gave BEAM's largest proportion of sales and income.

The BEAM Venue Director said that he shared the Committee's frustrations regarding the venue's website, and that web presence was a priority to future proof the business. He said that the team was working with web developers on the next phase of the website which was due to be delivered early next year.

Members questioned where the benchmarking within the report was sourced and asked if BEAM's board had considered external challenge – such as peer reviews to

monitor performance. Clarity was also sought regarding expenditure in the venue's business plan.

Members were advised that data came from several sources and covered a large number of venues. With data was also available around increased footfall into Hertford – which appeared to correlate with events at BEAM. The Executive Member for Communities said that she would happily take the Committee's suggestions regarding external challenge to the next BEAM Board meeting.

Members heard that a range of backstage and technical services and packages were offered to commercial performers. And that a contract review had been undertaken, and a number of changes had now happened to pull back on expenditure, including strict wage targets - with a casual workforce, a reduction in utilities – using modelling from PHD students and a now detailed understanding of BEAM's landscape and growth.

It was moved by Councillor Deering and seconded by Councillor Nicholls that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that BEAM's position be reviewed and any recommendations made to the Executive Member for Wellbeing in regard to BEAM's performance.

254 STRATEGIC RISK REGISTER QUARTER 2 MONITORING 2025/26

The Director for Finance, Performance and Risk introduced the report which provided the Committee with the Corporate Risk Register for Quarter 2 of 2025/26. He said that one risk had been added Risk 9 – Lack of Election Candidates - which reflected the impact of Local Government Reorganisation (LGR) and a delay in local elections as well as a potential shadow authority. He said

that all other risk scores remained the same, but there had been a thorough review of Risk 8 – Staff and Skills which focused on recruitment and retention difficulties.

The Chair thanked the Director for Finance, Performance and Risk for the report.

Members sought expansion on the risks of BEAM not achieving a £200,000 surplus and those associated to LGR. It was suggested that the potential 'loss of corporate memory' also be captured within the LGR risks.

Members heard that the risks posed by BEAM was detailed in agenda Item 13 and was being closely monitored. They were told that in relation to LGR, not many redundancies were expected below CEO level, with help and support being given to staff to allow them to develop and grow within their existing roles.

It was moved by Councillor Nicholls and seconded by Councillor Dunlop that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the 2025/26 quarter two corporate risk register and actions being taken to control and mitigate risk be considered and noted.

- 255 FINANCIAL MANAGEMENT 2025/26 - QUARTER 2 FORECAST TO YEAR END
The Service Manager - (Strategic Finance), introduced the report which presented the forecast outturn position for 2026/27 as at Quarter 2.

The Chair thanked The Service Manager (Strategic Finance) for the report.

The Committee sought clarification if the reduction in

debtors was due to write-offs, and if the current forecasted spend on the Customer Relationship Management System (CRM) was still required considering Local Government Reorganisation (LGR).

The Committee heard that there had been no debts written off in the quarter and that the CRM (under the Transformation Programme) was a focus which was reviewed monthly by Leadership Team, so it remained aligned.

It was moved by Councillor Nicholls and seconded by Councillor Dunlop that 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 Note and consider the net revenue budget end of year projected overspend of £509k be noted and considered;

(B) the additional Heritage Lottery capital fund grant of £238k for Hertford Castle Greenspace renewal and reflect this additional resource in the capital programme, and;

(C) the capital programme forecast outturn underspend of £722k be noted and considered.

256 TREASURY MANAGEMENT 2025/26 MID-YEAR REVIEW
The Director for Finance, Performance and Risk introduced the report, the mid-year review against the Treasury Strategy which was agreed by Council as part of the Budget papers in February/March 2025.

The Chair thanked the Director for Finance, Performance and Risk for the report.

There were no comments or questions from the Committee.

It was moved by Councillor Deering and seconded by Councillor Nicholls that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that Members examine and comment on the Mid-Year Treasury Management Review and Prudential Indicators for 2025/26.

- 257 MEDIUM TERM FINANCIAL PLAN 2026-2031
The Director for Finance, Performance and Risk introduced the report which gave the Medium-Term Financial Plan 2026–2031, as seen at Executive in October, and which set out the Council’s strategic financial planning framework for the next five years. He said that the report was central to ensuring the Council’s long-term financial sustainability and provided the springboard for the budget setting process for 2026/27.

The Chair thanked the Director for Finance, Performance and Risk for the report. Further thanks were extended to the Director for Finance, Performance and Risk for the paper which gave an excellent explanation of planning for the future using prudent assumptions.

Members raised concerns regarding the implications of the Fair Funding Review and asked if this had been raised directly with Government. They also asked how confident officers were that savings of £2.9 million could be found, and what would happen should these savings not come to fruition.

The Committee were advised that concerns relating to the Fair Funding Review had been raised to Government by East Herts, other councils and various bodies - such as the District Councils' Network (DCN). Members were told that it was imperative that the Council understood what was coming up to enable the budget to be balanced, with a review of earmarked reserves enabling sight of what was truly committed. It was further explained that should the savings target not be met, reserves could be used – but these could obviously only be used once, and the fundamental issues would need to be addressed.

It was moved by Councillor Nicholls and seconded by Councillor Dunlop that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the Medium-Term Financial Plan (MTFP) 2026–2031 as set out in Appendix A, along with the financial assumptions and modelling used to forecast resources and pressures over the MTFP period be considered and any comments given.

- 258 UPDATE ON STATUTORY RECOMMENDATION FROM EXTERNAL AUDITORS AND FINANCE PEER REVIEW
The Director for Finance, Performance and Risk introduced the report which updated Members on the progress made in response to the statutory recommendations from the Council's previous external auditors, EY, and the Finance Peer Review conducted by the Local Government Association.

The Chair thanked the Director for Finance, Performance and Risk for the report.

Clarification was sought on when the new structure of the Finance Team would be 'signed off' by the Executive.

It was clarified that 'sign off' would come from Leadership Team as soon as possible.

Thanks were given to the Finance Team for their progress, and their hard work was echoed by the Director for Finance, Performance and Risk.

It was moved by Councillor Nicholls and seconded by Councillor Deering that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that the progress made to date on the Statutory and the Finance Peer Review Recommendations and consider and comment on the actions taken so far be noted.

259 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Director for Finance, Performance and Risk introduced the report which provided the work programme for the Committee, and asked Members to consider any other reports or training subjects which they would be keen to see in the near future.

The Chair thanked the Director for Finance, Performance and Risk for the report.

Members observed the high number of items on the agendas of the last two of the Committee's meetings and expressed concerns that this may lead to reduced scrutiny. Reassurance was sought that this volume of items was due to historical workflow delays.

Members were advised that this was the case, and that the next municipal year would also see an increase in the number of meetings held – which would further aid the spread of reports.

It was moved by Councillor Deering and seconded by Councillor Dunlop that 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; Finance and Audit Work Programme for the 2025/26 municipal year as outlined in the report be approves, and;

(B) that any training requirements to support Members in fulfilling their roles effectively be identified.

260 EXCLUSION OF THE PRESS AND PUBLIC

At this point in the meeting, as it was approaching 10pm, it was moved by the Councillor Nicholls and seconded by Councillor Dunlop that that meeting continue past 10pm. Having been proposed and seconded, the motion, as detailed, was put to the meeting and upon a vote being taken, was declared CARRIED. It was noted that Councillor Hart abstained from the vote.

RESOLVED – that the meeting continue past 10pm.

The Chair said that the next item on the agenda - Cyber Security Update, involved the likely disclosure of exempt information, and that therefore, the meeting would need to move to exclude the press and public on these grounds.

It was moved by the Chair and seconded by Councillor Nicholls that that the recommendations, as detailed, be approved.

After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that under Section 100A(4) of the Local Government Act, 1972, the press and public

be excluded from the meeting for agenda item 17 on the grounds that it involves the likely disclosure of exempt information falling within paragraphs 3 and 7 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

261 CYBER SECURITY UPDATE

The Assistant Director, Chief Technology Officer and Senior Information Risk Owner gave the presentation to the Committee.

The Chair thanked the Assistant Director, Chief Technology Officer and Senior Information Risk Owner for his presentation.

RESOLVED – that the presentation be noted by the Committee.

262 URGENT ITEMS

There were no urgent items.

The meeting closed at 10.07 pm

Chairman
Date