

# **East Herts Council Report**

## **Audit & Governance Committee**

**Date of meeting: 29 November 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 its approved plan is being delivered;
  - 1.3.3 The Council's governance arrangements are adequate;
  - 1.3.4 That key business risks have been identified, evaluated and are being managed;
  - 1.3.5 That key systems and controls are operating effectively giving assurance that the Statement of Accounts is materially correct and can be approved;

- 1.3.6 Receive and consider the external auditor's Audit Plan, Audit Results Report and Annual Audit Letter; and
- 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, audits have been severely delayed due to the external auditor's lack of resources and therefore we cannot predict when audits will return to a firm timetable and the sub-committee is used to approve the statement of accounts as soon as practicable after the audit is completed.
- 3.2 The work programme for the Committee is proposed to be as follows:

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
Audit & Governance Committee	30 January 2024	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 Scrutiny - Budget 2024/25 and Medium Term Financial Plan 2024-28	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.
		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.

Committee	Date	Report Title	Report Summary
		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
		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.
		Anti-Fraud Plan	To present to Audit and Governance Committee the Shared Anti-Fraud Service Anti-Fraud Plan for the financial year.
		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.
		Internal Audit Plan	To present to Audit and Governance Committee the Shared Internal Audit Service Audit Plan for the financial year.
		Data Protection Update	To present to Audit and Governance Committee the progress on data protection policies and practices.
		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.

Committee	Date	Report Title	Report Summary
		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.

Committee	Date	Report Title	Report Summary
		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



Committee	Date	Report Title	Report Summary
		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

Committee	Date	Report Title	Report Summary
			<p>considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom &amp; Ireland) – ISA (UK&amp;I) - 260 ‘Communication of Audit Matters to Those Charged With Governance’.</p>
		Approval of the Statement of Accounts 2023/24	<p>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.</p>
		Approval of the Annual Governance Statement 2023/24	<p>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.</p>

Committee	Date	Report Title	Report Summary
		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

Committee	Date	Report Title	Report Summary
		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.
Audit & Governance Committee	November 2024	Training: Treasury Management	Presentation to Members on Treasury Management and the Committee's role in overseeing treasury policies
		Annual Infrastructure Funding Statement Report 2023/24	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2020/21
		External Audit Planning Report 2024/25	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
		Budget 2025/26 and Medium Term Financial Plan 2025/25 – 2029/30	To provide Audit and Governance Committee with an update on the budget and MTFP including costs pressures, savings and efficiencies against the original proposals, and budget planning assumptions for scrutiny.

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		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 2023/24	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.
		Treasury Management 2024/25 Mid-Year Review	To provide Audit and Governance Committee with a copy of the Treasury Management Mid-Year Review Report so that they can scrutinise the Report
		Strategic Risk Register Monitoring Q2 2024/25	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.

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 21/22	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'.

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		Approval of the Statement of Accounts 2021/22	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 2021/22	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

### **Contact Officer**

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