

East Herts Council Report

Audit and Governance Committee

Date of meeting: Tuesday 30 June 2026

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

Report title: Annual Governance Statement 2025/26

Ward(s) affected: (All Wards);

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 (AGS) each year. The AGS must be considered separately from the Statement of Accounts.

The Annual Governance Statement report for 2025/26 is being presented for consideration.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:

- a) That Members review and comment on the Annual Governance Statement for 2025/26.

1. Proposal(s)

- 1.1. That Members review and comment on the AGS for 2025/26.

2. Background

- 2.1. The Council is responsible for preparing and publishing its AGS in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 2.2. This fulfils the statutory requirement that local authorities review their governance arrangements at least once a year.
- 2.3. The Delivering of 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 AGS 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 within 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 governance statement covers all significant corporate systems, processes, and controls for all the Council's activities.

2.7. The Annual Governance Statement is attached as Appendix A, for Members to review and comment on.

3. Reason(s)

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

4. Options

4.1. Members can suggest amendments or additions to the 2025/26 Annual Governance Statement.

5. Risks

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

6. Implications/Consultations

6.1. Leadership Team have been consulted on the AGS and have provided confirmation that appropriate controls have been in place in their service areas throughout the year.

Community Safety

None

Data Protection

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

Equalities

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

Environmental Sustainability

No

Financial

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

Human Resources

Part of the AGS is to consider how the Council's Officers and Members behave ethically and how the council plans its workforce over the medium term.

Human Rights

None

Legal

The Accounts and Audit Regulations 2015 stipulates 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 AGS specifically considers how the council complies with the law.

Specific Wards

None

7. Background papers, appendices and other relevant material

7.1. Appendix A – Annual Governance Statement 2025/26

Contact Member Carl Brittain, Director for Financial Sustainability
carl.brittain@eastherts.gov.uk

Contact Officer Brian Moldon, Director for Finance, Risk and Performance
brian.moldon@eastherts.gov.uk

Report Author Brian Moldon, Director for Finance, Risk & Performance
brian.moldon@eastherts.gov.uk