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NORTH HERTFORDSHIRE DISTRICT COUNCIL

FINANCE, AUDIT AND RISK COMMITTEE

MEETING HELD IN THE COUNCIL CHAMBER - DISTRICT COUNCIL OFFICES, GERNON ROAD, LETCHWORTH, SG6 3JF
ON WEDNESDAY, 25TH MARCH, 2026 AT 7.30 PM

MINUTES

Present: *Councillors: Vijaiya Poopalasingham (Chair), Sarah Lucas (Vice-Chair), Ruth Brown, Paul Ward, Stewart Willoughby and Daniel Wright-Mason.*

John Cannon (Independent Member) Non-voting advisory role.

In Attendance: *Reuben Ayavoo (Policy & Community Manager), Amy Cantrill (Trainee Committee, Member and Scrutiny Officer), Jamie Graham (Democratic Services Apprentice), Ellie Hollingsworth (Policy & Strategy Officer) and Susan Le Dain (Committee, Member and Scrutiny Officer).*

Other Presenters: *Darren Bowler (Counter-Fraud Manager, Shared Anti Fraud Service) and Chris Wood (Head of Assurance Services (HCC) & Client Audit Manager (NHDC)).*

Also Present: *There were no members of the public present for the duration of the meeting.*

Councillor Ian Albert was in attendance as Executive Member for Resources.

60 APOLOGIES FOR ABSENCE

Audio recording – 1 minute 22 seconds

Apologies for absence were received from Councillor Dominic Griffiths.

Councillor Steven Patmore was absent.

61 MINUTES - 10 FEBRUARY 2026

Audio Recording – 1 minute 46 seconds

Councillor Vijaiya Poopalasingham, as Chair, proposed and Councillor Daniel Wright-Mason seconded and, following a vote, it was:

RESOLVED: That the Minutes of the Meeting of the Committee held on 10 February 2026 be approved as a true record of the proceedings and be signed by the Chair.

62 NOTIFICATION OF OTHER BUSINESS

Audio recording – 2 minutes 40 seconds

There was no other business notified.

63 CHAIR'S ANNOUNCEMENTS

Audio recording – 2 minutes 44 seconds

- (1) The Chair advised that, in accordance with Council Policy, the meeting would be recorded.
- (2) The Chair drew attention to the item on the agenda front pages regarding Declarations of Interest and reminded Members that, in line with the Code of Conduct, any Declarations of Interest needed to be declared immediately prior to the item in question.
- (3) The Chair advised that section 4.8.23(a) of the Constitution did not apply to this meeting.
- (4) The Chair announced that the Trainee Committee, Member and Scrutiny Officer was leaving, this would be her last meeting and thanked her for her work.

64 PUBLIC PARTICIPATION

Audio recording – 4 minutes 14 seconds

There was no public participation at this meeting.

65 SAFS ANTI-FRAUD PLAN PROGRESS UPDATE 2025/26

Audio recording – 4 minutes 17 seconds

The Counter Fraud Manager presented the report entitled 'SAFS Anti-Fraud Plan Progress Update 2025/26' and highlighted that:

- The progress report covered the period until December 2025 and the reference within the report should be to 'Q3' not 'Q1' as referenced in page 4 of the document.
- There was a review of fraud policies on going which should have been completed in quarter four.
- SAFS had circulated 4 fraud threat alerts in this quarter taking the total to 20
- Training sessions had been set and five training sessions were complete in Q3 including one at the staff briefing to all officers.
- An update on Economic Crime and Corporate Transparency Act 2023 (ECCTA) was given to the Senior Managers Group.
- ECCTA affected all Local Authorities from September 2025 in respect to the offence failure to prevent fraud. The way in which the legislation created this new offence meant that Local Authorities and similar organisations had been vicariously captured.
- The benefits of the Council complying with ECCTA were the help large corporations operating internationally, help drive international governance and improve internal controls, and will discourage economic crime.
- A total of 116 referrals had now been received, which was an increase, but in line with awareness campaigns SAFS was running.
- 39 cases were currently live for investigation and 31 were at referral stage, with the estimated loss on all these cases being approximately £150,000
- There had been 31 reviews of council tax discounts which had identified savings of £17,000 and eight social houses had been recovered and given to appropriate families.
- The National Fraud Initiative (NFI) data matching exercise had formally closed with 15 potential fraud errors and savings of £55,000.
- Following the closure of the NFI, work had started on the Hertfordshire Fraud Hub and since quarter three there had been 439 matches which had been processed, with 6 frauds identifying £26,000 worth of savings.

- Key Performance Indicators were either met, on target or part met and this was shown in the table on pages 4 and 5.

The following Members asked questions:

- Councillor Daniel Wright-Mason
- Councillor Ruth Brown
- Councillor Stewart Willoughby

In response to questions, the Counter Fraud Manager stated that:

- The 116 allegations of fraud had been received affecting service areas such as housing – which was mainly housing application fraud, council tax – was usually related to single person discount, 1 incident of procurement, and Blue Badge misuse – including 25 referrals were made by Council officers. These levels of allegations were what was expected for a District Council.
- Formally there were no favourable partners, a fair comparison with North Herts would be East Herts but it was difficult because different areas have different resident demographics so have different types and levels of fraud. North Herts District Council was definitely not an outlier when it came to levels of fraud.
- Allegations were received from different sources, 50% from the public 45% from staff reports, and 5% other organisations such as the police. More details will be available within the end of year report.

Councillor Stewart Willoughby proposed and Councillor Ruth Brown seconded and, following a vote, it was:

RESOLVED: That the Committee noted the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council.

REASON FOR DECISION: A final report covering all anti-fraud work in 2025/26 will be provided to this Committee in the summer of 2026.

66 SAFS PROPOSED ANTI-FRAUD PLAN 2026/27

Audio recording – 18 minutes

The Counter Fraud Manager presented the report entitled 'SAFS Proposed Anti-Fraud Plan 2026/27' and highlighted that:

- The plan for the following year 2026/27 was similar to the plan for the current year 2025/26.
- The report detailed how the plan sat in regard to the national context of fraud, the provisions of SAFS resources and the Key Performance Indicators.
- The report detailed a number of external papers that provided reference for the plan and these should be reviewed by all Members.
- It also contained all relevant legislation including the new ECCAT.

In response to a question from Councillor Paul Ward, the Counter Fraud Manager stated that:

- In the national context Artificial Intelligence (AI) was a threat, SAFS were aware of several aspects of AI fraud for example where AI can fake attendance of meetings.
- Where SAFS see Local Authorities affected, lots of documents such as Identity Card, which were currently made at home using copy and paste could be made quicker using AI.
- The way spam emails can be detected had also changed due to AI, where previously spam would have spelling mistakes, AI now makes emails longer with advanced English.

Councillor Daniel Wright-Mason proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

RESOLVED: That the Committee reviewed and approved the Anti-Fraud Plan 2026/27.

REASON FOR DECISION: This report provided members with an introduction to the Councils Anti-Fraud Plan for the next 12 months.

67 SIAS PROGRESS REPORT 2025/26

Audio recording – 26 Minutes 14 seconds

The SIAS Head of Assurance presented the report entitled 'SIAS Progress Report 2025/26' and highlighted that:

- There had been significant progress in delivering the Plan since the concerns raised about the delivery profile at both the September and January meetings of the Committee.
- The percentage of the plan delivered (days) had moved on to 87% and the percentage of projects delivered (draft reports) had increased to 71% since the Progress report had been published two weeks ago.
- The number of final reports issued had risen to 10, and there were three further reports in quality review, with the result that there was an increased confidence in meeting delivery targets by year end on 31 March 2026.
- There were no plan changes to report and the updates on the two high priority recommendations were highlighted, as was the one made in the recently issued Purchasing Cards audit.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Stewart Willoughby
- Councillor Vijaiya Poopalasingham

In response to questions, the SIAS Head of Assurance advised that:

- A draft Cyber Resilience Plan for the Council had been in place for a while, but it was constantly being changed as the risks changed and it was tested and exercised. SIAS need it to move out of draft form and be agreed by the Cyber Security Board and Leadership team.
- Despite the Client satisfaction questionnaire only having 3 returned out of 20, SIAS has received informal feedback which had all been good. Response rates were usually between 15-30% so 3 was a bit low but this might be due to people having other priorities.
- SIAS was anticipating challenges regarding Local Government Reorganisation (LGR) and had spoken to those Local Authorities that had gone through LGR, their equivalent of what year 2027/28 for would be for us seemed to be the year where issues arose the most in terms of plan content and delivery.
- There would be an impact on all partner plans going forward due to LGR but the delivery for this plan is part of business as usual.

In response to questions, the Director - Resources advised that:

- The cyber resilience testing conducted in March 2026 was a lessons learned exercise for what would be done in the event of a cyber-attack. The Council was assured that there were good measures in place to prevent attack and how to prioritise which areas should be restored.

- It was his responsibility to chase feedback forms, but this was a low priority for most people, however there had been no negative feedback either formally or informally for SIAS.

Councillor Stewart Willoughby proposed and Councillor Paul Ward seconded and, following a vote, it was:

RESOLVED: That the Committee noted:

- (1) The SIAS Progress Report for the period to 13 March 2026.
- (2) The implementation status of the reported high priority recommendations.
- (3) The plan amendments to the 2025/26 Annual Audit Plan.

REASON FOR DECISION: This report details progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Internal Audit Plan for 2025/26 as of 13 March 2026.

68 SIAS PROPOSED PLAN 2026/27

Audio recording – 44 Minutes 23 seconds

The SIAS Head of Assurance presented the report entitled 'SIAS Proposed Plan 2026/27' and highlighted that:

- The global internal audit standards requirements, as well as the planning approach and principles, were set out with the report.
- The key was the meetings that had been held with all the Directors, following which the Plan had been circulated to the Leadership Team and was agreed by senior officers.

In response to a question from Independent Member John Cannon, the SIAS Head of Assurance advised that:

- The reserves list replicated two reserve items from last year which was provision of time for LGR and the Service Desk audit. The reserve list was only the starting point if an audit needed to come out and the Plan was dynamic and flexible to risks and audit topics that emerge during the year.
- In terms of the spread of days between embedded or project assurance, the embedded assurance still looked at controls but instead of a traditional audit that looked at controls at a moment in time, it looked at controls audit controls along the way in a more continuous manner.
- An example of embedded assurance was where SIAS had sat on the leisure decarbonisation board and provided ongoing assurance controls throughout the process.

Councillor Daniel Wright-Mason proposed and Councillor Paul Ward seconded and, following a vote, it was:

RESOLVED: That the Committee

- (1) Approved the proposed North Herts Council Internal Audit Plan for 2026/27
- (2) Noted the SIAS Internal Audit Strategy & Service Plan and invited to provide any comments

REASON FOR DECISION: To strengthen the Council's ability to create, protect, and sustain value by providing Members and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

69 LOCAL CODE OF CORPORATE GOVERNANCE 2026

Audio recording – 51 minutes 9 seconds

The Policy and Community Manager presented the report entitled 'Local Code of Corporate Governance 2026' and highlighted that:

- This report was provided to seek approval for the governance review 2026; this code was to be approved annual.
- The governance framework was based on the 2016 principles of the framework of Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLICE).
- The code at appendix A followed a different format from previous years and was adjusted following training by CIPFA.

The Policy and Strategy Officer presented the report entitled 'Appendix A - Local Code of Corporate Governance March 2026' and highlighted that:

- The framework covered principles A to G. Principles A and B provided overarching requirements for acting in the public interest and principles C to G focused on the implementation of governance and achievement of outcomes.
- The principles covered themes such as ethical values, stake holder engagement, the capability of the authority, managing risks and accountability.
- CIPFA and SOLACE published an addendum for the framework in May 2025, which addressed changes in Local Government governance since 2016, and it encouraged a more robust review of governance.
- In line with the guidance the addendum was considered partially for the Annual Governance Statement (AGS) 2024/25 and the advice in the addendum would be fully implemented in the AGS 2025/26 as set out in the code for 2026 (Appendix A)
- The code now includes more North Hertfordshire specific government arrangements, policies and procedures making it more organisationally specific.
- The code outlined the governance structures and the responsibilities of each of those at the Council, followed by a list of sources of assurance, for evidence of effectiveness.
- Feedback from the leadership team has been incorporated into the new local code.
- One of the titles of the principles was missing from the Local Code but the full content of the principle was in that section, and this would be rectified before publication.
- Media relations training was mentioned, this had changed and now was available to Cabinet Members only with all other Members directed to LGA training.
- Following approval, the Code would be published on corporate governance internet page and shared internally on the Hub and Members Information Bulletin.
- The code would be used to draft the AGS 2025/26 which would be bought back to the Committee in Summer 2026.

The following Members asked questions:

- Councillor Paul Ward
- Councillor Stewart Willoughby
- Councillor Vijaiya Poopalasingham
- Independent Member John Cannon

In response to questions, the Policy and Community Manager advised that:

- The code was imbedded in the Councils culture and had been signed off by the Leadership team so the Council should be compliant day to day, this would be checked regularly throughout the year.
- The different policies were reviewed at the end of its time, it was service specific how long a policy lasts, this information could be added to the AGS.

In response to questions, the SIAS Head of Assurance advised that:

- By way of clarification he prepared and co-authored the equivalent documents at HCC and this document was a description of how the Council meets the principles set out in the SOLACE guidelines, where as the AGS was the review of effectiveness of those governance arrangements.
- The various sources of assurance of how the Council stays compliant were in the table in Appendix A. SIAS and SAFS are amongst the annual assurance providers mentioned.
- Adding the policy end dates to the AGS might make it harder to read and therefore risks taking away from the purpose of the AGS in which it was accessible and understandable to everyone.
- When SIAS came across policies that were out of date this would be picked up at audit and they would be reviewed.

In response to questions, the Director – Resources advised that:

- The risk strategy set out that he was the Councils Risk Manager Champion Officer and Councillor Ian Albert was the Councils Risk Manager Champion Member.
- The Council had expiry dates on policies, but it was deemed more appropriate to review them when something changed rather than just because a certain amount of time had passed. The onus for this would be on the policy owner.
- The Asset Management Plan could come to this Committee in the future; he would take this away as an action to check with the service area.

In response to questions, the Policy and Strategy Officer advised that:

- At the CIPFA training other Local Authorities bought their local code of governance equivalents, different documents did vary in length, which was Council specific.
- The Council have tried to reduce the length of the document to help with accessibility while still covering the principles, however as this document was a lot more Council specific it was longer than usual. This would hopefully make the AGS a bit shorter.

Councillor Vijaiya Poopalasingham proposed and Councillor Daniel Wright-Mason second and, following a vote, it was:

RESOLVED: That the Committee approved the Local Code of Corporate Governance 2026 (Appendix A).

REASON FOR DECISION: It is recommended practice to review the Local Code of Corporate Governance each year to ensure it remains up to date and relevant.

70 THIRD QUARTER REVENUE BUDGET MONITORING 2025/26

Audio recording – 1 hour 10 minutes 07 seconds

The Director – Resources presented the report entitled 'Third Quarter Revenue Budget Monitoring 2025/26' and highlighted that:

- The reasons for variances on the Revenue Budget were shown in table 3.
- There Council did not have a borrowing requirement at the end of 2024/25 as not all the capital reserves had been spent. The original for 2025/26 budget included a charge for Minimum Revenue Provision, so at that was not required there was an underspend of £400,000.
- The budget for 2026/27, set in February, reflected the updated estimates on the need for internal borrowing.
- Carry forwards were usually more common toward the end of the financial year and these were also detailed in table 3.
- There were two red Corporate Health Indicators, the Leisure Centres Management Fee for paying Everyone Active during the decarbonisation works and the Commercial Refuse & Recycling Service.
- Table 5 indicates current activity levels, where these drive financial performance, and how these compare to the prior year to indicate the direction of current trends. The Council was still above the trend for Leisure Centre usage despite the decarbonisation works.
- Commercial Refuse & Recycling Service customer numbers were declining, but the income had decreased at much slower rate due to a smaller group of customers buying more services, including recycling services.
- There was a slight increase in car parking income, although average ticket prices had reduced, meaning the volume of purchases had increased, which showed faster turnover in car parks.
- The funding summary showed in terms of funding the Council was in line with the budget forecast.
- The increase in the general fund balance should be mitigated by the carry forwards which would create budgets for next year so they money would be spent.

The following Members asked questions:

- Councillor Daniel Wright-Mason
- Councillor Ruth Brown
- Councillor Vijaiya Poopalasingham
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- Towards the end of the financial year, it was common for there to be more underspends and overspends being declared.
- Churchgate was a financial risk. It was highlighted in the report that funding was provided for the current stages of the regeneration project development. There were always issues with letting a shopping centre, but it was still generating income. Looking forward there would likely come a stage where the Council would need a large capital budget for Churchgate regeneration.
- Commercial refuse and recycling did have some increased competition, and businesses were minimising their waste, which created an increased drop in income, but this was better for sustainability. Work was being done to encourage recycling collection rather than residual (non-recyclable) waste.

- Due to a backdate in audits relating to housing benefits audits it had not been possible to finalise the positions and identify issues with amounts that could be reclaimed from the DWP. Once these had been brought up to date there would be further costs for the 22/23 and 23/24 periods, likely to be around £200,000 per year. It was hoped that these audits could be resolved during 2026/27. These costs could be absorbed within the General Fund balance. There was no way to appeal the audit outcomes.

Councillor Vijaiya Poopalasingham proposed and Daniel Wright-Mason Councillor seconded and, following a vote, it was:

RECOMMENDED TO CABINET: That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet:

- (1) That Cabinet note this report.
- (2) That Cabinet approves the changes to the 2025/26 General Fund budget, as identified in table 3 and paragraph 8.2, a £902k decrease in net expenditure.
- (3) That Cabinet approves the changes to the 2026/27 General Fund budget, as identified in table 3 and paragraph 8.2, a total £201k increase in net expenditure.

REASON FOR RECOMMENDATION: Members were able to monitor, make adjustments within the overall budgetary framework and request appropriate action of Services who do not meet the budget targets set as part of the Corporate Business Planning process.

71 THIRD QUARTER CAPITAL BUDGET MONITORING REVIEW 2025/26

Audio recording – 1 hour 29 minutes 4 seconds

The Director – Resources presented the report entitled ‘Third Quarter Capital Budget Monitoring Review 2025/26’ and highlighted that:

- The capital report showed slippage into the following year with the explanations for each slippage in table 2.
- There were changes to the overall costs of schemes in 2025/26, these changes totalled a net decrease of £0.81million as detailed in Table 3.
- Two underspends were reported relating to Fibre Waste Bin purchases and EV charging at the Letchworth depot.
- There was an underlying need to borrow, with revenue contributions of £3.2 million, set out in table 4.

In response to a question from Independent Member John Cannon, the Director – Resources stated that the discrepancy between the two papers of the Council asset worth would be rectified in future papers and Members would be made aware of the correct value.

Councillor Vijaiya Poopalasingham proposed and Councillor Ruth Brown seconded. As part of the debate Councillor Ruth Brown commented that it was positive to see that the Priory Gardens Bandstand was going to be rebuilt rather than renovated.

Having been proposed and seconded and, following a vote, it was:

RECOMMENDED TO CABINET: That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet:

- (1) That Cabinet notes the forecast expenditure of £23.350M in 2025/26 on the capital programme, paragraph 8.3 refers.

- (2) That Cabinet approves the adjustments to the capital programme for 2026/27, as a result of the revised timetable of schemes detailed in table 2 and 3, increasing the estimated spend by £3.011M.
- (3) That Cabinet approves a change of scope to the Priory Gardens Bandstand project from renovation to rebuild and an increase of the budget in 2026/27 by £0.025M.
- (4) That Cabinet notes the position of the availability of capital resources, as detailed in table 4 paragraph 8.6 and the requirement to keep the capital programme under review for affordability.

REASON FOR RECOMMENDATION: Cabinet is required to approve adjustments to the capital programme and ensure the capital programme is fully funded.

72 THIRD QUARTER TREASURY MANAGEMENT REVIEW 2025/26

Audio recording – 1 hour 34 minutes 9 seconds

N.B. Cllr Paul Ward declared an interest in this item due to his employment and left the chamber and did not return.

The Director – Resources presented the report entitled 'Third Quarter Treasury Management Review 2025/26' and highlighted that:

- The Council had complied with the treasury strategy throughout quarter three.
- The split of investments was as shown in paragraph 8.4
- There had been an increase in interest rates in recent weeks as Local Authorities were generally borrowing money to support their cashflows, and the Council was able to take advantage of this.
- The global situation was impacting inflation and meant that interest rates might stay higher than previously forecast. This was positive for investment income, but there was a bigger concern for Council budgets if that resulted in ongoing inflation pressures.

The following Members asked questions:

- Councillor Vijaiya Poopalasingham
- Councillor Ruth Brown
- Independent Member John Cannon

In response to questions, the Director – Resources stated that:

- 82% of the Council investments were in Local Authorities and the risk of this in Local Government Reorganisation (LGR) was split into two; the borrowing made by the authority going through LGR would follow into the new authority and the higher risk would be down to potential demand and capacity for lending of this type.
- The counterparty limits for all Councils would generally be set based on a proportion of total funds. Where Councils have larger amounts of available funds then they would have higher counterparty limits.
- The funds that matured in January 2026 would have been reinvested on a short-term basis. The issue the Council has had this year was due to the large capital spend there was uncertainty over when payment would be required. So cash had been kept invested on a short-term basis so money could be paid when it became due.

Wednesday, 25th March, 2026

Councillor Vijaiya Poopalasingham proposed and Councillor Stewart Willoughby seconded and, following a vote, it was:

RECOMMENDED TO CABINET: That the Finance, Audit and Risk Committee provided comments and recommend to Cabinet that it notes the position of Treasury Management activity as at the end of December 2025.

REASON FOR RECOMMENDATION: To ensure the Council's continued compliance with CIPFA's code of practice on Treasury Management and the Local Government Act 2003 and that the Council manages its exposure to interest and capital risk.

73 POSSIBLE AGENDA ITEMS FOR FUTURE MEETINGS

Audio recording – 1 hour 42 minutes 46 seconds

The Chair led a discussion regarding possible agenda items for future meetings and noted the item suggested by the Independent Member John Cannon during the meeting, and advised that Members could make suggestions directly to him outside of the meeting.

The SIAS Head of Assurance advised that he would email three potential dates in July for a meeting with Members. In response to a request from Councillor Ruth Brown, he advised the dates suggested would be outside of the school summer holidays.

The meeting closed at 9.15 pm

Chair

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