



# Auditor's Annual Report for Hertsmere Borough Council

**FINAL**

**Year-ended 31 March 2025**

—

27 February 2026

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Our audit report is made solely to the members of Hertsmere Borough Council (the Council), as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council, as a body, for our audit work, for our auditor's report, for this Auditor's Annual Report, or for the opinions we have formed.

External auditors do not act as a substitute for the Council's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

**01**

# **Executive Summary**



# Executive Summary



## Purpose of the Auditor’s Annual Report

This Auditor’s Annual Report provides a summary of the findings and key issues arising from our 2024-25 audit of Hertsmere Borough Council (the ‘Council’). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the ‘Code of Audit Practice’) and is required to be published by the Council alongside the annual report and accounts.

## Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) (‘ISAs (UK)’) include the following:



**Financial Statements** - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024/25 (‘the CIPFA Code’).



**Other information** - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Council.



**Value for money** - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



**Other powers** - We may exercise other powers we have under the Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to any valid objections received from electors.

## Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

<b>Financial statements</b>	<p>We issued a disclaimer of opinion on the Council’s financial statements. This is because we were unable to obtain sufficient appropriate audit evidence over the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the accounts. Further details are set out on page 7.</p> <p>We have provided further details of the key risks we identified and our response on pages 6 to 11.</p>
<b>Other information</b>	<p>Whilst in our opinion the content of the other information is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.</p>
<b>Value for money</b>	<p>We identified two significant weaknesses in respect of the Governance arrangements of the Council. Further details are set out on page 17.</p>
<b>Whole of Government Accounts</b>	<p>We are required to perform procedures and report to the National Audit Office in respect of the Council’s consolidation return to HM Treasury in order to prepare the Whole of Government Accounts.</p> <p>As the National Audit Office has not yet informed us that we are not required to perform any further procedures, we are unable to confirm that we have concluded our work in this area.</p>
<b>Other powers</b>	<p>See overleaf.</p>

# Executive Summary



There are several actions we can take as part of our wider powers under the Act:

## Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

**We have not issued a Public Interest Report this year**

## Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

**We have not applied to the courts.**

## Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however should the Council provide us with a response, we will include it within this report.

**We made no recommendations under Schedule 7 of the Act.**

**We have raised two other recommendations relating to significant VFM weaknesses. For further details see pages 20 and 23.**

## Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

**We have not issued an advisory notice this year.**

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations we report these to management and the Audit Committee. The Council is not required to take any action to these, however it is good practice to do so and we have included any responses that the Council has given us.

**02**

# **Audit of the financial statements**



# Audit of the financial statements



**Our responsibility is to conduct an audit of the financial statements in accordance with the Local Audit and Accountability Act 2014, Code of Audit Practice and ISAs (UK) and to issue an auditor’s report.**

However, due to the significance of the matters described below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Council’s financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the council in accordance with, UK ethical requirements including the FRC Ethical Standard.

## **Our disclaimer of opinion on the Council’s financial statements**

We issued a disclaimer of opinion on the Council’s financial statements. We therefore do not express an opinion on the financial statements. The reason for our disclaimer of opinion is as follows:

The Accounts and Audit (Amendment) Regulations 2024 (the “Amendment Regulations”) require the Authority to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the “Backstop Date”).

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas include, but were not limited to: Cash, Property, Plant and Equipment, Short-Term and Long-Term Debtors, Short-Term and Long-Term Creditors, and the Fair Value of Scheme Assets element of the Net Defined Benefit Obligation in the Group and Authority Balance Sheets; Impairments, Non-domestic rates income and expenditure and Business Rates Appeals Provision; and the balance of and movements in usable and unusable reserves for the year ended 31 March 2025 in relation to both the Group and the Authority.

Any adjustments from the above matters would have a consequential effect on the Group’s and the Authority’s net assets and the split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2025, the Collection Fund and on their income and expenditure and cash flows for the years then ended.

We disclaimed our audit opinion on the financial statements for the year ended 31 March 2024 regarding this same limitation.

Further information on our audit of the Council’s financial statements is set out overleaf.

# Audit of the financial statements



The table below summarises the key financial statement audit risks that we identified as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Our procedures	Our findings
<p><b>Valuation of land and buildings</b></p> <p>The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a three-year cycle.</p> <p>This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.</p> <p>A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the engaged valuer.</p> <p>The value of the Council's Land &amp; Buildings as at 31 March 2024 was £177.3m.</p> <p>The value of the Council's Land &amp; Buildings as at 31 March 2025 was £179.8m.</p>	<p>We have performed the following procedures designed to specifically address the significant risk associated with the valuation:</p> <ul style="list-style-type: none"> <li>We critically assessed the independence, objectivity and expertise of Wilks Head &amp; Eve, the valuers used in developing the valuation of the Council's properties at 31 March 2025;</li> <li>We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code; and</li> <li>We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used.</li> </ul> <p>The following areas of work were partially complete by the Backstop date but we were unable to conclude we had sufficient appropriate audit evidence as a result of these procedures:</p> <ul style="list-style-type: none"> <li>Comparing the accuracy of the data provided to the valuers for the development of the valuation to underlying information;</li> <li>Challenging the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations;</li> <li>Agreeing the calculations performed of the movements in value of land and buildings and verifying that these have been accurately accounted for in line with the requirements of the CIPFA Code; and</li> <li>Disclosures: Considering the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.</li> </ul>	<p>While we are disclaiming our audit opinion on the financial statements, we are still required to identify our audit findings based on the work performed. We have identified the following audit findings:</p> <ul style="list-style-type: none"> <li>We found no issues to note with the independence, objectivity and the expertise of Wilks Head &amp; Eve.</li> <li>We verified that the instructions to the valuer were appropriate to produce a valuation consistent with the requirements of the CIPFA Code;</li> <li>Auditing standards require us to report that the design and implementation of the management review control relating to this area is ineffective in line with the ISA definition. The ISAs acknowledge that it is difficult for management to design controls that address subjectivity and estimation uncertainty in a manner that effectively prevents, or detects and corrects, material misstatements. Therefore, we did not raise any recommendations relating to this risk.</li> </ul>

# Audit of the financial statements



Significant financial statement audit risk	Our procedures	Our findings
<p><b>Valuation of post retirement benefit obligations</b></p> <p>The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year-on-year movements.</p> <p>We have identified this in relation to the following pension scheme membership: Local Government Pension Scheme – Hertfordshire Pension Fund.</p> <p>Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.</p>	<p>We have performed the following procedures designed to specifically address this significant risk:</p> <ul style="list-style-type: none"> <li>• We evaluated the competency and objectivity of the actuaries to confirm their qualifications and the basis for their calculations;</li> <li>• We evaluated the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;</li> <li>• We performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;</li> <li>• We agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;</li> <li>• We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;</li> <li>• We confirmed that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice;</li> <li>• We assessed the level of deficit that should be recognised by the entity; and</li> <li>• We considered the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to the assumptions.</li> </ul>	<p>While we are disclaiming our audit opinion, we are still required to identify our audit findings based on the work performed. We have identified the following audit findings:</p> <ul style="list-style-type: none"> <li>• We considered the estimate, for the post retirement benefit obligations in 2024/25, to be balanced based on the procedures performed.</li> <li>• We were able to complete all planned work in respect of this significant audit risk. Based on the testing performed, we have not identified any material misstatements relating to this area.</li> <li>• Auditing standards require us to report that the design and implementation of the management review control relating to this area is ineffective in line with the ISA definition. The ISAs acknowledge that it is difficult for management to design controls that address subjectivity and estimation uncertainty in a manner that effectively prevents, or detects and corrects, material misstatements. Therefore, we did not raise any recommendations relating to this risk.</li> </ul>

# Audit of the financial statements



Significant financial statement audit risk	Our procedures	Our findings
<p><b>Fraud risk from expenditure recognition</b></p> <p>Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition is required to be considered.</p> <p>The Council has a statutory duty to balance their annual budget. Where a Council does not meet its budget, this creates pressure on the Council's usable reserves and this in turn provides a pressure on the following year's budget. This is not a desirable outcome for management.</p> <p>We consider that this risk is focussed around the completeness of manual accruals (i.e. excluding those which are system-generated such as Goods Received Not Invoiced), with the Council looking to push back expenditure to 2024-25 to mitigate financial pressures.</p>	<p>We have performed the following procedures designed to specifically address the significant risk:</p> <ul style="list-style-type: none"> <li>• We evaluated the design and implementation of controls for developing manual expenditure accruals at the end of the year to verify that they have been completely recorded;</li> <li>• We performed a search for unrecorded liabilities by selecting a sample of expenditure payments made in the period following year-end, and determining if they related to liabilities that existed at year-end that had not been recorded in the financial statements; and</li> <li>• We inspected journals posted as part of the year end close procedures that decrease the level of expenditure recorded to critically assess whether there was an appropriate basis for posting the journal and the value can be agreed to supporting evidence.</li> </ul> <p>The following areas of work were partially complete by the Backstop date but we were unable to conclude we had sufficient appropriate audit evidence as a result of these procedures:</p> <ul style="list-style-type: none"> <li>• Inspecting a sample of invoices of expenditure, in the period around 31 March 2025, to determine whether expenditure has been recognised in the correct accounting period and whether accruals were complete;</li> <li>• Comparing the items that were accrued at 31 March 2024 to those accrued at 31 March 2025 to assess whether any items of expenditure accrued for in the 2023-24 financial year have been excluded from the 2024-25 financial statements; and</li> <li>• Selecting a sample of year end accruals and inspect evidence of the actual amount paid after year end to assess whether the accruals have been accurately recorded.</li> </ul>	<p>While we are disclaiming our audit opinion we are still required to identify our audit findings based on the work performed. We have identified the following audit findings:</p> <ul style="list-style-type: none"> <li>• Auditing standards require us to report that the design and implementation of the management review control relating to the Council's assessment of year-end accruals is ineffective in line with the ISA definition. The ISAs acknowledge that it is difficult for management to design controls that address subjectivity in a manner that effectively prevents, or detects and corrects, material misstatements. Therefore, we did not raise any recommendations relating to this risk.</li> <li>• Our testing of search for unrecorded liabilities is complete. We have not identified any material misstatements from completion of this procedure.</li> <li>• We identified journal entries and other adjustments meeting the high-risk criteria outlined in the previous column. We have not identified any matters to report.</li> </ul>

# Audit of the financial statements



Significant financial statement audit risk	Our procedures	Our findings
<p><b>Management override of controls</b></p> <p>Professional standards require us to communicate the fraud risk from management override of controls as significant.</p> <p>Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We have not identified any specific additional risks of management override relating to this audit.</p>	<p>Our audit methodology incorporates the risk of management override as a default significant risk. We have performed the following procedures designed to specifically address this significant risk:</p> <ul style="list-style-type: none"> <li>• Evaluated the selection and application of accounting policies.</li> <li>• In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments.</li> <li>• Assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the component’s normal course of business, or are otherwise unusual.</li> <li>• We analysed all journals through the year and focused our testing on those with a higher risk, such as journals impacting expenditure recognition posted during the final close down.</li> </ul> <p>The following areas of work were partially complete by the Backstop date but we were unable to conclude we had sufficient appropriate audit evidence as a result of these procedures:</p> <ul style="list-style-type: none"> <li>• Testing of all material post-closing journal entries.</li> </ul>	<p>While we are disclaiming our audit opinion on the financial statements, we are still required to identify our audit findings based on the work performed. We have identified the following audit findings:</p> <ul style="list-style-type: none"> <li>• We did not identify any issues with selection and application of accounting policies;</li> <li>• Per the Auditing Standards, we have also assessed the design and implementation of controls in place over the Council’s General Ledger system, eFinancials. The Council has a process in place which requires journals to go through a workflow which enforces segregation of duties between posting and approving journals. However, there is a flaw in the system which allows journals to be posted without this segregation. Our analysis identified only 1 instance of this occurring during the year, however a prior year recommendation has been reiterated regarding the consistent application of segregation of duties for the preparation and authorisation of journal entries;</li> <li>• Our procedures did not identify any significant unusual transactions; and</li> <li>• We identified a total of 24 journal entries and other adjustments meeting our high-risk criteria for testing. No material misstatements were identified as a result of this testing. We identified one instance of evidence not being retained for which we have reiterated a recommendation raised in the prior period.</li> </ul>

**03**

# **Value for Money**

# Value for Money



## Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:



**Financial sustainability:** How the Council plans and manages its resources to ensure it can continue to deliver its services.



**Governance:** How the Council ensures that it makes informed decisions and properly manages its risks.



**Improving economy, efficiency and effectiveness:** How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We do not act as a substitute for the Council’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Council’s arrangements are operating effectively, or whether the Council has achieved value for money during the year.

## Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor’s Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council.

## Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
<b>Commentary page reference</b>	15	17	24
<b>Identified risks of significant weakness?</b>	✗ No	✓ Yes	✗ No
<b>Actual significant weakness identified?</b>	✗ No	✓ Yes (2)	✗ No
<b>2023-24 Findings</b>	No significant risks identified.	No significant risks identified.	No significant risks identified.
<b>Direction of travel of risk</b>	↔	↗	↔

# Value for Money



## National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

### Local Government Reorganisation

The Government has announced proposals to restructure local government throughout England. County and District councils (and, in some cases, existing Unitary authorities) will be abolished and replaced with new, larger Unitary authorities, which will (in many cases) work together with peers in a regional or sub-regional Combined Authority. Authorities which are unaffected by these proposals may still see changes in local police and fire authorities and in the Councils they already work in collaboration with.

Restructuring has, in some cases, resulted in differing views on how services should be provided in their regions – with little consensus on how previously separate organisations will be knitted together. Councils will need to ensure that investment decisions are in the long-term interest of their regions, and that appropriate governance is in place to support decision making.

### Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Whilst the Government has indicated an intention to restore multi-year funding settlements, giving Councils greater certainty and ability to make longer-term investment decisions, the Government has also proposed linking grant funding to deprivation. For some authorities this presents a significant funding opportunity, whereas for others this reinforces existing financial sustainability concerns and creates new financial planning uncertainties.

## Local context

### Background

Hertsmere Borough Council is a non-metropolitan district with borough status in Hertfordshire. The Council provides district level services to a population of around 108,000 residents. It features a mix of suburban and rural communities and is known for Elstree Studios, a major UK film and TV production site. Hertsmere Borough Council provides services such as housing and planning, environmental health, parks and leisure, community safety, economic development, and democratic services. There are close working relationships between the Council, Hertfordshire County Council, local parish councils and the other nine district councils within the County.

### Entity structure

The Group structure consists of Hertsmere Borough Council as the parent entity and two subsidiaries, Elstree Film Studios Ltd and Hertsmere Developments Limited. Elstree Film Studios Ltd is a company formed in November 2003. Elstree Film Studios Ltd provides film and television studio space and related production and back-office units for hire within the media industry. Hertsmere Developments Limited is a wholly-owned local authority property development company. The principal activity of the entity is to explore property development opportunities and maximise its income stream. It was formed to assist the Council to deliver its regeneration, housing, financial and commercial objectives.

### Financial performance

In 2024/25, the Council reported a surplus on provision of services of £1,944k. The Council had total reserves of £237,506k as at 31 March 2025 which was split between total usable reserves of £47,679k and total unusable reserves of £191,031k. Hertsmere Borough Council have not issued and does not anticipate issuing a Section 114 notice. For 25/26, the Council has developed a balanced budget, with a net revenue budget of £14,599k.

### Local Government Reorganisation

The Council has been actively engaged in the Local Government Reorganisation programme, which has placed considerable demands on officer time and attention alongside core service delivery. Despite these pressures, the Council has worked collaboratively with neighbouring district authorities and Hertfordshire County Council to develop and refine viable structural models for future governance. This joint effort has involved regular strategic meetings, shared workstreams across legal, finance, and governance functions, and a coordinated approach to workforce planning.

The next formal submission to MHCLG is scheduled for the end of November 2025, with a decision from central government anticipated in the second half of 2026.

# Financial Sustainability



## How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Budget setting

The Council is under a statutory obligation to set a balanced budget prior to the commencement of each financial year. This ensures that planned expenditure does not exceed available funding, maintaining financial sustainability and compliance with legal requirements.

To facilitate this, a comprehensive budget timetable is developed and circulated at the outset of the budget-setting process. This timetable outlines key milestones, deadlines, and decision points, enabling departments and budget holders to plan and contribute effectively.

As part of the budget formulation, key financial pressures identified through the Medium-Term Financial Plan (MTFP) are incorporated. These pressures may include anticipated increases in service demand, legislative changes, and economic factors such as inflation and pay awards. Any known changes to funding or expenditure forecasts are also factored in and presented to budget holders during the Senior Management Team (SMT) meeting, ensuring transparency and collective ownership of the financial position.

Once the draft budget is prepared, it is submitted to the Cabinet and Policy Review Committee for detailed scrutiny. This stage allows elected members to challenge assumptions, assess risks, and ensure alignment with strategic priorities. Following this review, the final budget was formally approved by the Council on 28 February 2024, in accordance with statutory deadlines.

The approved budget for 2024/25 reflected a considered response to prevailing financial pressures, including pay awards for staff and inflationary impacts on service delivery costs and income generation.

For the 2024/25 financial year, the Council set a net revenue budget requirement of £13.8 million. This requirement was fully met through a combination of government grants (£5.0m) and Council Tax income (£8.8m).

This balanced funding position meant that no budget shortfall was identified for the year, and as a result, no savings plans were required. However, the MTFP projections to 2027/28 indicated a potential funding gap of £670,000, which will need to be addressed through future budget planning, efficiency measures, or income generation strategies.

## Monitoring

To ensure robust financial oversight, the Council conducts regular budget holder meetings throughout the year. These meetings provide a forum for reviewing budget performance, identifying emerging issues, and agreeing on corrective actions. Insights from these meetings feed into the monthly Strategic Financial Monitoring Report, which provides a comprehensive overview of the Council's financial position.

The Revenue Budget Monitoring Report is broken down into 14 sub-sections, allowing for detailed analysis of variances between actual performance and budgeted figures. Where significant variances are identified—particularly in the Employees and Income categories—additional breakdowns are provided. This enables a more granular understanding of the underlying causes and supports evidence-based decision-making.

# Financial Sustainability



## Monitoring (continued)

Monitoring reports are produced on a regular cycle to ensure timely and accurate financial oversight:

- Monthly reports: Cover revenue, treasury management, and debtors.
- Quarterly reports: Focus on capital expenditure and project delivery.

These reports are presented to the Operations Review Committee on a quarterly basis. Any recommendations arising from these reviews are escalated to the Cabinet for further scrutiny and formal approval, ensuring that financial governance remains strong and responsive throughout the year.

## Financial performance

The 2024/25 year-end performance against the revised revenue budget has a favourable variance of £1.9m which was largely attributable to a favourable variance in investment interest. As at year-end, the capital budget for 2024/25 was £21.3m and the full year expenditure on the capital programme was £20.4m, giving a year end variance of £0.8m.

The Council holds investment properties with a combined value of £9.3m. All these investment properties are held in compliance with the Prudential code. The governance arrangements in place to manage these investments are within the remit of the Council. The Council reviews and approves the Treasury Management Strategy Statement each year which confirms that it is compliant with the requirements of the Prudential Code.

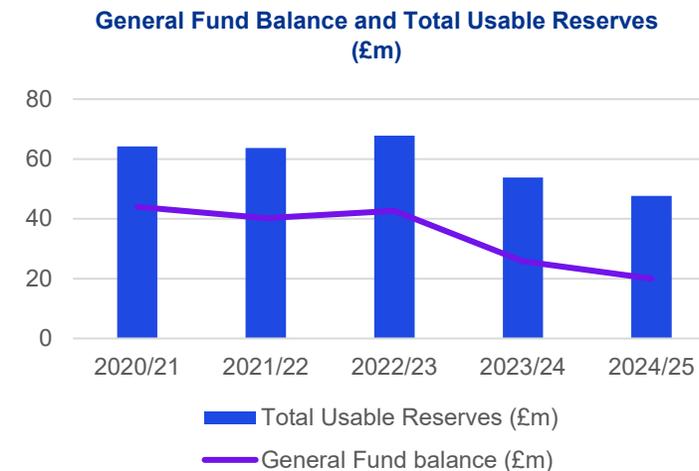
The Council had total reserves of £238.7m as at 31 March 2025, which was split between total usable reserves of £47.7m and unusable reserves of £191.0m.

Maintaining healthy General Fund and wider usable reserves balances helps to ensure that the Council remains financially resilient. The Council had a track record of maintaining the General Fund balance at a broadly consistent level of around £40-50m, as shown in the graph to the right. In recent periods the Council has experienced significant one-off costs, particularly associated with Elstree Film Studios, which have reduced both its available General Fund balance and broader usable reserves. Despite this, and while acknowledging that there are further financial pressures to be mitigated in the coming years, the Council continues to maintain a healthy overall level of usable reserves relative to its annual budgeted expenditure. This helps to safeguard its financial sustainability. For 2025/26, the Council developed a balanced budget, with a net revenue budget of £14.6m.

## Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified any significant risks or weaknesses associated with the Council's financial sustainability arrangements.

Key financial and performance metrics:	2024-25 (£m)	2023-24 (£m)
Planned surplus/(deficit),	0	0
Actual surplus/(deficit),	1.9	0.3
Usable Reserves	47.7	53.8
Gross debt compared to the capital financing requirement	0.1	0.1
Year-end borrowings	Nil	Nil
Year-end cash position	34.7	24.1



# Governance

## How the Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

## Governance structures

The Council's governance structure is led by the Full Council, which consists of all 39 elected Councillors. While the Full Council is the ultimate decision-making body, most decisions are delegated to the Cabinet. The Cabinet currently includes the Leader and seven Councillors, each responsible for a specific portfolio assigned by the Leader. This structure ensures accountability and clarity in decision-making across different service areas.

Supporting the Cabinet and Full Council are two Overview and Scrutiny Committees, five Regulatory Committees, the Personnel Committee, and a range of other bodies and Cabinet panels. These groups provide oversight, specialist advice, and ensure that decisions are properly scrutinised before implementation.

## Performance monitoring

Operational performance is monitored at two levels. The Senior Management Team oversees day-to-day service delivery and internal performance, while the Full Council receives regular updates on service outcomes. The two Scrutiny Committees play a key role in governance by reviewing Cabinet decisions, monitoring overall performance, and contributing to policy development. The Operations Review Committee focuses on operational matters, while the Policy Review Committee examines strategic plans, external partnerships, and the annual budget. It also has statutory responsibility for crime and disorder scrutiny under the Police and Justice Act 2006.

The Cabinet receives a Performance Indicator Report, which includes quality service indicators, progress against position statements, key performance indicators (KPIs), and management information indicators. This reporting framework ensures that performance is tracked consistently and transparently.

## Anti-fraud, internal control and compliance

The Council also maintains an Anti-Fraud and Anti-Corruption Strategy, which sets out its approach to preventing and responding to fraud and corruption. The Shared Anti-Fraud Service (SAFS) delivers proactive and reactive counter-fraud work, including investigations, fraud referrals, awareness training, and risk assessments. While SAFS provides operational support, Council officers remain responsible for ensuring that policies, procedures, and resources are in place to protect against fraud, corruption, and bribery.

Compliance is further supported by the internal audit programme operated by SIAS, which monitors adherence to laws and regulations. The risk register presented to the Audit Committee includes compliance-related risks such as employment legislation and corporate health and safety. In addition, the Council has a range of policies designed to ensure compliance with statutory requirements and regulatory standards.

The Council operates under a Code of Conduct for Councillors, a Code of Conduct for Employees, and a Whistleblowing Policy, all available on its website. These codes set clear standards of behaviour, and all staff are made aware of them at the start of employment. The Whistleblowing Policy provides assurance that concerns will be addressed and includes a clear process with internal and external contact details.

# Governance



## Financial governance

Each year, the Council prepares its financial budgets for the forthcoming financial year. By law, it must set a balanced Revenue Budget that demonstrates how services will be funded. This budget reflects the financial implications of the Council’s priorities and objectives. Alongside the revenue budget, the Council also produces a capital budget and an investment and treasury budget.

The process begins with a detailed timetable that sets out key dates and milestones. Financial pressures identified in the Medium-Term Financial Plan (MTFP) are incorporated, and any known changes are shared with budget holders during Senior Management Team meetings. Budget holders then work with finance staff to review budgets line-by-line and prepare ‘Star Chamber’ packs. The ‘Star Chamber’ process involves rigorous challenge of proposed efficiencies and pressures for the coming year.

Budget papers, including any funding gap, are scrutinised by a member-led budget panel chaired by the Finance and Budget Portfolio Holder. Options for closing any gap are discussed and evaluated, followed by further meetings with budget holders to agree changes. Once the government finance settlement is announced, the budget is reviewed again to ensure all updates are reflected.

A detailed budget report is then presented to Cabinet for recommendation and consultation before being considered by the Scrutiny Committee. The final version returns to Cabinet and is submitted to Full Council for approval in February. The draft budget and summary are also published on the Council’s website for public consultation.

In addition, the Council maintains a Procurement Strategy, Contract Procedure Rules, and Standing Financial Regulations. These documents comply with public procurement legislation and provide detailed guidance on principles such as value for money, ethics, transparency, fair competition, sustainability, and modern slavery. The Contract Procedure Rules were updated during 2024/25 in order to align with the detailed requirements of the Procurement Act 2023. The updated version was presented to Full Council and approved in February 2025. The Council also updated its Corporate Procurement Strategy during the year, which is in force for 2025-28.

The Council has experienced a number of challenges in preparing its 2024/25 draft Statement of Accounts, including the legacy of delayed accounts and audit processes and Finance team capacity in the context of a difficult recruitment environment. As a result, the draft Statement of Accounts for 2024/25 was published on 25 July 2025, after the statutory accounts publication deadline of 30 June 2025.

**Consequently, we have identified a significant risk associated with governance arrangements relating to meeting these statutory deadlines. See overleaf for further details.**

	2024-25	2023-24
<b>Control deficiencies reported in the Annual Governance Statement</b>	None identified	None identified
<b>Assurance opinion on internal control</b>	Reasonable assurance	Reasonable assurance
<b>Local Government Ombudsmen findings</b>	No reports published	No reports published
<b>Care Quality Commission rating</b>	No reports published	No reports published

# Significant Value for Money Risk



## 1 Compliance with statutory financial reporting deadlines

Risk that value for money arrangements may contain a significant weakness linked to governance.

### Significant Value for Money Risk

Due to the historic challenges placed on the Council's officers in attempting to conclude the accounts and audit processes for multiple financial years simultaneously (finalising both 2022/23 and 2023/24 accounts and dealing with different external audit firms in the process), in addition to staff resourcing and recruitment challenges, there is a risk that the Council does not have in place adequate governance arrangements to ensure compliance with its statutory financial reporting responsibilities.

### Our response

Through our audit we have evaluated the arrangements the Council has put in place to ensure compliance with its statutory financial reporting responsibilities.

### Our findings

The Government has introduced measures to resolve the local government financial reporting and audit backlog. Amendments have been made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which have allowed auditors to give disclaimed opinions over any open, incomplete audits up to the period ending 31 March 2023. These were required to be delivered by 13th December 2024.

Those same amendments to the Accounts and Audit Regulations required the Council to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. The Council was able to comply with these requirements, including the finalisation of the 2022/23 and 2023/24 accounts by the deadlines above, with disclaimed audit opinions provided in line with the applicable guidance.

As noted in the risk description, the Council has been subject to a number of challenges in preparing its draft Statement of Accounts for 2024/25, including staff resourcing and recruitment issues and retention of suitable experienced staff in roles which require a high degree of technical knowledge and understanding.

Additionally, the finalisation of the 2023/24 Statement of Accounts so late in the 2024/25 financial year (end of February 2025) as well as technical challenges around specific areas of the accounts such as PPE and Cash have made the process of compiling the draft 2024/25 Statement of Accounts more difficult.

The Council's unaudited, draft accounts for 2024/25 were published on the Council's website on 25 July 2025, therefore failing to meet the requirement to publish draft annual Statement of Accounts by 30 June. There have also been a number of areas of the accounts where material adjustments have been made.

### Our conclusion

The NAO's Auditor Guidance Note 3 Auditor's Work on Value for Money (VfM) Arrangements, indicates that a significant weakness should be recognised where there are 'Serious and pervasive weaknesses in final accounts processes leading to material errors in draft accounts or failure to meet statutory reporting deadlines'.

Therefore, based on the findings above we have determined that there is a significant weakness in governance arrangements for the timely preparation of a complete and accurate Statement of Accounts for 2024/25.

# Value for Money: Recommendations



The recommendation raised as a result of our work in respect of the above significant value for money weakness in the current year is as follows:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	<p><b>Preparation and Publication of the Statement of Accounts</b></p> <p>Under Regulation 9 of the Accounts and Audit Regulations 2015, the Council is required to publish its draft annual Statement of Accounts by 31 May each year.</p> <p>We recognise that the Council has faced significant challenges arising from the local government financial reporting and audit backlog, as well as Finance officer resourcing challenges around recruitment and retention of appropriately skilled and experienced staff.</p> <p>However, in line with the NAO’s Auditor Guidance Note 3, we have identified a significant weakness in governance arrangements for the timely preparation of a complete and accurate Statement of Accounts in line with statutory reporting deadlines.</p> <p><b>Recommendation</b></p> <p>We note that management is taking action in response to the root causes of the delays described above, including evaluating its Finance staffing resources and working to fill vacancies. However, given the delays to publication for 2024/25, we recommend that the Council develops, and then monitors, a detailed action plan outlining how it expects to return to a financial reporting timetable that ensures a good quality set of draft accounts are published in line with the statutory deadline. Where required, the Authority should continue to invest in additional resources within the Finance team to ensure future compliance with statutory reporting deadlines.</p>	<p>The delays in publication of the Draft 2024/25 Statement of Accounts was, as you mention, due to delays in the audit of prior years’ accounts by our previous auditors which also then subsequently delayed the audit of the 2023/24 accounts, all of which had a knock on effect to the 2024/25 year-end process. This was exacerbated by the departure of the Senior Financial Account at year end and two unsuccessful recruitment rounds to replace that role. This all placed significant pressure on a depleted Finance team at what was already an extremely busy period and whilst the team were determined to meet the statutory deadline, we unfortunately fell short and published a few weeks later.</p> <p>Now that prior year audits are caught up, thanks to a change in legislation, this pressure will not exist for 2025/26. A further recruitment campaign has also now resulted in an offer to a suitably qualified and experienced candidate who is due to join the Finance team in mid-December. A detailed end of year timetable already exists and has proved successful in prior years and will be fully reviewed and updated to align with the statutory deadline. Progress against the agreed timetable will be closely monitored by the S151 and Deputy S151 throughout the year-end process.</p> <p><b>Responsible officer and due date</b></p> <p>S151 Officer December 2025</p>

# Governance (cont.)

## Risk Management

Risk management is a core part of the Council's governance arrangements. The Council has a well-established Risk Management Strategy that provides guidance on identifying, monitoring, and managing risks and opportunities. Risks are categorised as either strategic or operational and recorded in Pentana, the Council's Performance and Risk Management system. This centralised approach ensures that all risks are documented and monitored effectively. The Audit Committee reviews the Strategic Risk Register quarterly and provides advice on risk management arrangements as set out in the Council's Constitution.

## Planning – Policy

Hertsmere Borough Council does not currently have an adopted Local Plan after the previous plan was withdrawn in late 2022. In line with development targets placed on the Council, the Council has recognised the need for a Local Plan that delivers aids the delivery of significant housing development, however with around 80% of the borough being designated as Green Belt there are significant challenges from a practical and political perspective surrounding the identification of suitable locations on which this development can take place. In line with NPPF guidelines issued in December 2024, there is therefore a need to identify and recognise a number of 'Grey Belt' sites (locations previously designated as Green Belt that have been previously developed or are deemed not to 'strongly support' the key purposes of the Green Belt designation).

Recognising the importance of the Local Plan for future development in line with its strategic objectives, an updated Local Development Scheme (LDS) was approved by Cabinet on 6 March 2025. This includes an accelerated timetable for finalisation of an updated Local Plan, with the stakeholder engagement phase taking place from February 2025 to March 2026, Regulation 18 consultation in January and February 2026, Regulation 19 consultation in April and May 2026 and submission of the plan for examination in June / July 2026.

The examination period is planned to last 12 months from August 2026, with final adoption in September 2027. A dedicated risk register has been developed in respect of the LDS, with a number of risks remaining rated 'High' after application of mitigation measures, including:

- Changes in national policy and regulations which require a significant alteration to emerging plan content (Overall Score = 12).
- Lack of suitable experienced staff or staff diverted onto other priorities (Overall Score = 12).
- Pressure on financial resources (Overall Score = 8).
- Failure of external parties to meet project deadlines (Overall Score = 9).

As identified by the Council's own risk register, there are therefore a number of risks which require continued mitigation in order for the timetable set out above to be adhered to. The Council has, to date, committed c£2m of additional funding for the LDS project, particularly for the procurement of external consultancy to assist with development of master plans, conducting of technical studies and drafting of the Local Plan itself. Some of these costs would be incurred in any case in the course of developing a Local Plan, but the pace of development set out in the project timetable does increase the overall level of cost. These additional costs must, however, be balanced against the ongoing costs – financially, operationally and in terms of reputational impact – of *not* having an approved Local Plan in place.

The absence of a Local Plan presents several challenges for Hertsmere. Without a clear planning framework, the council has reduced control over where and how development takes place, making it more vulnerable to speculative applications and appeals. This can lead to uncoordinated growth, pressure on infrastructure, and missed opportunities for sustainable development. It also creates uncertainty for residents, developers, and investors, while potentially undermining the council's ability to meet housing targets and secure funding for essential services. Overall, the lack of a plan risks compromising the borough's long-term vision and its ability to shape development in a way that optimally benefits the local community.

## Planning – Development Management

The matters described above in connection with the Local Plan also have implications for the ability of the Council to make coordinated and effective planning decisions, as there are no specifically designated and agreed sites for development.

On 27 March 2025, the Council was informed by the Planning Inspectorate, an executive agency sponsored by MHCLG, that it was under risk of 'designation'. This was due to the performance concerns regarding the quality of decision making during the 2 year period to March 2024, including appeals decisions up to 31 December 2024.

Designation would entail the Planning Inspectorate taking over decision-making for major applications. As well as operational and reputational impacts, designation removes local democratic control over major applications, and risks undermining the Council's ability to shape development in line with community needs. Planning Inspectorate decisions may be less sensitive to local design quality, affordable housing uplift, and community benefits.

The Council made specific representations in response to this communication and it was confirmed in June 2025 that the Council would not be placed under designation at this time. However, there is a clear risk that decisions taken by the Council during 2024/25 could ultimately result in designation by the Planning Inspectorate. **We have therefore recognised a significant risk around Governance arrangements in this area. See overleaf for further details.**

# Significant Value for Money Risk



2

## Risk of Planning Designation in relation to decision-making on major applications

Risk that value for money arrangements may contain a significant weakness linked to governance.

### Significant Value for Money Risk

On 27 March 2025, the Council was informed by the Planning Inspectorate, an executive agency sponsored by MHCLG, that it was under risk of 'designation'. This was due to the performance concerns regarding the quality of decision making during the 2 year period to March 2024, including appeals decisions up to 31 December 2024.

The Council made specific representations in response to this communication and it was confirmed in June 2025 that the Council would not be placed under designation at this time. However, there is a clear risk that decisions taken by the Council during 2024/25 could ultimately result in designation by the Planning Inspectorate.

### Our response

We will evaluate whether the Council had appropriate Governance arrangements for decision-making in respect of major planning applications during 2024/25.

### Our findings

Planning Inspectorate guidance around quality of decision-making indicates that allowed appeals (that is, successful appeals of previously rejected major applications) should not exceed 10% of overall major planning applications received across a rolling 24-month period. Where this is exceeded, the Inspectorate considers placing the authority under 'designation'. In this circumstance, developers are able to bypass the Authority and have their applications considered directly by the Planning Inspectorate itself.

Applications determined by the Planning Inspectorate under Section 62A result in zero fee income for the Council, despite the Council still having to carry out consultations and assessments. Reduced fee income threatens the financial sustainability of the planning department, which is heavily reliant on planning fees and pre-application agreements. There is also potential staff attrition due to reduced morale and diminished opportunities for professional development.

With respect to financial impacts, in addition to lost planning fee income, there are specific instances where commitments made by developers under Section 106 and other formal agreements, in the form of significant monetary contributions, are lost.

While the Authority avoided being placed in Designation in 2024/25, the recent successful Section 78 appeal in respect of land North of Sky Studios, Elstree (commonly referred to as Sky Phase 2) in September 2025, in addition to the fact that four of the six major application appeals brought in the last two years have now been successful (as at November 2025), significantly increases the likelihood that the Council will enter Designation by the Planning Inspectorate in the coming months.

### Our conclusion

The NAO's Auditor Guidance Note 3 Auditor's Work on Value for Money (VfM) Arrangements, indicates that a significant weakness should be recognised where there is evidence of 'decision making that is unlawful or could lead to significant loss or exposure to significant financial risk, or reputational risk'.

Therefore, based on the findings above we have determined that there is a significant weakness in governance arrangements relating to decision-making on major applications.

# Value for Money: Recommendations



The recommendation raised as a result of our work in respect of significant value for money weaknesses in the current year are as follows:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
2	<p><b>Planning Inspectorate concerns</b></p> <p>There are ongoing concerns raised by the Planning Inspectorate regarding the council’s approach to planning decisions, particularly around the number of major application appeals allowed (i.e. upheld) as a proportion of major applications received by the Council.</p> <p>While the Authority avoided being placed in Designation in 2024/25, the recent successful Section 78 appeal in respect of land North of Sky Studios, Elstree (commonly referred to as Sky Phase 2) in September 2025, in addition to the fact that four of the six major application appeals brought in the last two years have now been successful, significantly increases the likelihood that the Council will enter Designation by the Planning Inspectorate in the coming months.</p> <p><b>Impact</b></p> <p>This increases the risk of planning Designation, which could have significant financial and reputational impacts on the Council. It could also undermine the ability of the Council to make strategic planning decisions for the benefit of the local population.</p> <p><b>Recommendation</b></p> <p>The council should engage with the Planning Inspectorate and other bodies such as the Planning Advisory Service to develop an action plan to respond to the concerns raised. This should include the development of a common understanding amongst members and officers regarding the specific technical requirements of the National Planning Policy Framework 2024, in order to achieve the required reduction in the number of major applications allowed on appeal.</p>	<p>The Council has already engaged directly with the Chief Planner at MHCLG setting out how it has reviewed the four appeal cases and has identified matters that it believes to be exceptional circumstances. The response sets out in detail those exceptional circumstances and also includes a detailed eight-point action plan which identifies a number of areas of improvement and steps already being taken to help major appeal performance.</p> <p><b>Responsible officer and due date</b></p> <p>Head of Planning and Economic Development</p> <p>March 2026</p>

# Improving economy, efficiency and effectiveness



## How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

## Delivery of efficiency savings

Efficiency requirements are identified through forecasting expenditure and income for the upcoming financial year as part of the budget-setting process. Finance Business Partners and Budget Holders develop plans to deliver efficiencies, which may include generating additional income, reducing costs, or adjusting services to close any budget gap.

These proposals are presented at Star Chamber meetings, where they are rigorously challenged alongside other budget pressures. The Star Chamber panel includes the Managing Director, Executive Director, Head of Finance & Business Services (Section 151 Officer), and Head of Legal & Democratic Services (Monitoring Officer). Any agreed changes are then incorporated into the budget.

## Business cases

When evaluating new business cases, the Council considers economy, efficiency, and effectiveness. A standard template is required for revenue-related business cases, while capital projects must complete a bid appraisal form. These templates ensure consistency and thorough assessment before decisions are made.

The revenue template captures detailed information, including reporting requirements for Scrutiny Committees, financial and legal implications, efficiency gains, risk management considerations, personnel impacts, equality issues, alignment with the Corporate Plan, asset management, and health and safety requirements. This ensures that all relevant factors are considered before approval.

For capital projects, the bid appraisal form requires details such as project description, timeline, objectives, and expected outcomes. It also assesses how the project supports the Council's strategic plans, including the Corporate Plan, Community Strategy, Finance Strategy, and Corporate Property Strategy. Cost and funding information, value-for-money assessments, and risk evaluations are also included. Both templates demonstrate a clear link between individual business cases and the Council's wider strategic objectives.

The Council's Corporate Procurement Rules ensure that procurement processes for goods, services, and works achieve best value and remain transparent, fair, and auditable. The Contract Procedure Rules set out expenditure thresholds, tendering requirements, evaluation and award criteria, and contract formalities, providing a robust framework for compliance and accountability.

# Improving economy, efficiency and effectiveness



## Cost performance monitoring

Performance management is monitored through quarterly reports that track cost performance against the indicators set out in Hertsmere Vision. These reports provide an overview of how the Council is performing each quarter and across the full financial year. For 2023/24, the Cabinet received quarterly updates showing progress against the Quality Service Indicators, which reflect the key services delivered by the Council.

In addition to quarterly reporting, the Cabinet reviews an annual benchmarking report. This report compares the Council's performance against the latest indicators published by the Office for Local Government data dashboard. It also includes national performance data such as DEFRA's fly-tipping league tables, providing a broader view of how the Council measures up against other authorities.

The Cabinet Performance Management Panel plays a key role in reviewing performance. It examines the Quality Service Indicators and any wider Key Performance Indicators that are below target. Where issues require further investigation, these are referred to the Council's Scrutiny function for detailed review and challenge.

## Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk of weakness associated with the Council's arrangements for delivering economy, efficiency or effectiveness.



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