

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Tuesday, 25 March 2025

Time: 6.00pm

Place: Council Chamber - Daneshill House, Danestrete

Present: Councillors: Carolina Veres (Chair), Tom Plater (Vice Chair), Lloyd Briscoe, Philip Bibby CC, Robert Boyle, Lynda Guy, Ceara Roopchand and Anne Wells

Syed Uddin – Independent Co-opted Non-Voting Member

Start / End Time: Start Time: 6.00pm
End Time: 6.35pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Mason Humberstone and Tom Wren.

There were no declarations of interest.

2 MINUTES - 4 FEBRUARY & 11 FEBRUARY

It was **RESOLVED** that the Minutes of the meetings of the Audit Committee held on 4 February 2025 and 11 February 2025 be agreed as a correct record and signed by the Chair.

3 SHARED ANTI-FRAUD SERVICE (SAFS) PROPOSED ANTI-FRAUD PLAN 2025/26

Head of SAFS presented the annual Anti-Fraud Plan for 2025-26, which aligned with the Fighting Fraud and Corruption Locally Strategy 2020. The plan included measures to acknowledge, deter, prevent, and respond to fraud, and outlined roles for officers and members. It also referenced the Economic Crime and Corporate Transparency Act 2023 and included KPIs and standards of service.

Members asked questions that were answered as set out below:

Increase in service days: The increase in service days (from 435 to 521) was due to a slight reorganisation within the service, providing an increased level of service for just a 4% fee increase.

Sufficiency and Capability of Resources: The shared service allowed for comprehensive risk assessments, fraud investigations, and training. The feedback through executive reports and other reports helped provide the required level of

assurance.

It was **RESOLVED** Anti-Fraud Plan for 2025/26 be approved.

4 **PROGRESS ON SAFS ANTI-FRAUD PLAN 2024/2025**

The Head of SAFS presented the report.

Key Highlights included:

Fraud Prevention Work: Comprehensive review of anti-fraud policies completed in December. Council was well-prepared despite new legislation.

Fraud Alerts: 35 urgent fraud alerts issued by December, with significant advice on employment fraud, identity fraud, and money laundering.

Training & Awareness: 12 training sessions delivered on high-risk areas. Specialist session with the Competition and Markets Authority for finance and procurement officers.

Fraud Investigations: Increase in fraud referrals related to Stevenage Borough Council, leading to financial recoveries.

Housing Fraud: Support in recovering properties from tenants engaging in subletting for profit.

Right to Buy Fraud: Surge in applications following Autumn Budget changes, with SAFS identifying fraudulent applications.

National Fraud Initiative (NFI): Processing data matches from the national anti-fraud data-sharing exercise.

Cabinet Office Pilot: Initiative to identify fraudulent occupancy in council housing using third-party data.

Key Performance Indicators (KPIs):

KPI 3A: All referrals handled within 24 hours despite case management system issues.

KPI 5C: Target to recover 12 council properties may not be met, with only eight recoveries by December 2024.

Members asked a number of questions which were answered as set out below:

Quantifying the Value of SAFS Work: The SAFS Board agreed on methods to quantify fraud prevention efforts. Financial losses from fraud cases could be recovered, and recognised valuation models were used for cases like housing fraud. For example, the recovery of a misused blue badge was valued at £585, and recovering a council property was estimated at £42,000. The deterrent effect of prosecutions also contributed to overall value.

Custodial Sentences for Fraud: Custodial sentences for fraud were rare and usually required significant financial loss.

Tracking the Success of the Anti-Fraud Plan: An annual report in Summer 2025 would provide a breakdown of activity, financial values, and service area impacts.

Details on the Cabinet Office Pilot Using Third-Party Data: The pilot was part of the Fraud Hub initiative, allowing councils to propose projects using third-party data. The Cabinet Office worked with Synatic Solutions to test the effectiveness of various data sources, including mortality data, credit reference data, Airbnb data, NHS data, and council data integration. The aim was to create a "golden thread" of multiple data sources to identify high-risk cases effectively.

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

5 **SHARED INTERNAL AUDIT SERVICE (SIAS) INTERNAL AUDIT PLAN 2025/26**

The SIAS Client Audit Manager introduced the Internal Audit Work Programme for 2025/26. The plan was developed in alignment with Global Internal Audit Standards, involving discussions with senior managers and mapping to the Council's risk register. It included a list of proposed audits, a reserve list for adjustments, and contingency provisions. Performance indicators would track progress, and audit outcomes would be reported periodically. The internal audit strategy outlined the role and framework within which SIAS operated and highlighted staffing resources as a critical element in delivering effective audit functions.

It was **RESOLVED** that the SIAS Internal Audit Strategy be noted, and the Internal Audit Plan 2025/26 be approved.

6 **CORPORATE GOVERNANCE ARRANGEMENTS**

The Corporate Performance & Improvement Officer provided an update on key governance activities feeding into the Annual Governance Statement (AGS) for June 2025. Updates included self-assessments against governance principles (Appendix A), progress on previous AGS actions (Appendix B), and proposed governance actions for inclusion in the next AGS (Appendix C).

It was **RESOLVED** that the Committee noted:

- The findings of the in-year review of the CIPFA/SOLACE principles of governance, as detailed in Appendix A.
- Progress against actions raised in the previous year's Annual Governance Statement (2023/24), as detailed in Appendix B.
- The corporate governance enhancement activity identified for inclusion in the Council's Annual Governance Statement 2024/25, as detailed in Appendix C.

7 **URGENT PART I BUSINESS**

There was no Urgent Part I Business.

8 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 to 7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.
2. That having considered the reasons for the following item being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

9 **STRATEGIC RISK REGISTER**

The Corporate Performance & Improvement Officer provided an update on the Strategic Risk Register.

It was **RESOLVED** that the Strategic Risk Register update be noted.

10 **URGENT PART II BUSINESS**

There was no Urgent Part II Business.

CHAIR