

# Public Document Pack



## AUDIT COMMITTEE

**Date: Tuesday, 25 March 2025**

**Time: 6.00pm,**

**Location: Council Chamber - Daneshill House, Danestrete**

**Contact: Alex Marsh**

**committees@stevenage.gov.uk**

Members: Councillors: C Veres (Chair), T Plater (Vice-Chair), L Briscoe, P Bibby CC, R Boyle, L Guy, M Humberstone, C Roopchand, A Wells and T Wren

---

## AGENDA

### **PART 1**

**1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

**2. MINUTES - 4 FEBRUARY & 11 FEBRUARY**

To approve as a correct record the Minutes of the meetings of the Audit Committee held on 4 February 2025 and 11 February 2025.

3 – 10

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

To consider the Shared Anti-Fraud Service's proposed Anti-Fraud Plan for 2025/26.

11 – 24

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

To consider progress on the SAFS Anti-Fraud Plan 2024/25.

25 – 30

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

To consider the proposed Shared Internal Audit Service (SIAS) Internal Audit Plan for 2024/25.

31 – 62

**6. CORPORATE GOVERNANCE ARRANGEMENTS**

To consider an assessment of Corporate Governance arrangements.

63 – 84

**7. URGENT PART I BUSINESS**

To consider any Part I Business accepted by the Chair as urgent.

**8. EXCLUSION OF PUBLIC AND PRESS**

To consider the following motions –

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 involve the likely disclosure of exempt information as described in paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.

2. That Members consider the reasons for the following reports being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

**9. STRATEGIC RISK REGISTER**

To consider the latest Strategic Risk Register.

**10. URGENT PART II BUSINESS**

To consider any Part II Business accepted by the Chair as urgent.

STEVENAGE BOROUGH COUNCIL

## AUDIT COMMITTEE MINUTES

Date: Tuesday, 4 February 2025

Time: 6.00pm

Place: Council Chamber - Daneshill House, Danestrete

**Present:** Councillors: Carolina Veres (Chair), Tom Plater (Vice Chair),  
Lloyd Briscoe, Robert Boyle, Lynda Guy and Ceara Roopchand

Independent Member: Syed Uddin

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

### 1      **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors Phil Bibby, Mason Humberstone, Anne Wells and Tom Wren.

There were no declarations of interest.

### 2      **MINUTES OF PREVIOUS MEETING**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 27 November 2024 be approved as a correct record and signed by the Chair.

### 3      **SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT**

The SIAS Client Audit Manager presented a progress report with regard to the SIAS Internal Audit Plan 2024/25 (up to 17 January 2025).

The SIAS Client Audit Manager advised that 68% of the 2024/25 Internal Audit Plan days had been delivered. The Committee was advised that a number of final reports had been issued with the majority receiving a substantial assurance level.

It was noted that three new medium priority recommendations had been added from audits of Property Statutory Compliance Checks and Data Breach Incidents and Response.

The SIAS Client Audit Manager advised that there were currently no risks to the delivery of a robust annual assurance opinion.

In response to a question, the SIAS Client Audit Manager advised that he was confident in SBC's methodology for managing risks which were "owned" by SBC Managers. The role of SIAS was to provide independent assurance around the controls and risk mitigation to help the Council meet its objectives.

It was **RESOLVED:**

- 1 That the SIAS Internal Audit progress report be noted.
- 2 That the status of Critical and High Priority Recommendations be noted.

4 **ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL INDICATORS 2024/25**

The Assistant Director (Finance) presented a report in respect of the Annual Treasury Management Strategy including Prudential Code Indicators for 2025/26.

The Assistant Director (Finance) outlined the following points:

- The HRA Budget had been agreed at the Council meeting in January 2025;
- There were no proposed changes to the 2025/26 Strategy which would cover the two main areas of Capital and Treasury Management;
- There had been no breaches of the 2024/25 treasury counter party limits with the investment activity during the year conforming to the approved Treasury Management Strategy;
- The Council would be asked to approve the Capital Financing Requirement (CFR) projections;
- The Council's borrowing requirements were in line with the CFR and it was noted that the Council could also borrow from the PWLB but the balance of external and internal borrowing was generally driven by market conditions but would be regularly reviewed and if necessary revised to achieve optimum value;
- Details of the Annual Investment Strategy were included in Appendix A to the report.

In response to a number of questions, the Assistant Director Finance advised:

- that the Council's policy on borrowing and lending could include other local authorities but this was something that had only been done occasionally and would require due diligence to be undertaken prior to entering into financial agreements. All final decisions would be made by the S151 Officer based on the current money markets;
- Treasury advisors would give the Council advice on what institutions would meet the current investment criteria;
- Financial details relating to Queensway would be monitored by Members at cabinet and Overview and Scrutiny Committee through the regular Revenue and Capital Outturn reports;
- Although discussions were ongoing regarding the Governments proposals for devolution and Local Government Reform, it would be business as usual for the Council until any decisions were made relating to Hertfordshire;
- In relation to investment companies, the Council would not invest in any institution officers were not comfortable with. The Assistant Director agreed to provide a fully detailed written response regarding socially responsible investing.

It was **RESOLVED** that the 2025/26 Treasury management Strategy be recommended to Council for approval.

## **CONTRACT PROCUREMENT RULES**

The Committee received an update on the revision to the Council's Contract Standing Orders, now known as Contract Procedure Rules.

The Corporate Procurement Manager advised the meeting of the following proposed changes to the Contract procedure Rules:

- Changing the name to Contract Procedure Rules;
- Increasing the threshold for all bands;
- Updating the rules to reflect the Procurement Act 2023 which would become law on 24 February 2025;
- Changing the internal direction regarding the use of a direct award under a Framework agreement
- Increasing the direction given to officers in regard to pre procurement market engagement and contract management to reflect their increased importance.

In response to a question, the Corporate Procurement Manager advised that the Contract Procurement rules would be reviewed every 3 years. She also advised that at least one quotation for contracts would be requested from a local Stevenage or Hertfordshire company if they are a suitable provider to ask to quote and that for larger contracts the social value provided within the tenders would be considered as part of the evaluation process. Information would also be requested from any company tendering for contracts relating to the safeguards put in place to address modern slavery where this could be a risk in that industry.

It was **RESOLVED** that the Contract Procedure Rules be recommended to Council for approval.

## 6 **URGENT PART 1 BUSINESS**

There was no Urgent Part 1 Business.

## 7 **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.

8 **INTERNAL AUDIT PLAN 2024/25 - PROGRESS REPORT**

The Committee received a Part 2 progress report in respect of outstanding High priority recommendations.

It was **RESOLVED** that the update be noted.

9 **URGENT PART II BUSINESS**

There was no Urgent Part 2 business.

**CHAIR**

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE  
MINUTES**

Date: Tuesday, 11 February 2025

Time: 6.00pm

Place: Council Chamber

**Present:** Councillors: Carolina Veres (Chair), Tom Plater (Vice Chair), Philip Bibby CC, Robert Boyle, Ceara Roopchand and Tom Wren

**Start / End** Start Time: 6.00pm

**Time:** End Time: 6.45pm

**1 APPOINTMENT OF PERSON TO PRESIDE**

It was **RESOLVED** that Cllr Carolina Veres be appointed to preside over the joint element of the meeting.

**2 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

At this Juncture, the Democratic Services Officer outlined the procedure that would be followed for the joint meeting.

Apologies for absence were received from Councillors Lloyd Briscoe, Lynda Guy, Mason Humberstone and Anne Wells.

Cllr Roopchand declared, for transparency, that, as of November 2024, they were employed by the Association of Business Recovery Professionals, a trade association representing professionals in insolvency, restructuring, and business turnaround across the UK. They noted that the association's membership included the Council's external auditor, Azets Audit Services Limited.

**3 2023/24 STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT REPORT**

The Audit Committee and Statement of Accounts Committee meeting jointly received a presentation from Assistant Director (Finance) on the Statement of Accounts 2023/24.

The presentation from the Assistant Director (Finance) included the following information:

- The 2023/24 balance sheet showed a decrease from £691M to £669.5M, primarily due to asset revaluation and movements in investments.
- Long-term investments decreased by £2.3M, while investment properties increased by £1.8M.
- £8.6M moved from long-term to short-term assets.

- £13M borrowed for 2024/25, with an additional £7.5M long-term borrowing in 2023/24.
- Pension liabilities fluctuated but did not impact general fund or HRA directly.
- General fund remained resilient, with no cuts made this year, but the HRA faced financial challenges and required future savings.

The Assistant Director (Finance) stated that the Council aimed to improve financial reporting and valuations in 2024/25 to move towards an unqualified audit opinion.

The External Auditor (Azets) were invited to address the Committee.

Azets advised the Committee that:

- Achieving a clean audit opinion required full assurance over two prior years plus the current year. Due to delays, disclaimers were likely for 2024/25 and 2025/26.
- Assurance over pensions depended on the next triennial valuation, complicated by a change in the pension fund auditor.
- Unlike private sector accounts, local government reserves were affected by statutory overrides, making it harder to verify opening balances.
- Audit firms were working together to establish an acceptable approach, but regulatory endorsement was needed to ensure consistency.
- A proposed Local Audit Office was being considered to provide clearer direction, while a statutory override to accept past balances was considered but risked undermining financial accuracy.
- The focus for 2024/25 would be on fully auditing certain balances, identifying areas requiring retrospective review, and assessing the feasibility of back-auditing key figures like property, plant, and equipment.

Responding to a question regarding the Council's pension liability, the Chief Finance Officer advised that the valuation process took various factors into account, such as age and life expectancy projections. Those factors influenced liabilities, which fluctuated over time due to market conditions. The triennial valuation determined the level of employer contributions required to maintain the fund's stability.

Responding to a question regarding complexities of Local Government finances and the subsequent challenges that might arise in a potential transition, Officers commented that each council in Hertfordshire had a different financial position, which added further complexity to any potential transition. The Committee heard that the issue of disclaimed accounts was not unique to Stevenage—it was a national problem. Officers advised that a pragmatic approach would be required, as historical challenges in the audit process had impacted councils across the country.

A Member asked a question regarding the significant work required to resolve the audit disclaimers and whether there was the capacity to complete this work. Officers responded that a key issue was a lack of resources both within councils and among external auditors. The Committee heard that, over the past decade, financial constraints had significantly reduced finance team capacity, while the complexity of local government finance had increased.



A Member asked the external auditors a question regarding the support required from the Council to help resolve outstanding audits. In response, Azets informed the Committee that the Council's finance team had been highly responsive and knowledgeable. The main challenge would be retrieving historical financial information, particularly relating to asset purchases and disposals dating back to 2021. The Committee heard that this was a challenge many councils faced, but that Stevenage was as well-placed as any to manage the process.

At 18:43hrs the Statement of Accounts Committee **RESOLVED** to adjourn until the rise of the Audit Committee.

Members expressed their thanks to the auditors and Officers involved in producing the accounts, highlighting the significant challenges facing council auditing at that time.

The Audit Committee expressed its support to the recommendations contained in the report.

It was therefore **RESOLVED** that the report be recommended to the Statement of Accounts Committee for approval.

4 **URGENT PART 1 BUSINESS**

There was no Urgent Part I Business.

5 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

6 **URGENT PART II BUSINESS**

There was no Urgent Part II Business.

**CHAIR**

This page is intentionally left blank



Stevenage Borough Council

Audit & Governance Committee Report

**Anti-Fraud Plan 2025/26**

## Purpose

- 1 This report provides members with details of the Councils Anti-Fraud Plan for 2025/26.

## Recommendations

- 2 **The Committee is RECOMMENDED to:**
  - I. **Review and approve the Anti-Fraud Plan for 2025/26.**

## Background

- 3 The Cabinet Office, Ministry for Housing Communities and Local Government (MHCLG), NAO, CIPFA and others have issued advice, and best practice, to support local councils in the fight to reduce the risk of fraud and prevent loss to the public purse. This advice includes the need for vigilance in recognising fraud risks and the investment of sufficient resources in counter fraud activities.

***Fighting Fraud and Corruption Locally a Strategy for the 2020's.*** The strategy focuses on the governance and 'ownership' of anti-fraud and corruption arrangements. The Strategy also identifies areas of best practice and includes a 'Checklist' to compare against actions taken by the Council to deter/prevent/investigate fraud. The checklist is maintained and reviewed by SAFS and officers.

***The impact of Fraud and Error on Public Funds 2023-24 (National Audit Office).*** "Fraud and error cost the taxpayer billions of pounds each year – but most of the potential loss goes undetected. Based on the Public Sector Fraud Authority's (PSFA) methodology, we estimate that fraud and error cost the taxpayer £55 billion to £81 billion in 2023-24. Only a fraction of this is detected and known about".

The ***Annual Fraud Indicator 2023***, published in 2024 by Crowe, Peters and Peters and Portsmouth University states that fraud in local government exceeded £8.8bn in 2021/22 and that excluded front line service areas such as housing benefit, council tax, care services and education.

***CIFAS Annual Fraudscape Report 2024*** . "The impact of fraud on individuals, businesses, and the public sector has hit unprecedented levels. This is paired with a growing concern over AI generated fraud, which enables complex phishing scams and synthetic identities".

***Cross Government Counter Fraud Functional Strategy 2024-2027*** states that "Prevention is the most effective way to address fraud and corruption - preventing fraud through effective counter fraud practices reduces loss and reputational damage".

4. It is essential that the Council has in place a robust framework to prevent and deter fraud, including effective strategies and policies, as well as plans to deal with the investigation and prosecution of identified fraud.
5. Members of this committee have received reports about how SAFS works closely with the Shared Internal Audit Service (SIAS) dealing with all aspects of fraud from prevention and deterrence to investigation and prosecution, working with services and Council staff at all levels.

## Report

### *Anti-Fraud Plan 2025/26*

6. The reports and papers mentioned at section 3 above and guidance from the NAO, CIPFA, MHCLG and the Local Government Association (LGA) recommend that organisations have effective and robust counter fraud and corruption measures. These measures require the acknowledgement of fraud as a tangible risk, policies, and procedures to deter and prevent fraud occurring and the provision of sufficient resources to investigate and recover losses caused by fraud. Above all an organisation should have a plan to protect itself against fraud.
7. Council officers and SAFS management develop and agree an **Anti-Fraud Plan** each year and the proposed plan for 2025/26 is presented at **Appendix A**

### *The Plan and Fighting Fraud and Corruption Locally*

8. The Anti-Fraud Plan has been developed over several years to meet the recommendations of the [Fighting Fraud Corruption Locally Strategy 2020s | Cifas](#) (FFCL) adopting the 'pillars' of Protect, Govern, Acknowledge, Prevent and Pursue.
9. The Plan identifies officers/members who will have a role in delivering it, and SAFS will work with all concerned to ensure they understand their role both in delivering the Plan and supporting the FFCL strategy.
10. Members will note that this Committee has a role in ensuring key elements in the Plan are implemented and in continual monitoring the Councils anti-fraud work.

### *Counter Fraud Funding and Resources 2025/26*

11. The proposed Anti-Fraud Plan can be found at **Appendix A**.
12. The Plan includes SAFS KPIs and Standards of Service. All SAFS staff are appropriately trained and accredited and the service has access to the resources of the Public Sector Fraud Authority and Government Counter Fraud Profession.
13. The **Plan** includes reference to the new Economic Crime and Corporate Transparency Act 2023. SAFS will provide detailed briefings to the Councils senior leadership with a comprehensive overview focusing on the 'failure to prevent fraud' offence, which will come into effect on 1 September 2025.

- 14 SAFS will maintain its relationship with specialist third party providers and national networks to keep the Council informed of new and emerging fraud threats or changes to best practice that assist in deterring/preventing fraud and corruption.
- 15 SAFS will continue to work closely with Council officers working in those services mentioned in the Plan.
- 16 Regular reports will be provided to senior management and this Committee on progress delivering the Plan for 2025/26.

## **Appendices**

**Appendix A** - Stevenage Borough Council - Anti-Fraud Plan 2025/26.

### **List of Background Papers** - Local Government Act 1972, Section 100D

- (a) ***Councillors Workbook on Bribery & Fraud Prevention (LGA 2017)***
- (b) ***Fighting Fraud and Corruption Locally- A Strategy for the 2020's (CIPFA/CIFAS/LGA 2020)***
- (c) ***Tackling Fraud in the Public Sector (CIPFA 2020)***
- (d) ***Code of Practice - Managing the Risk of Fraud and Corruption (CIPFA 2014)***
- (e) ***Lost Homes, Lost Hope. (Fraud Advisory Panel 2023)***

**Stevenage Borough Council**

**Anti-Fraud Plan 2025-2026**

**In partnership with**

**The Hertfordshire Shared Anti-Fraud Service**



## **Contents**

|                                     | Page No. |
|-------------------------------------|----------|
| Introduction                        | 2.       |
| The National Context                | 3.       |
| Anti-Fraud Plan for 2025- 2026      | 4.       |
| SAFS KPI's & Standards of Service   | 7.       |
| <b>Appendices</b>                   |          |
| A. Anti-Fraud Action Plan 2025-2026 | 8.       |
| B. SAFS KPIs 2025-2026              | 9.       |

## **Introduction**

This plan supports the Councils [Anti-Fraud and Corruption Strategy 2021](#) by ensuring that the Council, working in partnership with the Hertfordshire Shared Anti-Fraud Service and others, has in place effective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Councils **Anti-Fraud and Corruption Strategy** states that's it aims are.

Be clear that the Council will not tolerate fraudulent or corrupt acts and will take firm action against those who defraud the authority, who are corrupt or engage in financial malpractice.

Provide a consistent framework for managers and Members, which enables effective deterrence, prevention, detection and investigation of fraud and corruption.

Detail the responsibilities of employees, management and Members with regard to fraud and corruption.

Assist the relevant Strategic Directors in fulfilment of their roles as the Council's S151 Officer and as the Council's Monitoring Officer.

Explain the role of Council officers in relation to the prevention of fraud and actively promote a culture of openness and honesty in all its dealings and has adopted Codes of Conduct for Members and officers.

This plan includes objectives and key performance indicators that support the Councils Policy and follows the latest best practice/guidance/directives from the Ministry for Housing and Local Government (MHCLG), National Audit Office (NAO), Public Sector Fraud Authority (PSFA) and the Chartered Institute for Public Finance and Accountancy (CIPFA).



## **National Context.**

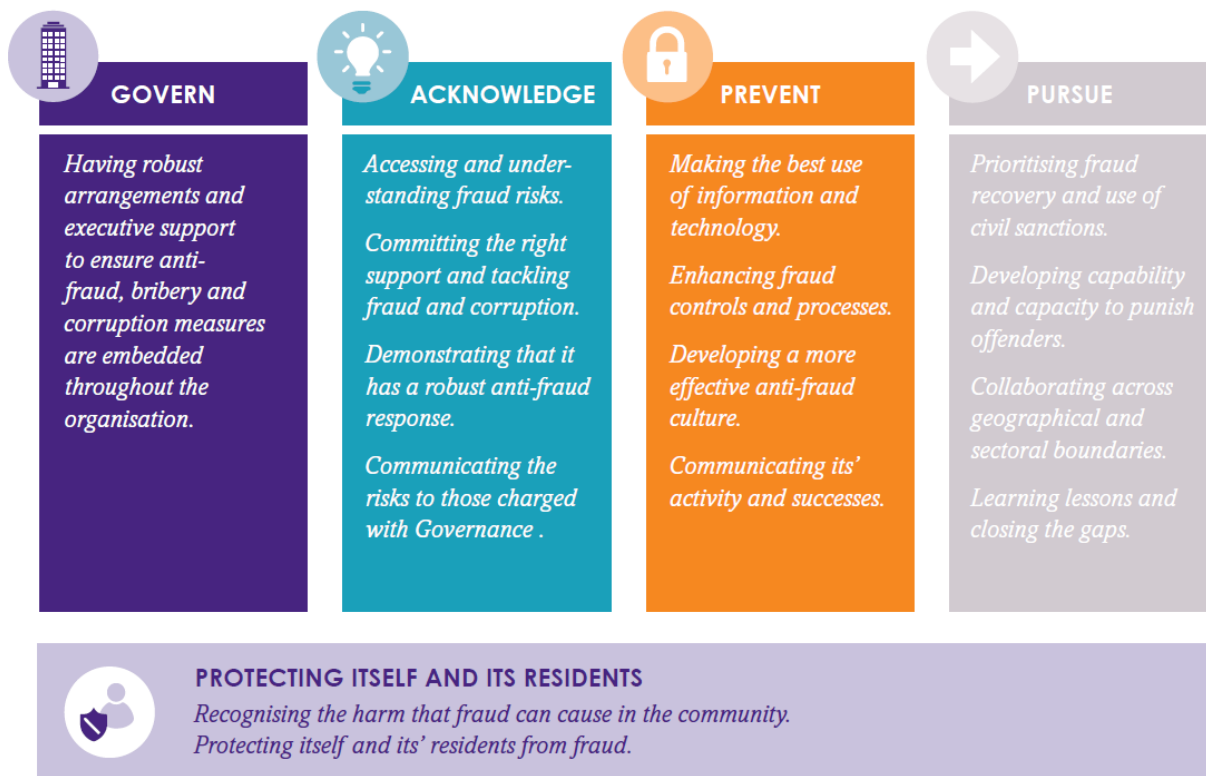
In 2013 the National Fraud Authority stated that the scale of fraud against local government “is large, but difficult to quantify with precision”. Since 2013 a number of reports have been published including by CIPFA, NAO and Fraud Advisory Panel indicating that the threat of fraud against local government is both real, causing substantial impact (including reputational, service as well as financial) and should be prevented wherever possible.

In November 2024, the National Audit Office (NAO) published its report to the new Government **The impact of fraud and error on public funds 2023-24**. The report states “Fraud and error cost the taxpayer billions of pounds each year – but most of the potential loss goes undetected. Based on the Public Sector Fraud Authority’s (PSFA) methodology, we estimate that fraud and error cost the taxpayer £55 billion to £81 billion in 2023-24. Only a fraction of this is detected and known about”. There are no accurate statistics for fraud loss/prevention in local government since CIPFA ceased its Counter Fraud Tracker in 2019/20, but it safe to say that fraud is still there and based on our own experience the risk is significant

The *Fighting Fraud and Corruption Locally, A Strategy for the 2020’s*, published in March 2020 and supported by CIPFA, the LGA, SOLCACE and External Auditors provides a framework for the Council to adopt in developing its counter fraud activity and this Anti-Fraud Plan follows the guidance and recommendations of the *Strategy*. A copy of the *Strategy* can be found at <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

The *Strategy* compliments work undertaken in 2019 by CIPFA, NAO and Cabinet Office as well as the *Code of practice on managing the risk of fraud and corruption* CIPFA 2015 including the four ‘Pillars’ of **Govern, Acknowledge, Prevent, Pursue** with an overarching aim of **Protect**:

**For the Council this includes protecting public funds it administers and protecting the Council and its residents against fraud and cybercrime.**



## **Anti-Fraud Plan 2025-2026**

The Councils Anti-Fraud Plan will be managed by the Hertfordshire Shared Anti-Fraud Service (SAFS), but officers at all levels across the Council will have responsibility for ensuring that the plan is delivered and the Council protected against acts of fraud and corruption.

The Anti-Fraud Plan highlights specific areas of work to protect the Council against fraud and corruption. The Council also has a duty to protect the public and it does this through its work across all services and in particular by sharing information and knowledge. The Council has frameworks and procedures in place to prevent fraud and encourage staff and the public to report suspicions of fraud.

The Anti-Fraud Plan follows the guidelines and checklists contained in the *Fighting Fraud and Corruption Locally Strategy* and progress against this will be reported to senior management and the Councils Audit and Governance Committee. A break-down of work included in the Plan can be found at **Appendix A** along with the officers with responsibility for ensuring the plan is delivered.

### **Anti-Fraud Arrangements**

The Council is a founding member of the Hertfordshire Shared Anti-Fraud Service (SAFS) and this service has provided the majority of the anti-fraud arrangements for the Council since April 2015. The SAFS Partnership, as well as Stevenage Borough Council, includes Broxbourne Borough Council, Hertsmere Borough Council, Hertfordshire County Council, Luton Borough Council, North Herts Council, East Herts Council and Welwyn and Hatfield Council. The SAFS also provides services to other public sector bodies across Hertfordshire and Bedfordshire.

The SAFS Core Service is made up of 22.5 FTE staff for 2025/26. All staff are trained and accredited, specialising in fraud prevention, fraud investigation, fraud awareness, fraud risk assessment as well as proceeds of crime, anti-bribery and anti-money laundering. All staff are required to members of the Government Counter Fraud Profession (GCFP)- or working toward this via professional qualification or apprenticeships.

The SAFS Team has been nominated for and/or won awards for the services it provides including the ***Tackling Economic Crime Awards*** (TECAS), the ***Institute of Revenue Rating and Valuation Awards*** (IRRV), the ***Public Finance Awards*** (PFA), and ***Public Sector Counter Fraud Awards***.

In 2023/2024 SAFS underwent an external Peer Review with a final report provided to the SAFS Board in March 2024. This report highly commended the service provided to the SAFS Partners and the work of the SAFS Team. A number of recommendations included in the final report, to further enhance the service offering, were adopted by SAFS Management and implemented in 2024/25.

SAFS is a Partnership with each organisation paying an annual fee for Hertfordshire County Council for a contracted service for all Partners. SAFS, as a service, has a number of key objectives developed by its Management Board (the Board) and every Partner has a seat on that Board. For Stevenage Borough Council the **Strategic Director (CFO)** is the Board representative with the **Assistant Director of Finance** acting as their deputy.

Although SAFS will provide much of the Councils operational counter fraud work Council officers are responsible for ensuring the policies, procedures, training and appropriate resources are in place to protect the Council from fraud, corruption and bribery.

## **Budget**

In October 2024 the SAFS Board agreed fees for all Partners from April 2025. The Board also received assurance from financial modelling that the service would be sustainable, in its current form, for the next three years.

Fees for Stevenage Borough Council for 2025-2026 have been agreed at £181,080+ VAT- this is an increase of 4% from 2024-2025

The fee will not include the Councils fees for the Cabinet Office NFI and FraudHub services that will be charged directly by the Cabinet Office.

The Council has a shared legal service including litigation for both civil and criminal matters and all recharges and external fees for these services will be met by the Councils respective service areas/directorates when required.

## **Staffing**

The full complement for SAFS Core Service in 2025-2026 is planned to be 22.5 FTE.

The Council will have access to 521 days of counter fraud work (an increase on the 435 days in 2024/25), access to intelligence functions of the service, all data-matching services being offered through the SAFS Data-Hub and Herts *FraudHub* (hosted by Cabinet Office) and can call on SAFS management for liaison meetings, management meetings and three reports per annum to the Audit and Standards Committee. An Accredited Financial Investigator is available to assist in money laundering or proceeds of crime investigations.

SAFS has access to specialist IT forensics, covert surveillance and national counter fraud intelligence services provided via third parties and criminal litigation services to support the Councils legal team.

SAFS will provide fraud alerts/updates (local and national) to Council officers and senior management of all new and emerging fraud risks through its membership of anti-fraud forums and specialist providers including the Fighting Fraud and Corruption Locally Board (FFCLB) the Credit Industry Fraud Avoidance Service (CIFAS), Certified Institute of Public Finance and Accountancy (CIPFA) Finance, National Fraud Intelligence Bureau (NFIB), Fraud Advisory Panel (FAP), National Anti-Fraud Network (NAFN) and the Public Sector Fraud Authority (PSFA).

## **Workplans & Projects 2025-2026**

As well as an agreed programme of work (see **Appendix A**) SAFS will work in the following areas delivering specific activity agreed with service managers. Progress with this work will be reported to the relevant head of service/managers on a quarterly basis.

| Service Area                 | Agreed Projects  |
|------------------------------|--|
| <b>Corporate Support</b>     | <p><b>General Support.</b><br/> Three Reports to Audit and Governance Committee.<br/> SAFS attendance at Corporate Governance Groups and management meetings to keep fraud risks on the Councils agenda.<br/> Assisting with the development and review of the Councils existing anti-fraud policies.<br/> Money Laundering Reporting Officer (MLRO) role.<br/> Assist with NFI 25/26 Output and FraudHub.<br/> Assisting with Payroll fraud matters including disciplinary investigations.<br/> Identify new fraud risks and fraud alerts.<br/> Membership of various antifraud network forums including NAFN/FFCL/CIFAS/LBFIG/FAP/GCFP/PSFA<br/> A review of the ECCTA 2023 and its implications for the Council.</p> <p><b>Training.</b><br/> Ten fraud training/awareness events for staff/members in year delivered face to face/virtually/hybrid.<br/> Review the Councils I-Learn training package on fraud/bribery/money laundering.<br/> Making the on-line training mandatory with alternative options for staff without access to the Councils intranet.</p> <p><b>Procurement.</b><br/> Work with SIAS and procurement to develop a bespoke risk assessment for fraud in procurement/contract.</p> |
| <b>Revenues and Benefits</b> | <p>Proactive training and awareness for senior leadership and front-line staff.<br/> Reactive investigations for HB/CTRS, incl JW with DWP/FES.<br/> Support for SPD review for the Council via third party providers.<br/> Identify systems/processes/new developments to assist in recovery of debt created by fraud.<br/> NFI/FraudHub output- how this can be managed in 2025/26 between SAFS and R&amp;B Mgt.</p>   |
| <b>Housing Services</b>      | <p>Proactive training and awareness for senior leadership and front-line staff. Training and awareness to be agreed.</p> <p>Reactive investigations for Housing Application, Tenancy fraud and support for RTB process- to include preparation of file for decisions and civil/criminal court hearings on a case-by-case basis.<br/> Targets include:</p> <ul style="list-style-type: none"> <li>• 6-12 social homes secured from sub-letting or other unlawful tenancy breaches.</li> <li>• 100% review of RTB application. (SAFS to review all applications once eligibility confirmed).</li> <li>• 100% review of Succession applications.</li> </ul> <p>Review housing register and current housing stock using NFI and Fraud-Hub capacity to identify fraud/error including the use of local data.<br/> SAFS to provide capacity for NFI 2025/26 and Fraudhub output and work with Housing Officers to resolve discrepancies.<br/> Review of temporary accommodation to identify discrepancies- Use of Cabinet Office/NFI projects to identify fraud/error in TA</p>  |
| <b>Parking Enforcement</b>   | <p>Proactive training and awareness for senior leadership and front-line staff.</p> <p>Investigation into alleged misuse of BB.<br/> Responding to allegations of misuse from the public.<br/> BB Action Days- proactive work with CEOs in hot-spot areas agreed with LBC.</p>   |

## **SAFS KPIs & Standards of Service.**

SAFS will work to a set of KPIs agreed with senior officers and these targets will assist in delivering the Councils Anti-Fraud Plan. The KPI's can be found at **Appendix B** and will be reported to senior officers and Audit and Governance Committee throughout the year.

## **SAFS - Standards of Service.**

SAFS will provide the Council with the following anti-fraud services.

1. 24/7 Access to a fraud hotline, email, and online solution for public reporting.
2. Process for Council staff to report suspected fraud to SAFS via email/phone/weblinks.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, Identity Fraud and Money Laundering.
4. A Money Laundering Reporting Officer service as laid out in the relevant Council policies.
5. Assistance in the design/review of Council policies, processes, and documents to deter/prevent fraud.
6. SAFS will review all anti-fraud strategies and policies or templates used by the Council.
7. SAFS will continue to develop a data-matching solution (NFI- Herts *FraudHub*) to assist in the identification of fraud.
  - The FraudHub will be funded by the Council.
  - The FraudHub will be secure and accessible only by nominated SAFS and Council officers.
  - Data will be collected and loaded in a secure manner.
  - SAFS will design and maintain a data-sharing protocol for all SAFS Partners to review and agree annually.
  - SAFS will work with Council officers to identify datasets (and frequency) of the upload of these.
8. All SAFS Staff will be qualified, trained and/or accredited to undertake their duties lawfully.
9. All SAFS investigations will comply with legislation including DPA, GDPR, PACE, CPIA, HRA, RIPA\* and relevant Council policies and processes.
10. Reactive fraud investigations.
  - Any high profile, high value, high risk cases or matters reported by senior managers will receive a response from SAFS Mgt and be added to the Management Tracker so they are prioritised appropriately.
  - All cases reported to SAFS will be reviewed within 2 days of receipt and decision made on immediate action including selection of cases for further review, no action, investigation, or referral to 3<sup>rd</sup> parties including police, DWP, Action Fraud.
  - The Council will be informed of all reported fraud affecting its services.
  - SAFS will allocate an officer to each case.
  - SAFS officers will liaise with nominated Council officers to access data/systems to undertake investigations.
  - SAFS officers will provide updates on cases and a summary of facts and supporting evidence on conclusion of the investigation for Council officers to review and make any decisions.
  - Where criminal offences are identified SAFS will draft a report for Council officers to decide on any further sanctions/prosecutions.
11. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal in line with the Council's policies.
12. Where any investigation or review identifies any system/process weakness SAFS will provide a confidential report to the relevant head of service of director with recommendations on management/mitigation.
13. SAFS will provide Alerts to the Council, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.
14. SAFS will provide reports to senior management on the progress with delivery of this Plan and any other relevant activity planned or otherwise.
15. SAFS will provide reports through the SAFS Board and to the Council's Audit Committee as agreed in the SAFS Partnership Contract.

*\*Data Protection Act, General Data Protection Regulation, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act, Investigatory Powers Act.*

Appendix A

SBC / SAFS Action Plan 2025/2026

| FFCL Pillars | Objectives  | Activities  | Responsible Officer  |
|--------------|---|---|--|
| Governance   | Having robust arrangements and executive support to ensure anti fraud, bribery and corruption measures are embedded throughout the organisation.  | The Council has in place an Anti-Fraud and Corruption Strategy & Fraud Response Plan and associated policies to deter, prevent, investigate acts of fraud or corruption.  | Chief Executive / Borough Solicitor / Strategic Director (CFO) |
|              |   | The Councils Audit and Governance Committee will receive reports during the year about the arrangements in place to protect the Council against fraud.  | Strategic Director (CFO) /Head of SAFS                         |
|              |   | The Audit and Governance Committee Chairman, along with the senior management team, will ensure compliance with the latest best practice in the Councils anti-fraud arrangements.   | AC Chairman/ Strategic Director (CFO) / Borough Solicitor      |
|              |   | Weaknesses revealed by instances of proven fraud will be fed back to departments with recommendations to 'fraud-proof' systems, and inform future internal audit planning.  | Head of SAFS/ Head of SIAS                                     |
|              |   | The Council will publish its Fraud Data in compliance with the Transparency Code.   | Head of SAFS   |
|              |   | The Council will make it clear through its policies and codes of conduct for staff and Members that fraud and corruption will not be tolerated.   | Strategic Director (CFO) / Head of Human Resources             |
| ACKNOWLEDGE  | Accessing and understanding fraud risks.<br>Committing the right support<br>Demonstrating that it has a robust anti-fraud response.<br>Communicating the risks to those charged with Governance | Inclusion of Fraud Risks and the measures to manage/mitigate these will be included in the Councils Annual Governance Statement.  | Risk Manager / Strategic Director (CFO)                        |
|              |   | The Councils Communication Team will publicise anti-fraud campaigns and provide internal communications to staff on fraud awareness   | Head of SAFS/ Communications & Marketing Mgr                   |
|              |   | The Council will provide fraud awareness & service specific anti-fraud training across Council services and review the E-Learning training available for staff.   | Head of HR / Head of SAFS                                      |
|              |   | The Council is a member of the Hertfordshire Shared Anti-Fraud Service (SAFS). The Strategic Director (CFO) or the Assistant Director of Finance will ensure that the services provided by SAFS are appropriate and provide an effective ROI. | Strategic Director (CFO) / Assistant Director of Finance       |
|              |   | Audits conducted by the Shared Internal Audit Service (SIAS) will take account of known or emerging fraud risks when audit activity is being planned. SIAS will also report any suspected fraud to senior management and SAFS.                | Head of SIAS   |
|              |   | All SAFS staff will be fully trained and accredited. SAFS will continue to work with the Cabinet Office to support the Counter-Fraud Profession.  | Head of SAFS   |
| PREVENT      | Making the best use of data and technology.<br>Enhancing fraud controls.<br>Developing an effective anti-fraud culture.<br>Communicating activity.  | SAFS will provide fraud alerts and new and emerging fraud threats to be disseminated to appropriate officers/staff/services.  | Head of SAFS   |
|              |   | SAFS will work with all Council services to make best use of 3rd party providers such as NAFN, PNLN, CIPFA, CIFAS etc.  | Head of SAFS   |
|              |   | Develop the Councils use of the Herts FraudHub and take part in the NFI 2024/2025 Exercise  | Head of SAFS/ Assistant Director of Finance                    |
|              |   | The Council, and SAFS, will work with other organisations, including private sector, to improve access to data and data-services that will assist in the prevention of fraud.   | Head of SAFS/ Assistant Director of Finance                    |
|              |   | The Council will review data sharing agreements/protocols to ensure compliance with DEA & GDPR/DEA to maximise the use of sharing data with others to help prevent fraud.   | Borough Solicitor  |
|              |   | SAFS will work with the LGA and Cabinet Office to support the work of the Public Sector Fraud Authority.  | Head of SAFS   |
| PURSUE       | Prioritising recovery.<br>Developing capability and capacity.<br>Collaborating across boundaries.<br>Learning lessons and closing the gaps.   | All fraud reported to the Council will be via SAFS fraud reporting tools (web/phone/email) for staff, public and elected Members.   | Head of SAFS   |
|              |   | All investigations will comply with relevant legislation and Council Policies. Investigations will include civil, criminal and disciplinary disposals   | Head of SAFS   |
|              |   | SAFS will utilise its case management system to record and report on all fraud referred, investigated and identified.   | Head of SAFS   |
|              |   | Legal Service and HR and debt recovery teams will seek to 'prosecute' offenders, apply sanctions and recover financial losses- supported by relevant policies.  | Borough Solicitor/ Head of HR/ Assistant Director of Finance   |
|              |   | SAFS and the Councils R&B Service will work with DWP to deliver joint investigations where fraud affects both HB and CTRS   | Head of SAFS/ Head of R&B Shared Service                       |
|              |   | SAFS will use its in-house expertise as well as external partners when considering the use of POCA, Surveillance or IT Forensics.   | Head of SAFS   |
| PROTECT      | Recognising the harm that fraud can cause.<br>Protecting the Council and its' residents.  | SAFS will provide reports on anti-fraud activity at the Council quarterly or as required by Council officers.   | Head of SAFS   |
|              |   | Reports for Audit and Governance Committee will include all counter fraud activity at the Council   | Head of SAFS / Strategic Director (CFO)                        |
|              |   | The Council has in place measures to protect itself against cyber crime, malware and other potential attacks aimed at its IT infrastructure, with training for staff and elected members  | Asst Director Chief Technology Officer                         |
|              |   | SAFS will work with bodies including MHCLG/LGA/FFLB to develop anti-fraud strategies at a national level that support fraud prevention in local government  | Head of SAFS   |

## Appendix B

### SAFS KPIs - 2025/ 2026 (SBC)

| KPI | Measure  | Objectives   | Reason for KPI  |
|-----|--|--|---|
| 1   | Return on investment from SAFS Partnership.                                  | Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.<br>A. Meetings to take place with the Councils S.151, quarterly.<br>B. S.151 or deputy will attend the quarterly meeting of the SAFS Board.  | Transparent evidence to Senior Management that the Council is receiving a service matching its contribution.  |
| 2   | Provide an investigation service.  | A. <b>Target to deliver at least 95% of the funded 521 Days</b> of counter fraud activity including proactive and reactive investigations, data-analytics, staff training and fraud risk management. (Supported by SAFS Intel/Management).<br>B. 3 Reports to Audit & Governance Committee.  | Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.  |
| 3   | Action on reported fraud.  | A. All referrals into SAFS to be reviewed within <b>2 working days</b> .   | Ensure that all cases of reported fraud are triaged within agreed timescales.   |
| 4   | Added value of SAFS membership.  | A. Membership of NAFN & PNLD<br>B. Membership of CIFAS/LBFIG/FAP/FFCL<br>C. NAFN Access/Training for relevant Council Staff<br>D. 10 Training events for staff/Members in year.  | Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.                                |
| 5   | Allegations of fraud received.<br>&<br>Success rates for cases investigated. | A. All reported fraud (referrals) will be logged and reported to officers by type & source.<br>B. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each will be reported to Council officers.<br>C. 6-12 Social homes secured from unlawful use or sub-letting.<br>D. 100% Review of all Right to Buy and 'Succession' applications. | This target will measure the effectiveness of the service in promoting the reporting of fraud & measure the effectiveness in identifying cases worthy of investigation. |
| 6   | Making better use of data to prevent/identify fraud.                         | A. Support the output from NFI 2025/26 Council services.<br>B. Develop and roll-out the benefits of the Herts FraudHub   | Build a data hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.   |

This page is intentionally left blank





Stevenage Borough Council

Audit & Governance Committee

March 2025

## **Purpose**

1. This report provides details of the work undertaken by the Shared Anti-Fraud Service and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2024/25.
2. A final report covering the whole year will be provided to this Committee in the summer with detailed activity against the Anti-Fraud Plan.

## **Recommendations**

### **3. Members are RECOMMENDED to:**

- a) **Note the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council.**

## **Delivery of the Anti-Fraud Plan**

4. The 2024/2025 Anti-Fraud Plan was approved by this Committee at its March 2024 meeting [SBC Anti-Fraud Plan 2024-25 - Covering Report.pdf](#) The Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Corruption Locally Strategy for the 2020s*. The Plan provides assurance that the council continues to benefit from a positive return on its investment in the SAFS Partnership.

## **2024/2025 Anti-Fraud Activity**

### **Prevention**

5. The Council has in place Anti-Fraud, Bribery & Corruption Policies and these are kept under constant review to ensure compliance with current best practice and the impact of any changes required by legislation. A full officer review took place in December 2024.
6. SAFS provides alerts about new and emerging fraud trends through its Board members and directly with officers working in all of our Partners. These alerts come from a variety of sources including the National Anti-Fraud Network (NAFN), Credit Industry Fraud Avoidance Service (CIFAS), National Fraud Intelligence Bureau (NFIB) at the City of London Police, and others.
7. Between April and December 2024 SAFS issued 35 Urgent Fraud Alerts including impersonation/ push payments/ payment diversion/ false identified used in various application frauds. SAFS also provide regular Fraud Threat Reports that summarise new and emerging risks and provide officers with the latest guidance to assist with identification and prevention. SAFS has issued four of these reports this year focused on Multiple Employment fraud, ID fraud, 'Overpayment' linked to money laundering, and MS account take-over.

8. A training plan to build on staff awareness and fraud reporting, along with a publicity campaign to inform the public and encourage fraud reporting has been developed with officers in HR and Comms teams. Twelve specialised training events had been delivered to the end of December 2024 including ID fraud, 'Blue Badge' abuse general fraud awareness for staff and contract/bid-rigging provided by the Competitions and Markets Authority. SAFS also delivered a fraud awareness session for in September 2024 for elected members.
9. Across of our partners SAFS provides Executive Reports (ER) to senior management and internal audit where investigations identify that fraud or attempted fraud occurred due to system/process weaknesses, SAFS also provides recommendations for management to consider the removal/reduction/mitigation of any ongoing fraud risk. We have issued one ER for Council so far this year focused on the fraud risks associated with the use of recruitment agencies all recommendations made by SAFS have been accepted and implemented.

### **Reactive Work**

10. Between April and end of December 2024 138 allegations of fraud had been received by the Council/SAFS affecting service areas such as housing, council tax, procurement, and Blue Badge misuse. SAFS currently have 52 cases under investigation, or at referral stage (21), with estimated losses of £1.2m recorded in this caseload. SAFS have closed 31 investigations with fraud identified on 14 occasions. Fraud losses of £65k have been reported, but savings through prevention amounts to £211k. SAFS have also conducted compliance reviews of 23 low value frauds identifying £20k of additional revenue in council tax.
11. Two cases have been referred to the Councils legal team to consider prosecution. These are both significant cases with high losses for the Council and will take some time to resolve through the court process. The Council makes use of financial penalties as alternatives to prosecution where appropriate.
12. SAFS continues to work closely across the Council Housing services, working with officers to assist in the recovery of council properties that are being sub-let or misused, preventing fraudulent right to buy applications and identifying fraudulent housing applications. So far this year three properties have been secured and re-let to local residents from the Councils housing register. A number of cases are with the Councils housing and/or legal teams pending recovery at the time of writing this report.
13. As well as working with the Councils housing services SAFS continues to work with registered housing providers to investigate allegations of 'tenancy-fraud' committed against the social housing stock within the Councils boundaries. Currently a number such cases are being dealt with and one property has been recovered within the Councils area.

## **Proactive Work**

14. SAFS officers have reviewed 130 'right to buy' (RTB) applications and 35 Succession applications to ensure that there was no fraud or money laundering concerns with these. To the end of December 6 of these applications required further investigation with one right to buy being declined due to fraud or suspected money laundering. The volume of RTB applications received by the Council increased following announcements in the Autumn Budget making the scheme much less attractive financially for all social housing tenants.
15. As part of an ongoing exercise in the town centre SAFS officers are working with the Housing Team to target Council properties where data held by the Council indicates that the tenants are no longer living at the address. This work has produced some very interesting outcomes and officers are looking for ways to replicate this exercise more widely across the Borough.
16. SAFS and Council officers ensured that all data required for submission as part of the Cabinet Office 'National Fraud Initiative' (NFI) was uploaded on time and meeting the correct specification. The output from this two-yearly national exercise produced 435 general matches (further creditors and council tax reports will be released in Q4), officers from SAFS and the Council are reviewing all matches at present with the intention to clear this work by the end of Q4.
17. The Council is signed up the Herts Fraudhub for the current year. The FraudHub works in a similar fashion to the main NFI exercise with data being submitted along with the other SAFS partners to help identify fraud through data-analysis/matching. In Q1- Q3 all agreed datasets were successfully uploaded. So far the FraudHub has identified in excess of 1,200 records for review, SAFS and Council officers are reviewing these at present with small number identifying fraud and error already.
18. As part of the FraudHub activity planned for the current year SAFS worked with the Cabinet Office to develop a national pilot to assist in the identification of potential tenancy fraud using various third-party datasets. This pilot has had very limited success so far, but we are continuing to work with the Cabinet Office, and their software developer, to enhance this pilot in the second half year along with the use of additional data from the private sector.

## SAFS Performance

19. SAFS KPIs were agreed in the Anti-Fraud Plan, progress is reported below.

### SAFS KPIs - 2024/ 2025- (SBC)

| KPI | Measure   | Objectives  | Performance to December 2024   |
|-----|---|---|--|
| 1   | Return on investment from SAFS Partnership.                   | Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.<br>A. Meetings to take place with the Strategic Director (CFO) quarterly.<br>B. Strategic Director (CFO) or deputy will attend SAFS Board meetings quarterly.<br>C. Regular meetings to take place with Directors/Service Leads to agree and update local work plans. | A. Meetings take place with the Strategic Director (CFO) to discuss delivery of the AF Plan. In addition ad-hoc meetings take place at the Directors request.<br>B. Strategic Director (CFO) or deputy are both members of the SAFS Board and attends its quarterly meetings.<br>C. SAFS meet with other service leads across the Council with a focus on high-risk areas. |
| 2   | Provide an investigation service.                             | A. Deliver between 90% and 110% of the <b>435</b> Days of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management.<br>B. <b>3</b> Reports to Audit Committee.<br>C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.  | A. To the end of December 2024 SAFS had provided <b>374 days</b> (86%) of those planned for the year.<br>B. 3 reports in all will be delivered in 24/25 at the September/December/ March A&G meetings.<br>C. SAFS continues to attend CGG.   |
| 3   | Action on reported fraud.                                     | A. SAFS response to all urgent/ high risk cases within <b>1 working day</b> .<br>B. All other cases <b>2 Days</b> on Average.   | For Q1-Q3 SAFS responded to 100% of referrals within 24 hours on average. <b>(We are still unable to report separately on Urgent cases)</b>  |
| 4   | Added value of SAFS membership.                               | A. <b>Membership of NAFN &amp; PNLD</b><br>B. Access to CIFAS/NCSC/AF/FFCL alerts/trends/best practice<br>C. NAFN Access/Training for relevant Council Staff<br>D. <b>10</b> Training events for staff/Members in year. (To be agreed with Directors/ Service leads and HR)   | A. SBC via SAFS are subscribed to NAFN/PNLD<br>B. All access to best practice sites are in place.<br>C. NAFN access and training for officers is in place for 2024/25<br>D. 12 Sessions delivered in 2023/24 so far with one session provided to Members of the A&G Committee.   |
| 5   | Allegations of fraud. & And outcomes from cases investigated. | A. All reported fraud (referrals) will be logged and reported to officers by type & source.<br>B. All cases investigated will be recorded and the financial value, including loss/recovery/ savings of each will be reported to officers.<br>C. <b>12 Social homes</b> secured from unlawful use or sub-letting.<br>D. <b>100% Review</b> of all Right to Buy and 'Succession' applications.                                  | A. Fraud reporting options available for staff and residents on the Council's webpage and intranet- This is linked to SAFS reporting tools.<br>B. All cases with reports/values/outcomes recorded on SAFS CMS.<br>C. <b>5 properties recovered with several more pending recovery at the time of reporting.</b><br>D. 100% review of all RTBs and Successions.             |
| 6   | Making better use of data to prevent/identify fraud.          | A. Support the output from <b>NFI 2024/25</b> across all Council services.<br>B. Membership of the <b>Herts FraudHub in 2024/25</b> .   | A. The NFI data-upload was achieved in full October with plans to review output in Q4<br>B. The Council has a contract in place for the FHub and data is being uploaded and output under review with Council officers.   |

## Further Reading

20. List of Background Papers - Local Government Act 1972, Section 100D

- (b) **Councillors Workbook on Bribery & Fraud Prevention** (LGA 2017)
- (c) **Fighting Fraud and Corruption Locally- A Strategy for the 2020's**  
(CIPFA/CIFAS/LGA 2020)
- (d) **Tackling Fraud in the Public Sector** (CIPFA 2020)
- (e) **Lost Homes Lost Hope** (Fraud Advisory Panel 2023)



# INTERNAL AUDIT PLAN REPORT 2025/26

## STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE  
25 MARCH 2025

### **RECOMMENDATION**

Members are recommended to approve the proposed Stevenage Borough Council Internal Audit Plan for 2025/26

Members are requested to note the SIAS Internal Audit Strategy and provide any comments prior to approval by the SIAS Board

## **Contents**

### **1. Introduction and Background**

### **2. Audit Planning Process**

2.1 Planning Principles

2.2 Approach to Planning

2.11 Planning Context

2.14 Internal Audit Plan 2025/26

### **3. Performance Management**

3.1 Update Reporting

3.3 Performance Indicators

## **Appendices**

A Proposed Stevenage Borough Council Internal Audit Plan  
2025/26

B Risk Register Mapping to Internal Audit Plan

C Glossary of Terms

D SIAS Internal Audit Strategy



# 1. Introduction and Background

- 1.1 The purpose of internal audit is 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.
- 1.2 The International Professional Practices Framework (IPPF) organises the authoritative body of knowledge for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards (GIAS), Topical Requirements (designed to enhance the consistency and quality of internal audit services related to specific audit subjects) and Global Guidance. The Public Sector Internal Audit Standards, which encompassed the mandatory elements of the IPPF, have been replaced by the Application Note Global Internal Audit Standards in the UK Public Sector. Taken together, the GIAS and the Application Note will form the basis of UK public sector internal audit effective from 1 April 2025. The Note states that a professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 1.3 The SIAS Board reviewed the SIAS Internal Audit Strategy in 2024, and this strategy outlines how SIAS will achieve the purpose of internal audit and ensure ongoing compliance with the GIAS (UK public sector). The following report follows the key principles related to Audit Planning and Resourcing, with the Internal Audit Strategy itself attached as an appendix. The GIAS (UK public sector) includes setting out how SIAS must approach internal audit planning. The specific requirements that SIAS must adhere to are set out below:

| Standard          | Description   |
|-------------------|---|
| Domain III<br>6.3 | <b>Board and Senior Management Support</b><br>It is an essential condition for Senior Management and the Audit Committee to approve the internal audit plan.  |
| Domain III<br>8.1 | <b>Board Interaction</b><br>The Chief Audit Executive (CAE) must provide the Audit Committee with the information needed to conduct its oversight responsibilities. This includes the internal audit plan and subsequent significant revisions.   |
| Domain III<br>8.2 | <b>Resources</b><br>The CAE, Audit Committee and Senior Management must collaborate to ensure that internal audit has sufficient resources to fulfil the internal audit mandate and achieve the internal audit plan. This should be at least annually, and cover numbers and capability, as well as the impact and remedy of insufficient resources on the internal audit mandate and plan (if applicable). |
| Domain III<br>8.3 | <b>Quality</b><br>Amongst the essential conditions in this standard is a requirement for the Audit Committee to review and approve  |

|                          |   |
|--------------------------|---|
|                          | <p>the internal audit functions performance objectives at least annually. This includes its conformance with the Standards, laws and regulations, ability to meet the internal audit mandate, and progress towards completion of the internal audit plan.</p>   |
| <p>Domain IV<br/>9.3</p> | <p><b>Methodologies</b></p> <p>The CAE must establish methodologies to guide the internal audit function in a systemic and disciplined manner to implement the internal audit strategy, develop the internal audit plan, and conform with the Standards.</p>  |
| <p>Domain IV<br/>9.4</p> | <p><b>Internal Audit Plan</b></p> <p>The CAE must create an internal audit plan that supports the achievement of the council’s objectives.</p> <p>The CAE must base the internal audit plan on a documented assessment of the organisation’s strategies, objectives, and risks. The assessment must be informed by input from the Audit Committee and Senior Management as well as the chief audit executive’s understanding of the organisation’s governance, risk management, and control processes. The assessment must be performed at least annually.</p> <p>The internal audit plan must:</p> <ul style="list-style-type: none"> <li>• Consider the internal audit mandate and the full range of agreed to internal audit services.</li> <li>• Specify internal audit services that support the evaluation and improvement of the council’s governance, risk management, and control processes.</li> <li>• Consider coverage of information technology governance, fraud risk, the effectiveness of the council’s compliance and ethics programs and other high-risk areas.</li> <li>• Identify the necessary human, financial, and technological resources necessary to complete the plan.</li> <li>• Be dynamic and updated timely in response to changes in the council’s business, risk operations, programs systems, controls, and organisational culture.</li> </ul> <p>The CAE must review and revise the internal audit plan as necessary and communicate timely to the Audit Committee and Senior Management:</p> <ul style="list-style-type: none"> <li>• The impact of any resource limitations on internal audit coverage.</li> <li>• The rationale for not including an assurance engagement in a high-risk area or activity in the plan.</li> <li>• Conflicting demands for services between major stakeholders, such as high priority requests based upon emerging risks and requests to replace planned assurance engagements with advisory engagements.</li> </ul> |

|                              |   |
|------------------------------|---|
|                              | <ul style="list-style-type: none"> <li>• Limitations on scope or restrictions on access to information.</li> </ul> <p>The CAE must discuss the internal audit plan, including significant interim changes, with the Audit Committee and Senior Management. The plan and significant changes to the plan must be approved by the Audit Committee.</p>  |
| Domain IV<br>10.1 to<br>10.3 | <p><b>Financial, Human and Technological Resources Management</b></p> <p>The CAE must ensure that financial, human, and technological resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan.</p> <p>The CAE must communicate with the Audit Committee and Senior Management regarding the appropriateness and sufficiency of the internal audit function’s resources. If the function lacks appropriate and sufficient resources to achieve the internal audit plan, the CAE must determine how to obtain the resources or communicate timely to the Audit Committee and Senior Management the impact of the limitations.</p> |
| Domain V<br>13.2             | <p><b>Engagement Risk Assessment</b></p> <p>To develop an adequate understanding, internal auditors must identify and gather reliable, relevant, and sufficient information regarding the risk assessment supporting the internal audit plan.</p>   |

- 1.4 The Council’s Internal Audit Plan sets out the programme of internal audit work for the year ahead, and forms part of the Council’s wider assurance framework. It supports the requirement to produce an overall audit opinion or conclusion on the internal control environment of the Council, as well as a judgement on the robustness of risk management and governance arrangements, contained in the Chief Audit Executive’s Annual Opinion Report.
- 1.5 The Shared Internal Audit Service’s (SIAS) Audit Charter was presented to the June 2024 meeting of this Committee, and it shows how the Council and SIAS work together to provide a modern and effective internal audit service. This approach conforms with the requirements of the GIAS (UK public sector). An updated version of the SIAS Internal Audit Charter will be brought to the June 2025 Audit Committee meeting for Member approval.
- 1.6 Section 2 of this report details how SIAS complies with these requirements.

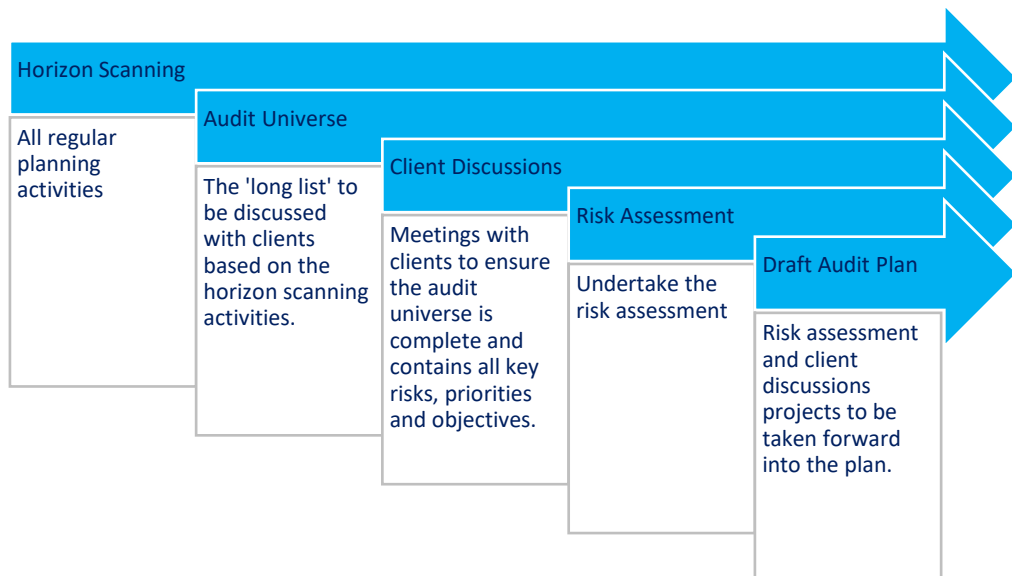
## 2. Audit Planning Process

### Planning Principles

- 2.1 SIAS audit planning is underpinned by the following principles:
- a) Focus of assurance effort on the Council's obligations, outcomes and objectives, critical business processes and projects and principal risks. This approach ensures coverage of both strategic and key operational issues.
  - b) Maintenance of an up-to-date awareness of the impact of the external and internal environment on the Council's control arrangements.
  - c) Use of a risk assessment methodology to determine priorities for audit coverage based, as far as possible, on management's view of risk.
  - d) Dialogue and consultation with key stakeholders to ensure an appropriate balance of assurance needs. This approach includes recognition that in a resource-constrained environment, all needs cannot be met.
  - e) Identification of responsibilities where services are delivered in partnership.
  - f) In-built flexibility to ensure that new risks and issues are accommodated as they emerge.
  - g) Capacity to deliver key commitments including governance work.
  - h) Capacity to respond to management requests for assistance with special investigations, consultancy, and other forms of advice.

### Approach to Planning

- 2.2 SIAS has developed an approach to annual planning that ensures conformance with the requirements of the GIAS (UK public sector). SIAS applies the following methodology at its partners:



## Horizon Scanning and Audit Universe

- 2.3 SIAS conducts horizon scanning to ensure that it is aware of the key issues and risks locally and nationally as well as the corporate and service objectives of the Council. To do this, SIAS undertakes the following activities:



- 2.4 Following the horizon scanning work, SIAS creates an Audit Universe based on all auditable areas and entities. The Audit Universe forms the basis of discussions with Senior Managers.

### Client Discussions

- 2.5 SIAS undertook discussions with senior managers and other key officers within the Council to confirm auditable areas and elicit high level detail of the scope of audits. This process incorporates the following steps to assist in the prioritisation of proposed internal audit projects:

#### *Risk Assessment*

Senior Managers and SIAS agree the level of risk associated with an identified auditable area and prioritise this accordingly.

#### *Assurance Mapping / Other sources of Assurance*

The results of assurance mapping are consulted and discussed with Senior Managers to determine whether assurance in the auditable area is obtained

from other assurance providers e.g., external audit or the Health and Safety Executive. This approach ensures that provision of assurance is not duplicated.

#### *Significance*

Senior Managers assess how significant the auditable area is in terms of the achievement of corporate or service objectives and priorities.

#### *Timings*

Senior Managers identify when an audit should be undertaken to add most value.

#### Risk Assessment

- 2.6 The overarching risk that SIAS bases planning against is the risk that audit work completed does not provide sufficient coverage and significance for SIAS to provide a robust annual assurance opinion. Therefore, SIAS risk assesses each auditable area to ensure that their resources are directed appropriately.
- 2.7 The risk assessment behind the development of the 2025/26 Internal Audit Plan was strongly correlated to the Council's Delivery Plan and associated Council monitoring through risk assessments, KPI's and project progress.
- 2.8 SIAS also include considerations of financial materiality, corporate significance, vulnerability and change and management concerns, as part of the risk assessment, including alternative sources of assurance through assurance mapping and the Three Lines (of Defence) model.

#### Draft Audit Plan

- 2.9 The results of the risk assessment and discussions with Senior Mangers provides a draft Internal Audit Plan. SIAS has presented this draft plan to the Senior Leadership Team to seek their views on the assessments completed and to provide any further updates or comments. The outcome is now presented to Members as part of this report for their approval of the Draft Internal Audit Plan 2025/26.

#### **The Planning Context**

- 2.10 The context within which local authorities provide their services remains challenging:
  - Demand for services is still rising, driven by a range of factors including the growing and ageing population, and challenges in the healthcare system. Combined with the cost of living, local authorities will have to continue to be more innovative and commercially minded.
  - Macro-economic uncertainty continues, driven by factors such as inflation, interest rates, energy costs and a range of geo-political tensions. Resulting

significant cost pressures and limited government funding make financial planning a key component of managing local government finance challenges.

- Cyber and data security remains a consistent threat to organisations and there are a growing number of local authorities that have been subjected to successful cyber-attacks. Continued vigilance and risk management remain key to protecting local authority assets and services.
- Local authorities are facing significant challenges in relation to human resources and talent management, both in terms of vacancy management, recruitment and retaining staff meaning ability to remain resilient and deliver high quality services may continue to be an increasing concern.
- Many local authorities have declared a Climate & Ecological Emergency and made public commitments relating to carbon reduction and becoming Net Zero.

2.11 The resultant efficiency and transformation programme that councils are in the process of implementing and developing continues to profoundly alter each organisation's nature. Such developments are accompanied by potentially significant governance, risk management and internal control change.

2.12 The challenge of giving value in this context, means that Internal Audit needs to:

- Meet its core responsibilities, which are to provide appropriate assurance to Members and senior management on the effectiveness of governance, risk management and control arrangements in delivering the achievement of Council objectives.
- Identify and focus its effort on areas of significance and risk, assisting the organisation in managing change effectively, and ensuring that core controls remain effective.
- Give assurance which covers the control environment in relation to new developments, using leading edge audit approaches such as use of technology to achieve 'whole population testing' and new insights over sampling or 'continuous assurance' where appropriate.
- Retain flexibility in the audit plan and ensure the plan remains current and relevant as the financial year progresses, this is particularly key given the current challenges and risks and the impact this has had on audit activity.

## Internal Audit Plan 2025/26

- 2.13 The draft plan for 2025/26 is included at Appendix A and contains a high-level proposed outline scope for each audit. The number of days commissioned in 2025/26 is confirmed as 300 days.
- 2.14 The table shows the estimated allocation of the total annual number of purchased audit days for the year.

| Coverage                       | 2025/26<br>Days | %           |
|--------------------------------|-----------------|-------------|
| Key Financial Systems          | 74              | 25          |
| Corporate Themes               | 54              | 18          |
| Operational Areas              | 94              | 31          |
| IT Audits                      | 6               | 2           |
| Grants Certification           | 6               | 2           |
| Strategic Support*             | 51              | 17          |
| Contingency                    | 5               | 2           |
| Completion of 2024/25 Projects | 10              | 3           |
| <b>Total allocated days</b>    | <b>300</b>      | <b>100%</b> |

\* This covers supporting the Audit Committee, monitoring delivery of the audit plan, client liaison and planning for 2026/27

- 2.15 Any significant audit plan changes agreed between Management and SIAS will be brought before this committee for noting through the usual plan update reporting cycle. The postponement or cancellation of any audits will require approval from the Strategic Director & S151 Officer. It should be noted that the Internal Audit Plan is intended to be dynamic and responsive to changing risks and matters arising during the year.
- 2.16 Members will note the inclusion of a provision for the completion of projects that relate to 2024/25. The structure of Internal Audit's programme of work is such that full completion of every aspect of the work in an annual plan is not always possible, especially given the high dependence on client officers during a period where local government faces significant resourcing risks.
- 2.17 The nature of assurance work is such that enough activity must have been completed in the financial year, for the Chief Audit Executive to give an overall opinion on the Authority's internal control, governance, and risk management framework. In general, the tasks associated with the total completion of the plan, which includes the finalisation of all reports and negotiation of the appropriate level of agreed mitigations, is not something that adversely affects delivery of the overall opinion. The impact of any outstanding work is monitored closely during the final quarter by SIAS in conjunction with the Strategic Director & S151 Officer.



## Resources

- 2.18 Standard 8.2 and 10.1 to 10.3 requires SIAS to ensure that financial, human, and technological resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan, as well as any limitations of the adequacy of resources.
- 2.19 Achievement of our role and objectives is predicated on the matching of audit needs to available resources through our work allocation processes. This is accomplished through the delivery of internal audit activities by a range of suitably qualified and experienced team members working flexibly in a matrix structure to maximise the value to all our partners and clients. SIAS resources are calculated based on the chargeability of each member of the team and the structure was designed to ensure sufficient chargeability to deliver all plans.
- 2.20 SIAS will utilise our internal audit delivery partner to provide service resilience and access to specialist skills not currently available within the service, or which are not economically viable to recruit and retain on a permanent basis.
- 2.21 SIAS staff are provided training and development across the year to support service delivery at our partners. In addition, SIAS provides funding for professional qualifications and currently has five team members studying towards their professional qualifications.
- 2.22 The service will be adequately resourced to deliver the number of planned internal audit days commissioned by Stevenage Borough Council. There are currently no limitations on the adequacy of resources in place to deliver the Stevenage Borough Council Internal Audit Plan 2025/26.
- 2.23 The SIAS Internal Audit Strategy is set out at Appendix D.

## **3. Performance Management**

### Update Reporting

- 3.1 SIAS is required to report its work to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. Progress against the agreed plan for 2025/26 and any proposed changes will be reported to this Committee four times in the 2025/26 civic year.
- 3.2 SIAS will report on the implementation of agreed critical, high, and medium priority recommendations as part of the update reporting process.

## Performance Indicators

3.3 Annual performance indicators were approved at the SIAS Board and are reviewed annually by the Board. Details of the targets set for 2025/26 are shown in the table below. Actual performance against target will be included in the regular update reports to this Committee.

| Performance Indicator  | Performance Target | Reporting Frequency |
|--|--------------------|---------------------|
| <b>1. Public Sector Internal Audit Standards</b> – the service conforms with the standards   | Yes                | Annually            |
| <b>2. Internal Audit Annual Plan Report</b> – approved by the March Audit Committee or the first meeting of the financial year should a March committee not meet | Yes                | Annually            |
| <b>3. Annual Internal Audit Plan Delivery</b> – the percentage of the Annual Internal Audit Plan delivered (measured in audit days)                              | 95%                | Quarterly           |
| <b>4. Project Delivery</b> – Percentage of audit plan projects delivered to draft report stage by 31 March 2026  | 90%                | Quarterly           |
| Percentage of audit plan projects delivered to final report stage as reported within the CAE Annual Assurance and Opinion report.                                | 100%               | Quarterly           |
| <b>5. Client Satisfaction*</b> – percentage of client satisfaction questionnaires returned at ‘satisfactory overall’ level (minimum of 39/65 overall)            | 90%                | Quarterly           |
| <b>6. Chief Audit Executive’s Annual Assurance Opinion and Report</b> – presented at the first Audit Committee meeting of the financial year                     | Yes                | Annually            |

## APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26

### Coverage of Key Financial Systems (74 days)

| <u>Audit Title</u>  | <u>Purpose of the Audit</u>  | <u>Days</u> | <u>Delivery Quarter</u> | <u>Audit Sponsor</u>              |
|---------------------|--|-------------|-------------------------|-----------------------------------|
| Business Rates      | An in-depth audit covering one or more aspects of business rates administration e.g. determining liability, the application of discounts / exemptions, billing arrangements, the collection of payments, recovering outstanding debt and approving refunds. A joint audit reflecting the shared service with East Herts Council. | 6           | 3                       | Strategic Director & S151 Officer |
| Council Tax         | An in-depth audit covering one or more aspects of council tax administration e.g. determining liability, the application of discounts / exemptions, billing arrangements, the collection of payments, recovering outstanding debt and approving refunds. A joint audit reflecting the shared service with East Herts Council.    | 6           | 3                       | Strategic Director & S151 Officer |
| Housing Benefits    | An in-depth audit covering one or more aspects of Housing Benefits administration e.g. claims verification and processing, payment arrangements, fraud prevention and detection. A joint audit reflecting the shared service with East Herts Council.  | 6           | 3                       | Strategic Director & S151 Officer |
| Accounts Receivable | An audit covering the invoicing of customers for works, goods, or services. The collection and recovery of outstanding sums. Denial of service when payment is not forthcoming.  | 8           | 4                       | Assistant Director - Finance      |
| Accounts Payable    | An audit covering the payment of invoices received. Use of purchase orders, supplier   | 8           | 4                       | Assistant Director – Finance      |

## APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26

|                     |  |    |   |   |
|---------------------|--|----|---|---|
|                     | onboarding, receipt and verification of invoices, payment arrangements and credit notes.   |    |   |   |
| Treasury Management | An audit covering governance and reporting, cash flow and risk management, record keeping and completion of reconciliations.   | 6  | 3 | Assistant Director – Finance                  |
| Insurance           | An audit covering insurance provision, claim management, self-insurance, and renewal arrangements.   | 6  | 1 | Assistant Director – Finance                  |
| Payroll             | An in-depth audit covering one or more aspects of Payroll administration, e.g. verification of starters and leavers, verifying that additions / amendments / deductions from pay are appropriate, payments to employees are correct. | 10 | 4 | Head of Human Resources                       |
| Cash & Banking      | An in-depth audit covering one or more aspects of income received e.g. payment card security, cash handling arrangements and interfaces with the financial management information system.  | 8  | 3 | Assistant Director – Finance                  |
| Housing Rents       | An in-depth audit covering one or more aspects of housing rents administration e.g. determining liability, the application of housing benefits, the collection of rent payments, recovering outstanding debt and approving refunds.  | 10 | 4 | Assistant Director – Housing & Neighbourhoods |

Page 44

### Coverage of Corporate Themes (60 days)

| <u>Audit Title</u>        | <u>Purpose of the Audit</u>   | <u>Days</u> | <u>Delivery Quarter</u> | <u>Audit Sponsor</u>         |
|---------------------------|---|-------------|-------------------------|------------------------------|
| Review of Audit Committee | Annual independent assurance on the effectiveness of the Council's Audit Committee, | 6           | 1                       | Assistant Director - Finance |

## APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26

|                                    |  |   |     |   |
|------------------------------------|--|---|-----|---|
|                                    | reviewing the operation and management of its meetings and benchmarking its performance against recognised good practice.  |   |     |   |
| Transformation / Change Management | A provision for supporting the council's change management activity, checking that governance arrangements are appropriate and budgeted financial benefits have been realised.   | 6 | 3   | Assistant Director – Digital & Transformation |
| Risk Management                    | An audit covering associated policy and procedures, risk registration, ownership, risk ranking and mitigation measures.  | 6 | 3   | Strategic Director                            |
| Corporate Governance               | An audit covering compliance with the Code of Corporate Governance, and associated policies and procedures.  | 6 | 4   | Strategic Director                            |
| On Demand Grant Certification      | Provision for auditing grant claims in accordance with the providers terms and conditions. Such requests are typically made on an adhoc basis.   | 6 | 1-4 | Various                                       |
| Equality, Diversity & Inclusion    | An advisory project to conduct an EDI maturity assessment that encompasses one or more themes e.g. Tone from the top, Governance, Compliance and Strategy, Policies, procedures, training / awareness, and development. To include reliance upon alternative assurance | 6 | 2   | Head of Human Resources                       |
| Social Media / Communications      | An in-depth audit covering policies & procedures in place, identification of business need, vetting of communication channels, roles & responsibilities, procedural compliance, and monitoring.  | 8 | 2   | Assistant Director – Digital & Transformation |
| Procurement Act                    | An in-depth audit covering associated policy, embedding changes resulting from the Act, and compliance.  | 8 | 1   | Assistant Director - Finance                  |

## APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26

|                     |  |   |   |                    |
|---------------------|--|---|---|--------------------|
| Ombudsman Referrals | An audit covering referrals received from the Ombudsman, that these are responded to within required timescales and where complaints or Ombudsman judgements are upheld, the Council undertakes appropriate actions to improve systems | 8 | 2 | Strategic Director |
|---------------------|--|---|---|--------------------|

### Coverage of Operational Areas (94 days)

| <u>Audit Title</u>                   | <u>Purpose of the Audit</u>   | <u>Days</u> | <u>Quarter</u> | <u>Audit Sponsor</u>   |
|--------------------------------------|---|-------------|----------------|--|
| Housing Repairs                      | An in-depth audit covering the procurement of repairs to the Council's housing stock, including ordering, variations, invoice approval and verifying completion of works.       | 12          | 2              | Assistant Director Building Safety & Housing Property Services |
| Building Safety Compliance Checks x2 | Reviews of building safety compliance e.g. fire, water.   | 12          | 2&4            | Assistant Director Building Safety & Housing Property Services |
| Recycling                            | An audit of processes and procedures for handling and transferring recyclable materials, including reliance upon alternative assurance such as the Environment Agency.          | 10          | 2              | Assistant Director - SDS                                       |
| Parks & Open Spaces                  | An in-depth audit covering one or more elements of managing the districts parks and open spaces e.g. grounds maintenance contract, health & safety, and environment management. | 10          | 1-2            | Various  |
| Follow Up Audit Provision (x2)       | Provision for up to follow up 2 Limited Assurance audits from prior years.  | 10          | 1-4            | Various  |
| Housing Register & Allocations       | An in-depth audit of the system for registering housing need and allocating available housing stock.  | 10          | 2              | Assistant Director – Housing & Neighbourhoods                  |

## **APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26**

|                   |  |    |   |  |
|-------------------|--|----|---|--|
| Building Security | An in-depth review of security arrangements at Council buildings and key infrastructure.   | 10 | 1 | Various  |
| Damp & Mould      | An in-depth review of the system for addressing damp and mould within the housing stock, demonstrating compliance with regulations, signposting customers to appropriate guidance. | 10 | 2 | Assistant Director Building Safety & Housing Property Services |
| Garages           | An audit covering one or more aspects of garage lettings e.g. collection of rental payments.   | 10 | 1 | Assistant Director – Housing & Neighbourhoods                  |

### **Coverage of Information Technology (6 days)**

| <b><u>Audit Title</u></b>                          | <b><u>Purpose of the Audit</u></b>   | <b><u>Days</u></b> | <b><u>Quarter</u></b> | <b><u>Audit Sponsor</u></b>   |
|--|--|--------------------|-----------------------|---|
| Cyber Security - Reliance on Alternative Assurance | A review of assurance provided by third parties, relating to cyber security risks. | 6                  | 2                     | Assistant Director, Chief Technology Officer, and Senior Information Risk Owner |

### **Contingency (5 days)**

Available time for ad hoc work as required.

### **Strategic Support (51 days)**

| <b><u>Title</u></b>                         | <b><u>Purpose</u></b>                                 | <b><u>Days</u></b> |
|---|---|--------------------|
| Chief Audit Executive Annual Opinion Report | To prepare the Chief Audit Executive Opinion 2024/25. | 3                  |

## **APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26**

|                        |  |    |
|------------------------|--|----|
| Audit Committee        | To provide services linked with the preparation, agreement, and presentation of Audit Governance Committee reports, as well as any training requirements.    | 12 |
| Performance Monitoring | Audit Plan monitoring against agreed KPIs.   | 12 |
| Client Liaison         | Meetings with the S151 Officer, preparation and attendance at the Risk Management and Corporate Governance Groups, and other groups or meetings as required. | 8  |
| Audit Planning 2026/27 | Provision of services to prepare, agree and report the 2026/27 Annual Audit Plan.  | 6  |
| SIAS Development       | Included to reflect the Council's contribution to developing the shared service.   | 10 |

### **2024/25 Carry Forward (10 days)**

Available time for completion of 2024/25 audits which did not commence or complete as scheduled.

### **Reserve List**

| <b><u>Title</u></b>                            | <b><u>Purpose</u></b>  |
|--|--|
| Civil Contingencies                            | An audit covering one or more aspects of the council's responsibilities as a category 1 responder e.g. emergency planning/scenario assessment and local alignment with the National Risk Register.   |
| Bribery Act 2010                               | An audit covering the main provisions of the Bribery Act and the actions that must be taken to mitigate related risks, including the six principles.   |
| Grant Funding Administration                   | An audit to provide assurance that the management control framework over grant administration is effective and being executed appropriately.   |
| Contract Management                            | An audit of the Active Communities Leisure Management Contract monitoring arrangements.  |
| Devolution and Local Government Reorganisation | The English Devolution White Paper published in December 2024 set out Government's intention for all areas of the country to be covered by an elected Mayor and all two-tier areas like Hertfordshire, to be reorganised into single tier unitary authorities. The Local Government Minister wrote to all County and District councils in February 2025, including those from Hertfordshire, formally inviting the submission of |



## APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2025/26

|  |   |
|--|---|
|  | <p>initial proposals for local government reorganisation by 21 March, followed by full proposals by 28 November 2025.</p> <p>The Leaders and senior officers of all councils in Hertfordshire are seeking to build a shared evidence base to inform decision making, proposals and structures. The ultimate decision on any proposals will be for the Secretary of State for Housing Communities and Local Government.</p> <p>While time may not be required in the 2025/26 Internal Audit Plan for assurance activities related to devolution and local government reorganisation, this entry on the reserve list provides the opportunity to elevate the topic into the plan should it be needed and permits consideration as part of future audit plans.</p> |
|--|---|

## APPENDIX B – RISK REGISTER / COUNCIL CORPORATE PLAN MAPPING TO INTERNAL AUDIT PLAN

| Council Corporate Plan and Corporate Risks - Risk Register  | Internal Audit Coverage 2021/22 – 2024/25  | Internal Audit Coverage 2025/26  | Assurance Mapping and Other Assurance  |
|---|--|--|--|
| Insufficient capital funding available to invest in the Council's non-housing property portfolio          | Capital Programme Delivery<br>Asset Management<br>Commercial Property  |  | Corporate Landlord Review<br>Asset management system to be used for Reporting  |
| The Council does not have sufficient resources to fund its medium and long term service plans             | Revenues<br>Accounts Payable/Receivable<br>Payroll<br>Treasury Management<br>Asset Management<br>Grants<br>Housing Rents | Revenues<br>Accounts Payable/Receivable<br>Payroll<br>Treasury Management<br>Asset Management<br>Grants<br>Housing Rents | Savings realisation checks<br>Member oversight   |
| Failure to proactively maintain the Council's non-housing property portfolio                              | Planned & Response Maintenance of the Council's Estate   | Garages  | Auditing of contractors<br>Corporate Landlord function<br>Corporate Compliance Group   |
| Failure to meet the new requirements of the Building Safety Act/Fire Safety Act                           | Landlord Health & Safety Compliance<br>Compliance Checks<br>Facilities Management  | Compliance Checks  | Performance scorecard<br>Corporate Compliance Group  |
| The Council fails to retain, attract, and recruit the right people and right skills at all levels         | Corporate Capacity<br>Sickness Absence Management<br>Ways of Working   | Equality, Diversity & Inclusion  | Performance targets<br>Transition plans  |
| Stevenage is unable to meet the government's net zero target for the town of Stevenage by 2050            | Climate Data & Reporting<br>Decarbonisation Grant Audit  | Recycling<br>Parks & Open Spaces   | Update report to SLT, Cabinet, and E&E Select Committee<br>Climate Action Plan Tracker<br>EELGA-RCCF Sustainable Procurement Group |
| The Council fails to achieve its commercial ambitions within desired timescales or at the scale hoped for | Commercialisation<br>Commercial Property   |  | Review of contract management arrangements   |
| A failure to ensure resilience, quality and best value are being provided by suppliers and contractors    | Contract Management<br>Tendering<br>Supply Chain Interruption  | Procurement Act  | Review of CSOs and Procurement Strategy to Cabinet   |
| The delivery of homes through the Wholly Owned Company, creates a financial risk surrounding estimated    | Housing Development<br>Wholly Owned Company<br>House Building & Acquisitions   |  | Housing Development Working Group<br>Performance Indicators  |

## APPENDIX B – RISK REGISTER / COUNCIL CORPORATE PLAN MAPPING TO INTERNAL AUDIT PLAN

|  |   |  |   |
|--|---|--|---|
| build costs and projected sales income materialising as forecast, as well as risks in relation to the servicing of debt  |   |  |   |
| Not having transferred all Council telephone lines over to digital by the time analogue lines are switched off   | Digital Exclusion   |  | Testing switching arrangements  |
| COVID-19/flu or other illnesses this winter are significant and protracted   | Pandemic Response<br>Sickness Absence Management  |  | Update of Pandemic Flu Plan   |
| A risk of theft & fraud  | Council Tax Discounts & Exemptions<br>Malicious Software<br>Confidential Reporting Procedures | Building Security                                  | Anti-Fraud training and guidance  |
| Failure to maintain adequate and effective health & safety management arrangements   | Health & Safety<br>Facilities Management  |  | Corporate high risks monitor<br>External audits for frontline services        |
| Changes to legislation and new local authority responsibilities could negatively affect the medium to long term viability of the Housing Revenue Account Business Plan   | Housing Regulator Reporting<br>Housing Rents  | Housing Rents<br>Housing Register & Allocations    | Review of HRA Business Plan<br>Review of MTFS                                 |
| Failure of ICT services because of a cyber-attack  | Cyber Security Framework<br>Malicious Software  | Cyber Security - Reliance on Alternative Assurance | Cyber Treatment Plan<br>Cyber security policies<br>Cyber Assessment Framework |
| The loss, inappropriate acquisition, or disclosure of sensitive personal or commercial data and/or breach of data subject rights   | Data Breaches<br>Information Governance   | Social Media                                       | Technical Design Authority and Corporate Governance Group                     |
| Insufficient capital funding for Stevenage regeneration  | Capital Programme Delivery<br>Asset Management  |  | Regeneration Monitor<br>Capital Funding Plan                                  |
| Construction projects associated with the regeneration programme taking longer to complete than anticipated  | Contract Management<br>Housing Development  |  | Performance & Monitoring Report<br>Development Board                          |
| The repairs service will not be able to carry out repairs in a timely manner. There is also a risk of legal action by residents  | Landlord Health & Safety Compliance<br>Compliance Checks                                      | Damp & Mould<br>Housing Response Maintenance       | Cabinet<br>Strategic H & S Group  |
| There are adequate plans, resources, trained responders, and arrangements in place to respond effectively to the range of risks identified on the National Risk Register | Risk Management<br>Facilities Management  | Risk Management                                    | Updated Emergency Plan<br>Range of actions due by June.                       |

## APPENDIX B – RISK REGISTER / COUNCIL CORPORATE PLAN MAPPING TO INTERNAL AUDIT PLAN

|   |   |                                  |  |
|---|---|----------------------------------|--|
| <b>Failure to meet the new requirements of the Social Housing Regulation Bill</b>                 | Housing Regulator Reporting                 |                                  | Cabinet Forward Plan item Improvement Programme  |
| <b>Increased demand on Council services, reduced income for the Council and increased arrears</b> | Accounts Receivable<br>Housing Rent Arrears | Housing Rents<br>Council Tax     | Oversight of Arrears Action Plan<br>Social Inclusion Partnership<br>Welfare Steering Group |
| <b>The Transformation Programme may not meet its aims and ambitions</b>                           |   | Transformation/Change Management | Transformation Board   |

The Corporate Risk Register and Council Corporate Plan are closely connected. The version used above was the most recent in place (January 2025) at the time of internal audit planning and is subject to regular review and update that means both the projects, risks and risk scores will have changed over time.

We note not all risks have internal audit coverage against them. The Council has a large volume of identified risks, and our audit plan is constrained. We will monitor these risks and flexibly adapt our audit plan as appropriate and if required to cover these risks. We also note management's own actions seek to mitigate these risks.

## APPENDIX C – GLOSSARY OF TERMS

---

### **Assurance mapping**

An assurance map is a structured way of identifying and presenting the sources of assurance over how risks are being managed. It is an essential element of mature risk management practices. An assurance map identifies the many sources of assurance that the Leadership team and FAR Committee rely on in their oversight role and can also include information on the frequency and quality of the assurance provided.

The key benefit for the organisation is the effective and efficient use of resources to provide assurance. An assurance map is also a practical tool for chief audit executives (CAEs) to use on two levels; demonstrating the depth/gaps in assurance and to plan audit activity.

The new Global Internal Audit Standards (Standard 9.5 Co-ordination and Reliance) requires the CAE to co-ordinate with internal and external assurance providers and consider relying on their work. Co-ordination minimises duplication of work, highlights gaps in coverage of key risks and enhances the overall value of all assurance providers. The way to achieve this requirement is with an assurance map.

### **Control Risk (Self) Assessment (CRSA / CRA)**

Control risk (self)-assessment is a process or method by which management and staff work with internal audit to identify and evaluate operational risks and the effectiveness of controls. The objective is to provide reasonable assurance that all business objectives will be met. CRA is an empowering and iterative process that integrates risk management practices and culture into the way staff undertake their jobs.

### **Data analytics / Data analysis**

Data analytics is a multidisciplinary field that employs a wide range of analysis techniques, including maths, statistics, and computer science, to draw insights from data sets. Data analytics is a broad term that includes everything from simply analysing data to theorising ways of collecting data and creating the frameworks needed to store it. Data analysis is a subcategory of data analytics that deals specifically with extracting meaning from data.

The top benefits of using data analytics and data-led audits include greater levels of assurance, greater audit coverage and enhanced efficiency. The top barriers to fully embracing data analytics include lack of skills, lack of resources and lack of time to implement.

## APPENDIX C – GLOSSARY OF TERMS

---

### Health Check

It is a focused review that addresses specific areas of interest or concern and provides actionable insights and recommendations. The health check helps to identify and address critical gaps in processes and controls. They can also be 'light touch' reviews to establish and confirm the operation of controls and processes, providing a 'high-level' assurance without the depth of a full, evidence-based internal audit.

### Maturity assessment

Used to develop a 'snapshot' view of how an organisation is progressing against a measurable scale in the embedding of a change or transformation.

### Project (Embedded) Assurance

A typical approach to project management reviews is for the internal audit to join a project board/steering group or team with the inclusion of time in the audit plan for meetings. This often involves a considerable time commitment. There are advantages and disadvantages with this approach:

#### Advantages

1. It enables internal audit to be at the heart of what is happening and have the opportunity to communicate issues as soon as they are identified. In a fast-moving project this may be the only opportunity.
2. If done well it raises the standing of internal audit within the business as a trusted advisor.
3. You can help ensure appropriate controls are installed and risks are being adequately mitigated, based on a timely appreciation of changing variables as highlighted by the management of the project.

#### Disadvantages

1. Internal audit involvement can compromise independence. This could apply when internal audit assesses programme/project management or audit the process or activity that was the basis of the project.
2. Internal audit attendance can also be interpreted as 'audit approval' or audit sign-off'. The implication being that everything is satisfactory and on course.
3. Project board/steering group meetings often include detailed discussion about the adequacy of risk responses and the nature of specific controls to justify the presence of internal audit, but this can slow down, even delay progress. Internal audit may not need to be part of project board meetings to provide advice through their consultancy role.

## **APPENDIX C – GLOSSARY OF TERMS**

---

Internal audit involvement should have a specific assurance or advisory purpose that is discussed, documented, and agreed with senior management (as part of the terms of reference). Internal audit should not be part of the management sign-off process or be part of the decision making.

An alternative approach would be for the internal auditor to schedule attendance at one or two selected meetings during the audit of a project to consider specific issues such as the management of risk, validation of progress and to observe that appropriate information is being received, scrutinised, and challenged.

### SIAS - Internal Audit Strategy 2025/26

#### Introduction

1. The Shared Internal Audit Service (SIAS) is a shared service created by eight Hertfordshire Councils with the purpose of providing internal audit services to each of the partner Councils, as well as a small number of external customers.
2. This document sets out our Internal Audit Strategy (IAS) for the next 12 months. The strategy includes how the service will support and promote good governance, this underpinned by our Internal Audit Charter (IAC) which describes the purpose, authority, responsibility, and position of the Internal Audit Service within our partner organisations.
3. Internal Audit is a statutory service in the context of the Accounts and Audit (England) Regulations 2015, which state:

*‘A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance’.*

4. SIAS operate in accordance with the International Professional Practices Framework (IPPF), which includes the Global Internal Audit Standards (UK public sector) (GIAS (UK public sector)), Topical Guidance and Global Guidance. The GIAS (UK public sector) is comprised of five domains, covering:
  - The purpose of internal auditing,
  - Ethics and professionalism,
  - Governing the internal audit function,
  - Managing the internal audit function, and
  - Performing internal audit services.
5. The GIAS (UK public sector) contains a Purpose Statement as follows:

*‘Internal auditing strengthens an organisation’s ability to create, protect and sustain value by providing the board and management with independent, risk-based and objective assurance, advice, insight and foresight.’*

6. Our partners response to internal audit activity should have the following benefits as outlined in the Purpose Statement:

*‘Internal auditing enhances the organisations:*

- *Successful achievement of its objectives.*
- *Governance, risk management and internal control processes.*
- *Decision-making and oversight.*
- *Reputation and credibility with its stakeholders.*
- *Ability to serve the public interest.’*



## APPENDIX D – SIAS Internal Audit Strategy

---

### Our Mission

7. As a shared service, SIAS aims to:

***‘Be a high-quality shared service that seeks to embrace best professional practice, shared learning, develops our workforce, and delivers services in a financially sustainable way.’***

8. In delivering this mission statement SIAS will:

- Produce and deliver an Annual Risk Based Internal Audit Plan which complies with the GIAS (UK public sector) and CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.
- Provide the statutory Chief Audit Executive’s Annual Opinion on each partner’s internal control, risk management framework and corporate governance arrangements.
- Provide progress reports to the Audit Committees / Boards which highlight any significant risk and control deficiencies or potential areas for improvement in the organisation’s governance, risk, and control arrangements; and
- Support and suitably challenge key assumptions and judgments taken by management, through IA’s assurance and advisory services, to ensure they are appropriate and in accordance with relevant legislation, policies and procedures, guidance, and professional standards.
- Continue to progress our grow your own strategy to support the development of high-quality internal audit staff.
- Progress our external business strategy in order build a sustainable and resilient service for the future.

9. To fulfil our aspirations and demonstrate our professionalism, SIAS must conform with the requirements of the GIAS (UK public sector).

### Our core values

10. Our core values which underpin the delivery of our mission

**Quality:** Our overarching value is to successfully blend the elements of quality as fitness for purpose (satisfying needs flexibly and responsively), excellence (achieving the highest standards), transformation (learning, innovation, and continuous improvement), professionalism (conformance with professional standards) and value for money (cost effectiveness). Quality is also about leadership, responsibility and accountability throughout the team and the ability to establish a culture of continuous learning that will challenge us to be our best and inspire and motivate all.

**Customer Focus:** We put service excellence and customer care at the heart of our internal audit and consultancy work, seeking to provide a service that inspires

## APPENDIX D – SIAS Internal Audit Strategy

---

confidence and trust and meets customer expectations. We are always professional and courteous, take ownership for getting things right and support the service, our colleagues, and our partners / clients to meet their objectives.

**Learning and Development:** Our staff are our biggest asset; therefore, we support our staff to become professionally qualified, and build knowledge and skills to support their career development, maintain compliance with professional standards and delivery a high-quality service to our partners.

**Responsible:** We promote a culture of diversity and inclusion in relation to our approaches to recruitment, progression, and reward, within our ways of working, service development and internal audit delivery approach, and in our mutual respect for the people comprising our team.

**Accountability:** We take ownership of and are accountable for our work, are open to challenging ourselves and will raise concerns and provide solutions to improve the service.

**Agile Working:** We work with our clients to build trust; develop common understanding and take collective action to improve organisational priorities and outcomes; and be a trusted advisor to strategic management and the Audit Committees / Boards.

**Growth:** We maximise income generation through the continuous exploration of opportunities.

### **Our priorities**

11. SIAS must continue to deliver a good quality, efficient, resilient and cost-effective service that achieves its annual key performance indicators. Its focus must include the nuts and bolts of sound internal control, risk management and governance frameworks.
12. It is vital though that SIAS continues to remain agile, relevant and timely, while evolving in response to changing stakeholder needs and business objectives. Key areas of focus for SIAS include:
  - Enhancing the business impact of internal auditing and ensuring sufficient focus on business-critical risks,
  - Recruitment, retention, and progression of our grow your own strategy,
  - Building meaningful relationships with key stakeholders,
  - Co-ordination with other assurance providers and the outcomes of their work,
  - Building agility into audit approaches, and
  - Expanding the use of data analytics and assurance mapping amongst other assurance techniques.

### **Our role and delivery objectives**

## APPENDIX D – SIAS Internal Audit Strategy

---

13. The full regulatory context and scope of internal audit and the Shared Internal Audit Service is set out within our partners Internal Audit Charter, approved annually by their respective Audit Committees.
14. Our core internal audit objective is to deliver sufficient, relevant internal audit and consultancy work to support the statutory annual assurance opinion on each of our partners internal control, risk management and corporate governance frameworks. The annual assurance opinion forms a significant part of our partners statutory Annual Governance Statements.
15. Delivery of the internal audit objectives outlined below support the core objective and ensure conformance with professional standards:
  - To develop and deliver dynamic and risk-based Internal Audit Plans that evidence the links to our partners objectives, risks and priorities.
  - To document our internal audit planning process alongside our Internal Audit Plans for Audit Committee approval. The planning process comprises our Planning Principles, Approach to Planning and Planning Context (internal audit environment and local government context and challenges).
  - To ensure that outcomes of assurance activities are reported in a clear and concise manner for all stakeholders, as well as seeking to identify root causes of the issues identified.
  - To support our partners in monitoring the implementation of high and medium priority internal audit recommendations, and other key findings from external inspectors or other assurance providers (e.g., Shared Anti-Fraud Service).
  - To support key transformation and change projects within our partner Council's through assurance and advisory services that provide real time insight into improvement opportunities and good governance.
  - To promote a culture of shared learning on good governance, risk management and internal control, through the sharing of good practice / emerging risks, completion of joint reviews and shared workshops.
  - To work with our partners to ensure that audit methodologies and approaches can adapt to the challenges of new ways of working and still maintain robust independent assurance.
  - To embrace and embed emerging internal audit techniques to ensure that our work can provide appropriate insight and support management in meeting statutory or best practice requirements.
  - To implement and maintain a Quality Assurance and Improvement Program (QAIP) covering planned quality activities to assess the efficiency and effectiveness of the internal audit activity followed by the completion of actions to address opportunities for improvement.

## **APPENDIX D – SIAS Internal Audit Strategy**

---

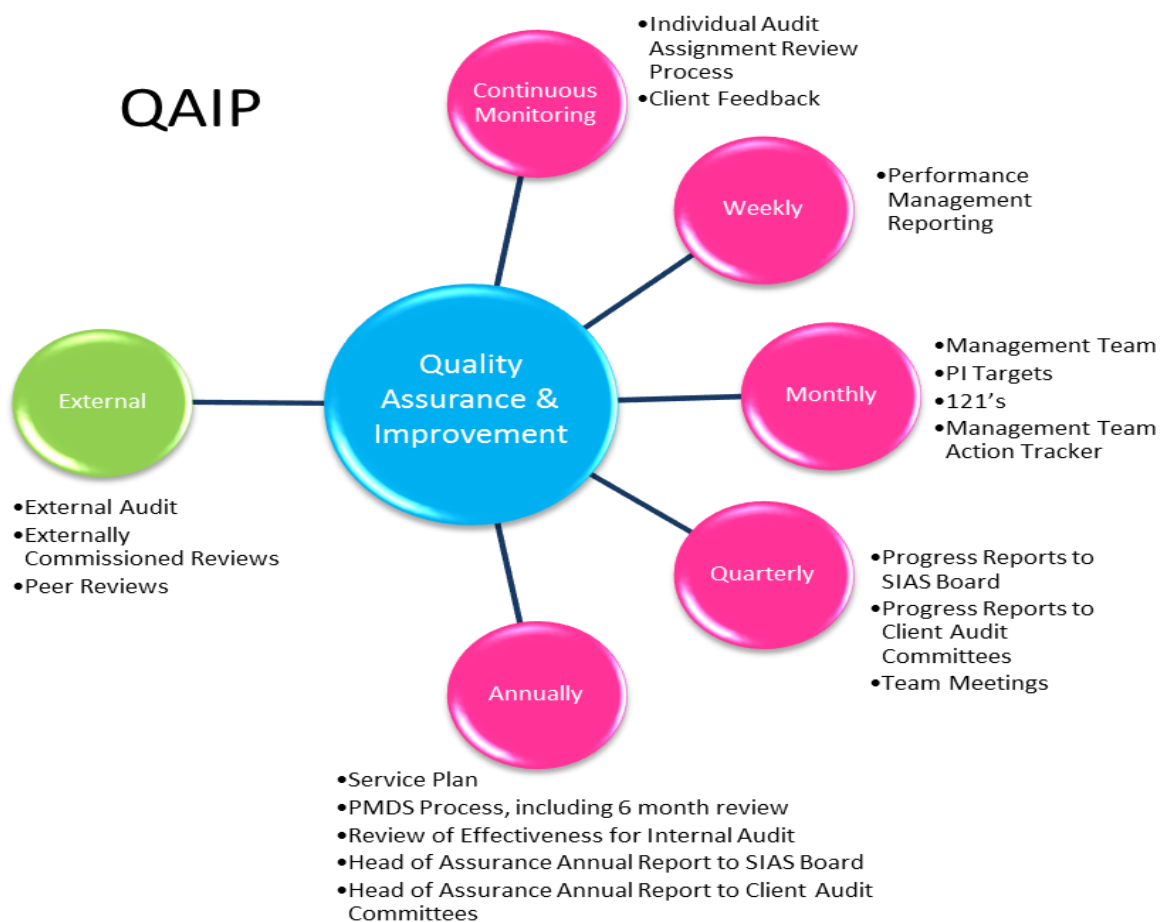
### **Resources**

16. Achievement of our role and objectives is predicated on the matching of audit needs to available human resources through our work allocation processes. This is accomplished through the delivery of internal audit activities by a range of suitably qualified and experienced team members working flexibly in a matrix structure to maximise the value to all our partners and clients.
17. SIAS will utilise our internal audit delivery partner to provide service resilience and access to specialist skills not currently available within the service, or which are not economically viable to recruit and retain on a permanent basis.
18. The service will be adequately resourced to deliver the number of planned internal audit days commissioned through our partners internal audit plans and the requirements of our external clients.
19. Our structure is comprised of 17.2 FTE's; these being aligned to the 3,066 internal audit days that SIAS is commissioned to deliver.
20. Our internal resources are as follows:
  - 0.4 FTE Head of Assurance
  - 1 FTE Head of Shared Service / Client Audit Manager
  - 3.2 FTE Client Audit Managers
  - 1 FTE Assistant Client Audit Manager
  - 2.6 FTE Senior Auditors
  - 5 FTE Auditors
  - 3 FTE Trainee Auditors
  - 1 FTE Business Support & Development Officer
21. Our equivalent available resource from our delivery partner is as follows:
  - BDO (equivalent of 1.75 FTE)
22. The financial resource management of SIAS is described in the Budget and Medium-Term Financial Plan presented annually to the SIAS Board, and includes funding for training, professional development, conferences, and other learning opportunities. This is integral to our 'grow your own' strategy. The SIAS Budget also contains funding for audit software and software licenses (technology) and the SIAS Reserve Strategy includes the potential for investment in further internal audit software, based on business need and subject to approval by the Board. These documents should be consulted for further detail.

### **Measuring quality and performance**

23. The GIAS (UK public sector) require SIAS to implement and maintain an ongoing QAIP (see diagram below) based on an annual self-assessment against the standards, supplemented at least every five years by a full independent external assessment.

## APPENDIX D – SIAS Internal Audit Strategy



24. The QAIP includes the continuous reporting of key performance indicators (KPIs) and other measures focusing on delivery of internal audit plans for our partners and clients, service quality, productivity, efficiency, conformance with professional standards, value, and good governance. These are summarised in the table below:

| Performance Indicator  | Performance Target / Reporting |
|--|--------------------------------|
| <b>Annual Internal Audit Plan Delivery</b> – the percentage of the Annual Internal Audit Plan delivered (excludes contingency)                                 | 95%                            |
| <b>Project Delivery</b> – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan                   | 90%                            |
| <b>Project Completion</b> – delivery of all planned projects to final report stage prior to the publication of the CAE annual assurance statement and opinion. | 100%                           |

## APPENDIX D – SIAS Internal Audit Strategy

|  |   |
|--|---|
| <b>Client Satisfaction - percentage</b> of client satisfaction questionnaires returned at 'satisfactory' level.                                  | 90%   |
| <b>Internal Audit Annual Plan Report</b>   | Approved by the March Audit Committee or the first meeting of the financial year should a March committee not meet. |
| <b>Chief Audit Executive's Annual Report (incl. Annual Assurance Opinion)</b>  | Presented to the first meeting of each Audit Committee in the new financial year.                                   |
| <b>Implementation of critical, high, and medium priority (where relevant to partner) recommendations</b>   | Presented as part of regular internal audit progress updates to Audit Committee                                     |
| <b>Conformance with GIAS (UK public sector)</b> – annual self-assessment or five-yearly external assessment; including areas of non-conformance. | Reported annually as part of the Chief Audit Executive's Annual Report.   |

25. The SIAS teams' individual performance is assessed through regular supervision and performance development and management meetings, as well as the outcomes of quality reviews and customer feedback for each internal audit assignment. Client satisfaction survey responses are reviewed, and improvement actions implemented as necessary.
26. Our co-sourced delivery partners performance is monitored through contractual KPIs and contract management meetings. We will also continue to explore performance measures used both within local government and other sectors.
27. Membership of the Chartered Institute of Internal Auditors Local Authority Heads of Internal Audit Forum, the Home Counties Chief Internal Auditors' Group, Audit Together (strategic alliance of similar shared services) and the Local Authority Chief Auditors' Network are crucial for sharing experiences, keeping up to date with technical and professional developments, benchmarking good practices and ensuring consistency of approach with our peers in the sector.

**Meeting**                    Audit Committee  
**Portfolio Area**        All Portfolio Areas  
**Date**                      25 March 2025



## CORPORATE GOVERNANCE PROGRESS REPORT

Author:                                Joe Maggs  
Contributors:                        Assistant Directors  
Lead Officer:                        Clare Fletcher  
Contact Officer:                     Joe Maggs

### 1            **PURPOSE**

1.1.        To advise Members of the Audit Committee of:

- Activity carried out (or planned) in 2024/25 to strengthen the Council’s corporate governance arrangements.
- Corporate governance enhancement activity identified for delivery in 2025/26, which will be reflected in the Council’s 2024/25 Annual Governance Statement.

### 2            **RECOMMENDATIONS**

2.1        That Members of the Audit Committee note:

- 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.

Please note that the content contained in the above will form the basis of the Annual Governance Statement 2024/25, with any updates or new issues arising incorporated as appropriate.

### **3 BACKGROUND**

3.1 Corporate Governance is both the policies and procedures in place and the values and behaviours that are needed to ensure the Council runs effectively and can be held to account for its actions.

#### **3.2 Local Governance Framework**

In January 2008, Audit Committee approved a local framework encompassing the CIPFA/SOLACE Framework, 'Delivering Good Governance in Local Government'. In April 2016, CIPFA/SOLACE revised this Framework to reflect the CIPFA/IFAC International Framework, 'Good Governance in the Public Sector.

The 2016 CIPFA/SOLACE 'Delivering Good Governance' Framework focuses on seven core principles of good governance and recommends the actions an authority needs to follow to:

- Set out its commitment to the principles of good governance.
- Determine its own governance structure, or Local Code of Governance.
- Ensure that it operates effectively in practice through the review of arrangements.

3.3 The Framework defines the principles that should underpin the governance of each local government organisation and outlines the requirement for authorities to test their governance structures and partnerships against the principles contained in the Framework by:

- Developing and maintaining an up-to-date Local Code of Governance, including arrangements for ensuring ongoing effectiveness,
- Reviewing existing governance arrangements, and
- Reporting publicly on compliance with the Local Code of Governance on an annual basis setting out how they have monitored the effectiveness of their governance arrangements in the year and identify any enhancement required.

3.4 The CIPFA/SOLACE seven core principles of good governance are:

**A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law**

**B: Ensuring openness and comprehensive stakeholder engagement**

(Principles A and B are considered fundamental and applicable through principles C to G)



**C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

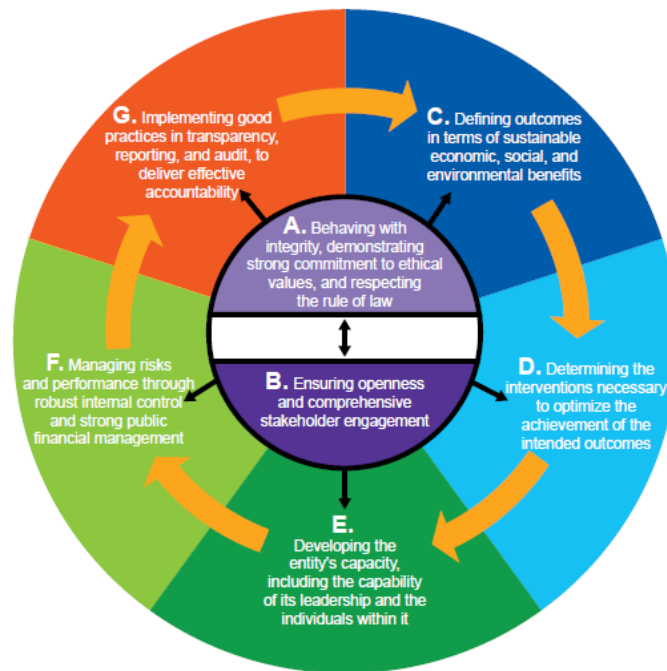
**D: Determining the interventions necessary to optimise the achievement of intended outcomes**

**E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

**F: Managing risks and performance through robust internal control and strong public financial management**

**G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.**

The diagram below, taken from the International Framework, Good Governance in the Public Sector (CIPFA/IFAC, 2014) illustrates the above principles of good governance in the public sector and how they relate to each other.



3.5 For each of the above core principles, the Framework outlines a set of sub-principles and a set of behaviours and actions that demonstrate good governance in practice.

### **Local Code of Governance**

3.6 To achieve good governance, a local authority should be able to demonstrate that its governance structures comply with those outlined in the 'Delivering Good Governance' Framework. The Framework states that the authority should develop and maintain a Local Code of Governance which reflects the principles identified in the Framework.

- 3.7 The Council's current Local Code of Governance which is revised annually to enhance the assessment process was last approved by Audit Committee in June 2024 and will be considered by Audit Committee at its meeting in June 2025.

### **Legislation and Proper Practice**

- 3.8 The self-assessment of the Council's corporate governance arrangements against the CIPFA/SOLACE Framework principles forms part of the assurance process for the production of the Council's Annual Governance Statement to meet Regulation 6 of the 2015 Accounts and Audit (England) Regulations.

### **Review of Corporate Governance Arrangements**

- 3.9 The primary focus of the Council's review of governance arrangements is on compliance with the core and sub-principles that form the 'Delivering Good Governance' Framework.
- 3.10 To ensure a proactive approach to this review, Corporate Governance Group meets quarterly to regularly consider the effectiveness of the Council's governance arrangements against the Framework. Each of the seven principles (outlined previously in Paragraph 3.4) is reviewed by Corporate Governance Group throughout the year.
- 3.11 Appendix A provides a summary of the enhancement activity undertaken or planned as identified through the review of the CIPFA/SOLACE principles of governance.

### **AGS Actions**

- 3.12 Enhancement actions related to significant governance issues should be detailed within the Annual Governance Statement. Enhancement activity is deemed significant if recommended for inclusion in the Annual Governance Statement by the Shared Internal Audit Service following their review of control arrangements to meet the Audit Plan, or if identified as key to the management of certain strategic risks. By adopting this approach, any concerns over key controls that have a material effect on corporate governance arrangements and the delivery of outcomes should be addressed.
- 3.13 Appendix B provides an update against the significant enhancement actions identified in last year's AGS.
- 3.14 Appendix C details the enhancement activity that is deemed significant and proposed for inclusion in the next version of the AGS. Please note that the enhancement actions will be further developed to ensure they are 'SMART' actions for inclusion in the final version of the AGS.

## **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 The self-assessment of the Council's corporate governance arrangements against the 'Delivering Good Governance in Local Government' Framework principles (Appendix A), progress report on previous AGS actions (Appendix B) and identification of significant governance actions for 2025/26 (Appendix C), forms part of the assurance process for the production of the Council's Annual Governance Statement to meet Regulation 6 of the 2015 Accounts and Audit (England) Regulations.

## **5 IMPLICATIONS**

### **Financial Implications**

- 5.1 There are no direct financial implications arising from this report.

### **Legal Implications**

- 5.2 The governance enhancements identified inform the Annual Governance Statement which will be reported to Audit Committee in June 2025. It is a requirement for the Council to publish an Annual Governance Statement alongside its Statement of Accounts.

### **Risk Implications**

- 5.3 Risk management supports robust corporate governance arrangements by identifying potential risks associated with the achievement of corporate priorities and statutory requirements. Weakness in corporate governance arrangements can increase risk for the Council. Governance arrangements need to be sound and seen to be sound to mitigate risk.

### **Climate Change Implications**

- 5.4 Climate change is considered as part of the Council's governance arrangements (including the risk management framework).

### **Other Corporate Implications**

- 5.5 Corporate governance affects all aspects of the work of the Council, as well as partners of the Council contributing to outcome delivery, and other agencies with which the Council shares information. External bodies, in particular, need to have confidence in the way the Council operates and this can be achieved by demonstrating robust governance arrangements that are fully embedded and a commitment to ensuring effectiveness.

## **BACKGROUND DOCUMENTS**

- CIPFA/SOLACE 'Delivering Good Governance in Local Government' 2016 Framework and Guidance
- CIPFA/IFAC International Framework: 'Good Governance in the Public Sector', published August 2014
- Audit Committee Report: Local Code of Corporate Governance (6 June 2024)

## **APPENDICES**

- A Governance enhancement activity undertaken in alignment with the CIPFA Good Governance Framework
- B Progress of actions included in the 2023/24 AGS
- C Proposed enhancement actions for inclusion in the 2024/25 AGS

**Governance enhancement activity undertaken in alignment with the CIPFA Good Governance Framework:**

Highlights of governance enhancement activities in 2024/25, either completed or planned, as identified through the ongoing review of principles, are provided below.

**Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

**A**

- A light touch targeted Review of the Constitution and the Scheme of Delegation of Executive Decisions is underway, with input from the Association of Democratic Services Officers, though not yet completed.
- Fraud E-Learning training is now part of the Council's online 'Induction and Essentials' training. Anti-Fraud training for Audit Committee took place in September 2024.
- In preparation for the implementation of the new Procurement Act 2023, the Contract Procurement Rules have been reviewed and approved at Full Council in February 2025 and training provided for officers.
- There has been successful recruitment of a new Monitoring Officer, a vital role in supporting the good governance of the organisation.

**Principle B Ensuring openness and comprehensive stakeholder engagement**

**B**

- Council reports and minutes continue to provide clear evidence of the decisions made and the rationale behind them. Where possible, Council meetings are open to the public and certain meetings are recorded and available to view online.
- The Stevenage Together partnership has been refreshed, with a new terms of reference, which provides details of the role, aims and objectives of the partnership.
- The Resident engagement strategy 24-27 was published in July 2024, to enable the Council to deliver effective engagement and ensure that residents have a range of meaningful opportunities to scrutinise, influence and shape the services that they receive. A resident survey is currently being planned for Spring 2025
- There is evidence of a strong corporate culture that recognises the value of diversity, extending to community engagement and consultation, supported by the Equality and Diversity Governance Group and annual reporting.

**Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits**

**C**

- The new Corporate Plan was launched in April 2024 (Making Stevenage Even Better).
- The service planning process is reviewed and iterated on annually. The service planning process highlights the role that individual services play in delivering the overarching Strategic Plan and the annual performance reporting framework is a key output from the process.
- Carbon reduction annual report has been presented to Cabinet and an extensive online action tracker is now available.

**Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes**

**D**

- The Corporate Plan (Making Stevenage Even Better) ensures that the approach to delivery of the Making Stevenage Even Better Corporate Plan is clear, each of the five strategic priorities and cross-cutting themes is presented as a Plan on a Page. Each Plan on a Page is underpinned by Key Performance Indicators (KPIs) and Milestones that are used to monitor and track performance.
- The internal audit of Risk Management received a 'substantial' assurance opinion.
- There has been successful identification and delivery of financial savings for 2024/25 as well as regular reporting on financial performance and the medium term financial strategy. A revised HRA MTFS has also been presented to Cabinet in November 2024.
- Welfare Reform Group continues to meet every other month.

**Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it**

**E**

- A review of the Shared Revenue and Benefits service has been completed and an action plan is being agreed between the two Councils.
- The Workforce Strategy, titled 'People, Even Better', has been developed to align with the overarching Corporate Plan and identifies the following five key priorities: 1. Ways of working, 2. Attracting and retaining the best people, 3. Engagement and Communication, 4. Inclusion and Wellbeing and 5. Organisational Development. The strategy is a key means of supporting the achievement of the Council's strategic objectives and certain strategic risks

**Principle F Managing risks and performance through robust internal control and strong public financial management**

**F**

- Risk management and Corporate Governance have been subject to an annual internal audit and both received positive audit opinions.
- Service Planning for 2025/26 is now underway. The timeline for this is slightly delayed compared to previous years following feedback on the process starting too far from year end previously.
- The General Fund Medium Term Financial Strategy was reviewed and approved in September 2024.
- Financial Regulations are under review and Contract Standing Orders revision approved.
- Data Protection e-learning is now live through the Council's digital training portal.
- Anti-fraud and whistleblowing policies are in the process of being updated.

**Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

**G**

- A specific Housing Annual Report has been produced and published.
- Actions arising from the audit of the Audit Committee are being implemented spring 2025.
- Prior to LGR the Council was planning for the Council's LGA Peer Review in 2025/26, this is now under review to be discussed with the LGA.

This page is intentionally left blank



## **Appendix B - Progress of actions included in the 2023/24 AGS**

### **Risk and audit based actions**

**Action:** To ensure that the General Fund Asset Management Strategy can deliver an effective mechanism to manage incoming investment as well as disposal of the Council's assets, the following activity is planned:

- Complete the implementation of new property data management software to manage the Council's assets
- Continue the review of the council's commercial portfolio
- Create a Facilities Management Service Strategy that defines the services provided, to what standard and who is responsible for delivery
- Enhance contract management arrangements with compliance contractors
- Produce a training plan for the Facilities Management service
- Produce a programme of remedial work with contractor
- Review structure for Property, Facilities Management and Estates to ensure they are adequately resourced to support the future needs of the organisation
- Procure appropriate call off contracts to support the Property and Estates functions by providing additional professional expertise
- Produce a Corporate Framework of internal responsibilities outlining the role of the corporate landlord and the occupying organisation service functions

**Update:** The team continues to work towards completion of the Corporate Landlord actions. A key component is the implementation of an improved CAFM system. There is an existing CAFM system in place for logging reactive and remedial works which is hosted on the SBC network. While effective for current needs, hosting the system internally imposes certain limitations due to network firewalls and security measures. A move to the provider's hosted server is being explored but may not represent best value. As such, the team are currently in discussion with the Housing department to potentially collaborate on the use of the Compliance Workbook for this purpose. A validation process is being implemented, consisting of validation checks, audit processes, contractor engagement and diarised monitoring.

**Action:** Making Your Money Count: To ensure that the Council has sufficient resources to fund its medium and long-term service plans and corporate priorities the following activity is planned:

- Continue to find savings as part of the 2025/26 budget setting process, incorporating the work around the four transformation themes and the work of the Commercial Team
- Robustly undertake budget monitoring to ensure all costs are accurately forecasted and profiled
- Continue to look for new revenue streams

**Update:** The Priority has been renamed 'Balancing the Budget' in the new Corporate Plan. 2025/26 Savings have been identified for next year and approved by Council in February 2025. In addition 99% of savings identified for 24/25 have been delivered.

**Action:** Commercialisation: To ensure that the Council's ambitious Co-operative Commercial and Insourcing Strategy can be achieved, a programme of work is required:

- Commercial activity in 2024/25 focused on the growth of income from existing commercial services and concessions contracts and will see the launch of new commercial services into the marketplace. Workshops with service managers for fees and charges setting 2025/26 commenced in June 2024. As per the Insourcing Roadmap 2023-26, a review of all services provided to or on behalf of the Council by external suppliers or third parties will continue. There will also be an accompanying review of contract management processes across the Council.

**Update:** Teams across the Council continue to support the development of commercial workstreams, with a range of teams presenting proposals at the working group meetings. Insourcing opportunities are explored and business cases submitted where appropriate. Benchmarking of other outsourced services continues to take place to identify potential opportunities. Fees and charges for 2025/26 for both the General Fund and Housing Revenue Account have been approved. Contract management training has been provided and was well received.

**Action:** As a result of the combined socio-economic impacts of welfare reform, the Covid-19 pandemic, and an economic downturn the following action is planned:

- Continue to develop and update the online Cost of Living information hub on the Council's website
- Continue to work with partners including Citizen's Advice and the Money Advice Unit to offer residents a comprehensive advice and support service
- Continue to operate and promote the Warm Spaces scheme, utilising public, community, and other buildings to offer comfort during the winter months
- Continue to promote availability of local employment opportunities and skills and training courses (including funding available to support access) to help raise awareness and confidence for people to increase income and improve their financial wellbeing.
- Develop and implement decarbonisation schemes to reduce Council and tenant costs.
- Continue to work through the Stevenage Together partnership to share learning and best practice and to co-ordinate activity where appropriate.
- Continue to work with the County and district and borough councils in Hertfordshire to share learning and best practice and to co-ordinate activity where appropriate.
- Further develop the use of the Social Value Portal to divert funding from Council contractors to local skills development and key local investment priorities.

**Update:**

Latest updates include:

- The UKSPF continues to be utilised with the full allocation due to be delivered by the end of the 2024/25 financial year while further allocation of funds for 2025/26 has recently been confirmed.
- Household support funding is being used to fund community cafes which act as warm and cool spaces. Household support funding round 6 is currently being distributed to continue the cafes to September 2025.
- An Enterprise and Skills Partnership Officer joined the team in September 2024 and is establishing strong networks with young people's services, education providers, businesses, and organisations across Stevenage.
- Phase 2 Mission44 proposals have been submitted and are due to be considered by the Mission44 board.
- The Cost of Living information hub on the Council's website has continued to be updated.
- The Terms of Reference for Stevenage Together partnership have been reviewed. The partnership and subgroups continue to take a strategic approach to issues that influence the quality of life of those who live and work in Stevenage.
- An application has also been made for the Warm Homes: Social Housing Fund to retrofit and decarbonise 550 of the Council's housing stock. Additionally, an expression of interest has been submitted in relation to the Warm Homes: Local Grant to retrofit private homes across the town.

**Action:** IT Resilience and Cyber Security: The Shared IT Service to continue to implement the IT Strategy and Action Plan to enhance IT infrastructure, cyber security, IT resilience by:

- Complete the implementation of the new ICT structure
- Implement the agreed new Target Operating Model for the ICT service (the new structure and roles and governance structure).
- Further develop cyber security policies
- Gain Cyber Assessment Framework Accreditation
- Complete the actions contained in the Cyber Treatment Plan
- Continue the work to implement new procedures to enhance recording, management and monitoring of software licence information and review the Council's software licensing policies

**Update:** The IT restructure has been completed. Work to achieve PSN certification and Cyber Assessment Framework Accreditation remains ongoing. Regarding the Cyber Treatment Plan, this is expected to be completed by the end of the year.

**Action:** Health and Safety: Continue to enhance and embed health and safety compliance and performance by:

- Continue the rolling programme of internal and external audits for medium and high-risk services
- Complete the implementation of health and safety enhancements for the Council's identified health and safety risks

**Update:** The audits have been completed and action plans agreed and monitored. The health and safety risks continue to be monitored by the H&S strategic group. There are currently three high risks, which are also components of risks detailed in the Strategic Risk Register, all of which have mitigating actions planned and underway.

**Action:** Council Housebuilding and Acquisitions Programme: To ensure the Council can deliver new council owned homes as programmed the following action is planned:

- Appointment of principal contractors for pipeline schemes currently progressing through Planning
- Completion of Dunn Close and Courtlands schemes for a total of 44 new homes
- Ongoing work to secure additional external funding for major projects including The Oval

**Update:**

- The two aforementioned schemes are progressing.
- New schemes are progressing in early design stages and will be assessed for viability as the design develops.
- Positive progress has been made regarding grant funding, including receipt of the first tranche of Homes England funding for Brent Court Garages and exploration of other bid opportunities.

**Action:** Repairs and Voids To enhance the Repairs and Voids service, the following action is planned:

- Deliver improvement plan for Repairs including:
  - Continue to consider opportunities to upskill the workforce and maximise productivity.
  - Procurement of support contractors – to demonstrate VFM and ability to deliver to required quality and timescales in accordance with agreed service standards.
  - Make best use of technology – for example leverage the benefits of mobile solutions to capture tasks and manage workflow. Frontline teams to be enabled to view existing repairs and raise new repairs.
  - Improve diagnosis of repairs at first point of contact.
  - Customer engagement – to help shape new service model, demonstrate learning from complaints. Improve communications with customers and their perceptions of and satisfaction with the service.
  - Service delivery framework - to enhance collaboration between asset management and repairs teams balanced with clear accountabilities.
- Deliver improvement plan for Voids including:
  - procurement of voids contractor
  - business case for future delivery model to be presented to Executive for approval
- Cross-cutting actions:
  - establish client/contractor functions and review staffing resources.
  - review policies, processes, and procedures.
  - set out clear service standards for which we can be held accountable for by customers.
  - benchmarking: costs, standards, and performance

**Update:** An improvement plan for the Repairs service is being implemented following an independent review and a Community Select Committee scrutiny carried out in 2023/24. Good progress is being made on the workstreams – a review of staffing resources has been completed and recruitment to key management roles concluded in Q4 of 2024/25. Policies and procedures are being worked on including a protocol between the Repairs and Maintenance and Housing Asset Management teams to ensure repair requests are managed efficiently. The procurement of support contractors is in progress with contract mobilisation expected between 1 April and 1 May depending on whether the Lot is subject to section 20 consultation or not. Having good quality, cost effective and well managed contractors alongside the core in-house trades will help ensure the service can carry out repairs in a timely manner. In the longer term delivery of improvements to housing systems will enable more efficient ways of working which in turn will support increased productivity of the workforce.

**Action:** Corporate Capacity: To ensure the Council has the capacity to carry out all of its priorities as well as provide its core services and implement new government requirements as they arise the following actions are planned:

- Creation of service plans for 2024/25 in all service areas to ensure resource planning
- HR team to continue working with service leadership teams to prioritise recruitment and associated support plans
- Roll out of new Workforce Strategy

**Update:** The Workforce Strategy was approved in September 2024. The HR team continue to work with service leadership teams to prioritise recruitment and associated support plans.

**Action:** Social Housing Regulation Act: To deliver the proposals set out in the Social Housing Regulation Act which will give tenants greater powers, improve access to swift and fair redress and enhance the powers of the Regulator of Social Housing, the following action is planned:

- Development and implementation of an engagement framework 'Working Cooperatively to give Tenants a Voice Strategy'
- Through the work of the Executive Housing Working Group implement the process for benchmarking the 12 Tenant Perception measures and 10 management data measures which local authorities will be required to report on from March 2024
- Continue with the rolling 5-year stock condition survey programme.
- Develop and publish a new Communications Plan
- Review and approve new Damp, Mould and Condensation Policy
- Review end to end processes to ensure compliance with the Social Housing Regulation
- Act including Awaab's Law once enacted and improve customer experience
- Procurement of new support contractors
- Make better use of technology including mobile solutions
- Setting and monitoring of KPI's to manage performance (proposals for inclusion in strategic KPI suite for 2024/25)

**Update:**

- The Regulator of Social Housing inspection took place in September 2024 and the Council achieved a C2 rating. A post inspection plan has been developed and will be monitored through to completion.
- The Housing Communications plan has been developed and is in place.
- Procurement of contractors went live in December 2024, with contract award expected in February and mobilisation across March and April.
- KPIs are now in place and reported in the strategic KPI suite.

**Action:** Building and Fire Safety Acts: To deliver the proposals set out in the new Building Safety/Fire Safety Acts which have established new legal duties for landlord and building owners of higher-risk residential buildings to keep their buildings safe, the following actions is planned:

- Contractors to be appointed to carry out remedial works identified as a result of building inspections via procurement process
- Remedial work to be carried out by contractors
- Ongoing compliance monitoring to be carried out to ensure requirements of the Building and Fire Safety Acts are being met

**Update:** Contractors have been appointed and remedial works continue to be identified and progressed. Fire risk remedial numbers are reported to Cabinet via the Performance Scorecard and show an improving position. Monitoring also takes place via Corporate Compliance Group.

**Action:** Climate Change: To ensure Stevenage can meet the government's net zero target for the town by 2050, the following action is planned:

- Creation of a Climate Change Risk Register to assess the effects of climate change for SBC/Stevenage
- Generation of Pathway 1,2 and 3 reports to outline current working areas and recommendations to SLT
- Launch of Climate Action Plan portal
- Produce a Climate Change Action Plan based on the Climate Change Risk Register
- Promote government schemes and grants to the public to encourage decarbonisation town wide
- Upgrade the SBC Local Plan to include improved Climate Change considerations
- Work with businesses in Stevenage to encourage sustainable procurement
- Bid to central government for funding SBC lead carbon reduction projects.



**Update:**

- The Climate Change Annual Update has been presented to SLT, Cabinet and E&E Select Committee, and the Council emissions annual report is in progress. The Climate Action Plan Tracker remains available online and has been updated to the end of the calendar year.
- An application has also been made for the Warm Homes: Social Housing Fund to retrofit and decarbonise 550 of the Council's housing stock. Additionally, an expression of interest has been submitted in relation to the Warm Homes: Local Grant to retrofit private homes across the town.
- The Climate Change Risk Assessment has been completed and approved by SLT but the team are working in amendments and complements and are aiming to produce a new CCRA during 2025. The team are also coordinating efforts for the production of a Climate Change Adaption Plan.
- Regarding the SBC Local Plan, the Regulation 19 consultation opened in November 2024 and the Planning Policy and Climate Action teams have been working closely in each consultation round to provide a response and update, if required.

**Action:** Digital Switchover: To ensure that there is no disruption as a result of the changeover from analogue to digital lines the following action is planned:

- Convert careline telephone lines at the Council's Independent Living Schemes by October 2024
- Identify and convert any remaining analogue lines within the Council's commercial and housing stock.

**Update:** This remains a strategic risk but the national deadline for switching from analogue to digital lines has been delayed to January 2027 at the earliest. The testing of the first independent living scheme careline transfer was successful and it is the target to complete the transfer for all independent living sites by August 2025. IT are managing non-housing conversion of lines and are also targeting completion in 2025, ahead of the new deadline for conversion from analogue to digital by January 2027. It is the intention for a working group to be set up comprised of Housing Management, Asset Management and IT to ensure that the approach for other (non careline) Housing lines is aligned with the activity taking place for non-housing elements of the wider estate.

**Action:** Court Cost Management: To enhance arrangements for managing court costs, the following actions is planned:

- Procedures for capturing and recording expected income from court costs/compensation awarded and assigning associated roles and responsibilities
- Mechanisms to monitor cases where judgements have been made in favour of the Council and costs/compensation awarded.

**Update:** A process is being established between finance and shared legal services to ensure collection and recording of court costs takes place.

## Best Value Self Assessment Actions

| Action  | Update   |
|---|--|
| <b>Continuous Improvement</b>   |  |
| <ul style="list-style-type: none"> <li>i. In response to the Office for Local Government's (OfLoG) publication of local authority data, the OfLoG District Council Metrics will be added to the Council's Performance Management System in 2024/25 for quarterly monitoring and review by the Senior Leadership Team (SLT)</li> <li>ii. The Council will undertake a review of its approach to coordination of Government Single Data List returns to ensure that there is a central log of comparative data for key services</li> <li>iii. To enhance the Council's existing approach to using data to inform business insight, an assessment of all existing business insight tools will be undertaken</li> <li>iv. The SLT will continue to retain priority focus on workforce matters through its Workforce Strategy with specific focus on promoting the link between individual staff objectives (as captured through REALs) and the council's wider MSEB strategic priorities i.e. 'the golden thread'</li> <li>v. Audit of Service Assurance Statements to be added to the 2025/26 SIAS programme of work.</li> </ul> | <p>All applicable OfLoG measures have been incorporated into the Performance Management System (inPhase), however it was announced in December 2024 that OfLoG would be closed. Other benchmarking measures will be explored (e.g. LG Inform) as part of the work to explore other performance reporting systems and greater use of PowerBI as a primary business insight tool.</p> <p>The Workforce Strategy was approved in September 2024 and the use of REALs continues to support the cascading of the council's wider MSEB strategic priorities through to individual staff objectives.</p> <p>Audit of Service Assurance Statements to be considered for inclusion on the 2025/26 SIAS work plan.</p> |
| <b>Leadership</b>   |  |
| <ul style="list-style-type: none"> <li>i. The Council will implement a budget process development model for 2025/26 which is aligned with key outcomes identified in Service Plans</li> <li>ii. All Service Plans (currently held corporately) will be made accessible online to the SLT throughout the year via Microsoft Teams</li> </ul>   | <p>Budget planning for 2025/26 has now concluded and closer alignment with service and workforce planning processes will continue to be explored for 2026/27. Service plans are being made accessible to SLT and will continue to be going forward.</p>  |
| <b>Governance</b>   |  |
| <ul style="list-style-type: none"> <li>i. To enhance Member knowledge and insight of Council matters, the Council will review the scrutiny subject topics for 2024/25 and identify opportunities for future Select Committees covering a range of subjects (including site visits and external visitors were appropriate)</li> <li>ii. Through the new Member training programme, a session on the</li> </ul>   | <p>Scrutiny topics for 2024/25 were developed to ensure that they covered a range of subjects, supported by the Scrutiny Officer.</p> <p>A session with the Centre for Governance and Scrutiny provided a session for our newly elected Members on the essentials of scrutiny on 18 July 2024.</p>   |



|  |  |
|--|--|
| <p>importance of scrutiny and existing scrutiny functions will be arranged</p> <p>iii. Introduce a single annual performance and forecast review report for Stevenage Borough Council companies</p> <p>iv. Introduce a twice yearly SLT Complaints Report on key complaints themes identified through the Annual Complaints and Service Improvement Report</p> | <p>This is currently reported in the Q4 Monitoring Report General Fund, Housing Revenue Account, Capital, and Group Companies (see Cabinet July 2024)</p> <p>Complaints information is now being reported alongside the Corporate Performance Quarterly Reports.</p> |
| <p><b><i>Use of Resources</i></b></p>  |  |
| <p>Undertake a review of the Council's approach to project management to ensure that the Council's ability to check the intended outcome of projects is assured and this is communicated to key stakeholders</p>   | <p>Various project governance processes are in place. These will be tested further through the service level assurance process.</p>  |

This page is intentionally left blank

**Appendix C: Possible enhancement activity for inclusion in Annual Governance Statement 2024/25:**

Please note that the actions will be developed into ‘SMART’ actions for inclusion in the final version of the AGS 2024/25

| Issue   | Action   |
|---|--|
| Local Government reorganisation / devolution ( <i>emerging strategic risk</i> ) | <ul style="list-style-type: none"> <li>• Review the capacity needed to engage effectively with the LG reorganisation process,</li> <li>• Establish an internal governance structure to oversee the process,</li> <li>• Following due consideration and engagement with local partners, ensure submission of required returns.</li> </ul>   |
| HRA Business Plan ( <i>very high strategic risk</i> )                           | <p>To ensure that medium to long-term viability of the HRA is sustainable, the following activity is planned:</p> <ul style="list-style-type: none"> <li>• Undertake a full review of the HRA business plan and investigate saving opportunities identified through the MTFS November 2024 update.</li> </ul>  |
| IT resilience ( <i>very high strategic risk</i> )                               | <p>To manage risks relating to IT resilience, the following work is planned:</p> <ul style="list-style-type: none"> <li>• Gain PSN certification,</li> <li>• Further work to review and implement cyber security policies,</li> <li>• Build on existing cyber security training for Staff and Members,</li> <li>• Gain Cyber Assessment Framework accreditation.</li> </ul>  |
| Balancing the budget ( <i>very high strategic risk</i> )                        | <p>To ensure that the Council has sufficient resources to fund its medium and long-term service plans and corporate priorities, the following activity is planned:</p> <ul style="list-style-type: none"> <li>• Find Balancing the Budget (BTB) savings and new revenue streams as part of the 2026/27 budget setting process,</li> <li>• Ensure robust budget monitoring and all costs are accurately forecast and profiled in year, providing budget monitoring reports to Cabinet.</li> <li>• Review of Fees and Charges for 2026/27 to contribute to the BTB savings.</li> </ul> |

| Issue  | Action  |
|--|---|
| Housing Property Services – Contract Compliance ( <i>internal audit programme</i> )                | <p>To improve contract compliance within Housing Property Services, the following activity is planned:</p> <ul style="list-style-type: none"> <li>• Appoint repairs and maintenance and lifts contract(s) following a robust procurement / appointment process, held in accordance with the Contract Standing Orders and supported by the Corporate Procurement team,</li> <li>• Improve documentation processes in relation to contract compliance, including use of waivers.</li> </ul> |
| Constitution review ( <i>review of governance principles</i> )                                     | Ensure a high-level targeted review of the constitution takes place and that a process is in place for this to happen on an annual basis.   |
| Regulator of Social Housing Inspection – Post inspection action plan ( <i>inspection outcome</i> ) | Develop and implement a comprehensive monitoring framework for tracking the progress of corrective actions identified in the post inspection action plan.   |

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank