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AUDIT COMMITTEE

Date: Tuesday, 24 March 2026
Time: 6.30pm,
Location: Council Chamber
Contact: committees@stevenage.gov.uk

Members: Councillors: Carolina Veres (Chair), Lloyd Briscoe (Vice-Chair), Phil Bibby, Robert Boyle, Leanne Brady, Mason Humberstone, Dermot Kehoe, Tom Plater, Ceara Roopchand and Tom Wren

Independent Member: Syed Uddin

AGENDA

PART 1

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES OF PREVIOUS MEETING - 18 FEBRUARY 2026

To approve as a correct record the minutes of the meeting held on 18 February 2026
3 – 6

3. SIAS PLAN 2026/27

To consider the proposed Shared Internal Audit Service (SIAS) Internal Audit Plan for 2026/27
7 – 42

4. SAFS PLAN 2026/27

To consider the Shared Anti-Fraud Service's proposed Anti-Fraud Plan for 2026/27.
43 – 56

5. SAFS ANTI-FRAUD PROGRESS REPORT

To consider progress on the SAFS Anti-Fraud Plan 2025/26.
57 – 62

6. URGENT PART 1 BUSINESS

To consider any Part 1 business accepted by the Chair as urgent.

7. 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.

8. Q3 CORPORATE RISK REPORT

To note the latest Strategic Risk Register update for Stevenage Borough Council

9. URGENT PART II BUSINESS

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

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Wednesday, 18 February 2026

Time: 6.00pm

Place: Council Chamber

Present: Councillors: Carolina Veres (Chair), Philip Bibby, Leanne Brady, Mason Humberstone, Dermot Kehoe and Ceara Roopchand

Independent Member: Syed Uddin

Start / End Time: Start Time: 6.00pm

End Time: 6.50pm

1 APPOINTMENT OF PERSON TO PRESIDE

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

2 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Robert Boyle, Tom Plater and Tom Wren.

Cllr Roopchand declared, for transparency, that, as of November 2024 she was employed by the Association of Business Recovery Professionals, whose membership included the Council's external auditor, Azets Audit Services Limited.

3 2024/25 STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT REPORT

The Chair invited the Director of Finance to present their report.

The Director introduced the Statement of Accounts to the Committees and delivered an update on the financial accounts for 2024/25. He reported that the audit had now concluded and confirmed that there were no amendments to the General Fund or Housing Revenue Account balances as presented to Cabinet at outturn.

A number of issues were brought to the Members attention including:

- A £2.1 million credit loss allowance provision had been recognised in relation to the Queensway LLP lease arrangement. It was noted that this position had already been reflected within the Council's Medium Term Financial Strategy (MTFS), and an earmarked reserve had been established to support the LLP.
- Current Assets increased by £24 million, with short-term debtors rising by £7.2 million over the year. Long-term liabilities increased by £15.5 million overall,

while other usable reserves increased by £14 million.

- The Capital Receipts Reserve increased by £2 million, comprising various capital receipts during the year. Significant receipts included Shephall View (£4.5 million) and Right to Buy sales (£6 million).
- Earmarked General Fund Reserves increased by £2.2 million, while earmarked HRA Reserves decreased by £3.5 million. Unusable reserves increased by £9 million, primarily due to capital transactions, including net unrealised asset revaluation losses of £13 million and a £2.4 million movement in the pension reserve.

Members received a reconciliation of the Comprehensive Income and Expenditure Statement (CIES) with the Council's budget monitoring framework, providing clarity on how the statutory accounts align with the in-year financial reporting.

The Director confirmed that the statutory backstop date for publishing the audited 2025/26 Statement of Accounts was 31 January 2027. He outlined the key areas where Azets required further assurance before issuing an unqualified audit opinion, with full details provided in the report.

The Chair thanked the Director and invited Paul Grady – Audit Partner, Azets to present to the Committee.

Members were advised that they had completed their value for money work with detailed findings reported in the Auditor's Annual Report in November 2025. No significant weaknesses had been identified in the Council's arrangements and Azets were satisfied that the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The audit had progressed well and had substantially achieved the objectives for 2024/25. No adjustments had been identified to the Council's financial statements that would impact the reported financial outturn. Paul Grady advised the Committee that the quality of the accounts and the evidence provided was good. Council management had been responsive and helpful in facilitating the audit, which had enabled the auditors to progress their work effectively.

The auditors reported that, due to the challenges of undertaking an audit where the previous three years had been disclaimed as a result of the local authority backstop, it had not been possible to regain full assurance. They confirmed that there had not been sufficient time to complete the work required to support an unmodified audit opinion ahead of the backstop date of 27 February 2026.

It was noted that the build-back process was comprehensive and time-consuming, particularly where additional complexity existed due to the Housing Revenue Account (HRA), group accounts, the scale and diversity of the asset portfolio, and the income strip arrangement. The matters reported by Azets were not a reflection of any lack of engagement from management, nor of any shortcomings in the quality of management's processes or preparation. Instead, they were unavoidable consequences arising from the fact that the Council's accounts had not been audited

for several years.

Members asked about the risk of Local Government Reorganisation to the Audit process. It was agreed that LGR added complexity to financial reporting at a time when local audit backlogs are already severe and would significantly increase workload. Post audit planning was now underway.

At 18:40hrs the Statement of Accounts Committee **RESOLVED** to adjourn until the rise of the Audit Committee.

The Audit Committee thanked the Director and his Team and the Auditors from Azets for their work in this complex area and expressed support to the recommendations contained in the report.

It was therefore **RESOLVED**:

1. That the 2024/25 Statement of Accounts for Stevenage BC be received and approved for signing by the Chair of Audit Committee/Statement of Accounts Committee and the Chief Financial Officer (CFO).
2. That the delegation of authority to the CFO be approved following consultation with the Chair of Audit Committee/Statement of Accounts Committee to make any minor amendments to the accounts as required prior to the completion of the audit.
3. That the 2024/25 Annual Governance Statements, which form part of the statement of accounts be approved; and
4. That the CFO be authorised, after consultation with the Chair of Audit Committee, to sign the letters of representation required as part of the 2024/25 external audit process.

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

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INTERNAL AUDIT PLAN REPORT 2026/27

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE
24 MARCH 2026

RECOMMENDATION:

Members are recommended to approve the proposed Stevenage Borough Council Internal Audit Plan for 2026/27

Members are requested to note the SIAS Internal Audit Strategy & Service Plan and invited to provide any comments

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3.3 Performance Indicators

Appendices

A Proposed Stevenage Borough Council Internal Audit Plan
2026/27

B Risk Register Mapping to Internal Audit Plan

C Glossary of Terms

D SIAS Internal Audit Strategy & Service Plan 2026/27

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 Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector and CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government, taken together, form the basis of UK public sector internal audit standards, which became effective from 1 April 2025. The Application 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 December 2025, 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 outlines 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 6.3	Board and Senior Management Support It is an essential condition for Senior Management and the Audit Committee to approve the internal audit plan.
Domain III 8.1	Board Interaction 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 8.2	Resources 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 8.3	Quality Amongst the essential conditions in this Standard is a requirement for the Audit Committee to review and approve 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>Domain IV 9.3</p>	<p>Methodologies</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 9.4</p>	<p>Internal Audit Plan</p> <p>The CAE must create an internal audit plan that supports the achievement of the council’s objectives. 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 CAE’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"> • Consider the internal audit mandate and the full range of internal audit services. • Specify internal audit services that support the evaluation and improvement of the council’s governance, risk management, and control processes. • Consider coverage of information technology governance, fraud risk, the effectiveness of the council’s compliance and ethics programs and other high-risk areas. • Identify the necessary human, financial, and technological resources necessary to complete the plan. • Be dynamic and updated timely in response to changes in the council’s business, risk operations, programs systems, controls, and organisational culture. <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"> • The impact of any resource limitations on internal audit coverage. • The rationale for not including an assurance engagement in a high-risk area or activity in the plan. • 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. • Limitations on scope or restrictions on access to information. <p>The CAE must discuss the internal audit plan, including significant interim changes, with the Audit Committee and</p>

	Senior Management. The plan and significant changes to the plan must be approved by the Audit Committee.
Domain IV 10.1 to 10.3	<p>Financial, Human and Technological Resources Management</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 13.2	<p>Engagement Risk Assessment</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 Topical Requirements are a mandatory component of the International Professional Practices Framework (IPPF). Topical Requirements enhance the consistency and quality of internal audit services related to specific audit subjects. Each Topical Requirement supports internal auditors performing engagements in a specific risk area. All internal audit functions must apply Topical Requirements in conformance with the Global Internal Audit Standards when providing assurance services on that topic.
- 1.5 The Topical Requirement is applicable when the topic is one of the following:
- a) The subject of an engagement in the internal audit plan.
 - b) Identified while performing an engagement.
 - c) The subject of an engagement request not on the original internal audit plan.
- 1.6 The existence of a topical requirement does not mean that it is mandatory to provide assurance on this risk. The decision to audit the risk is still based on risk assessment of the audit universe for the organisation. Issued Topical Requirements relevant to the 2026/27 planning cycle include Cybersecurity, effective 5 February 2026 and Third-Party, effective 15 September 2026.
- 1.7 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.

- 1.8 The Shared Internal Audit Service's (SIAS) Internal Audit Charter was presented to the May 2025 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 2026 Audit Committee meeting for Member approval.
- 1.9 Section 2 of this report details how SIAS complies with these requirements.

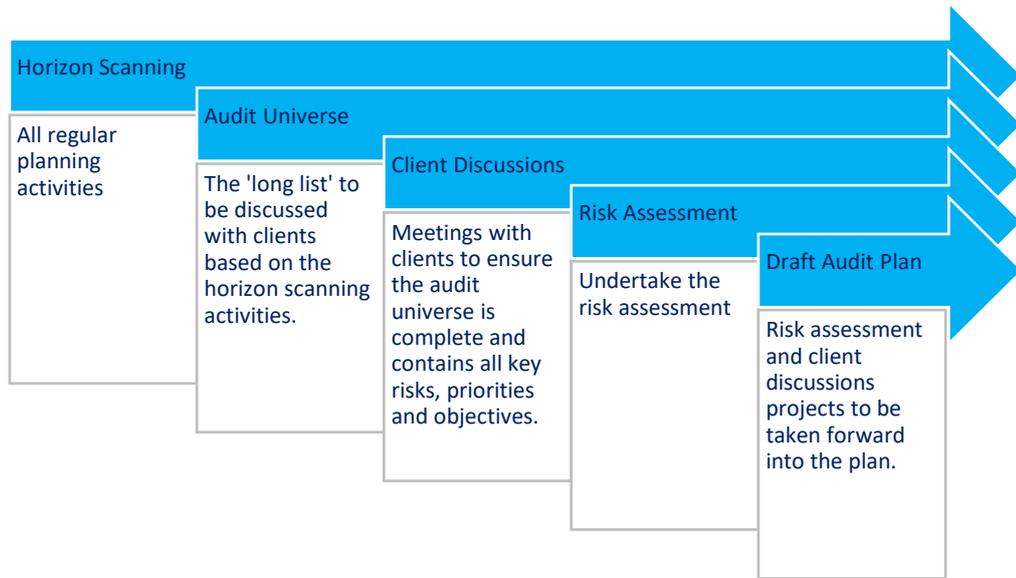
2. Audit Planning Process

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 and consideration of topical requirements.
 - 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.

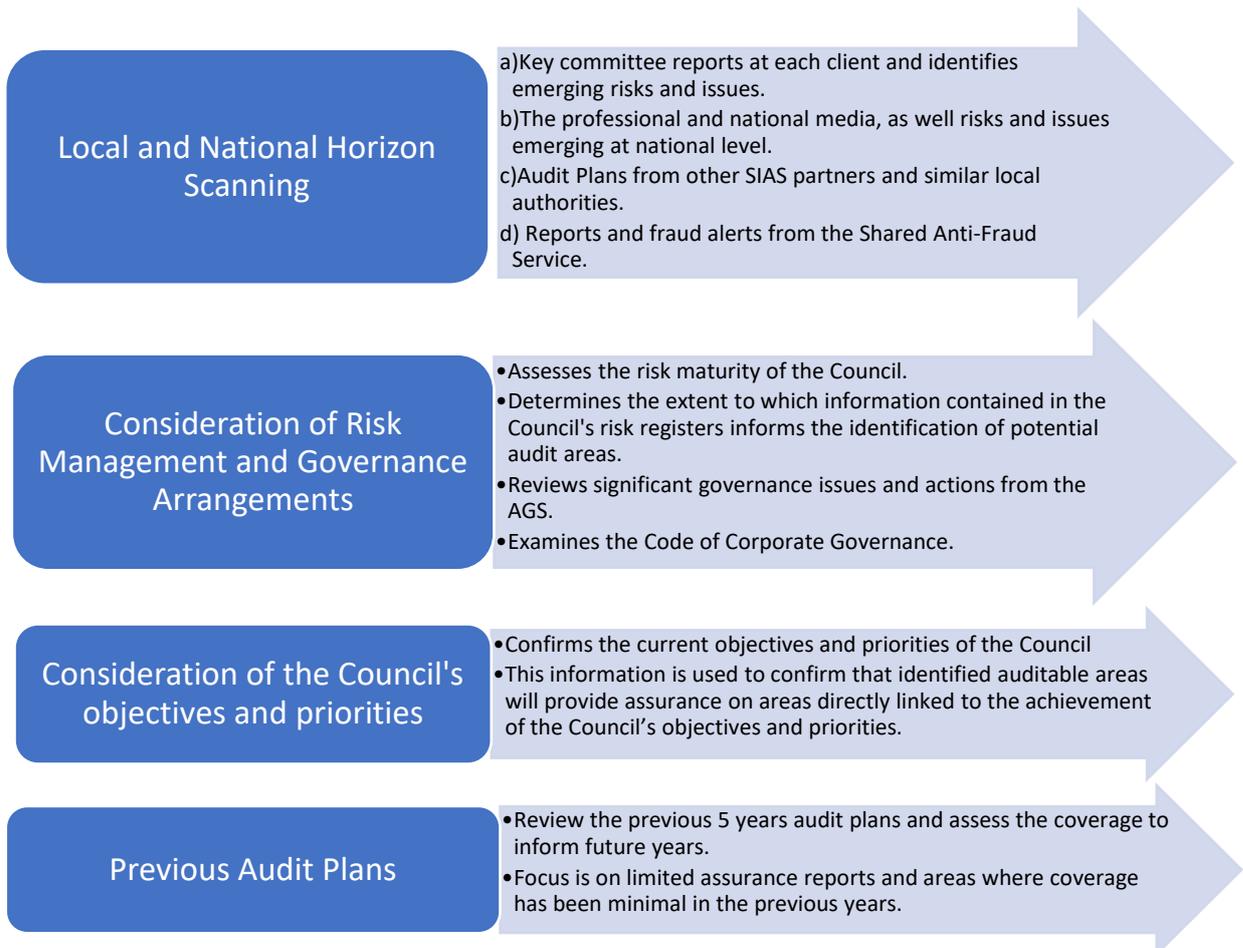
Approach to Planning

- 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 identify potentially auditable areas and associated risks and prioritise these accordingly.

Assurance Mapping / Other sources of Assurance

The results of any assurance mapping are consulted upon 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 and SIAS assess how significant the auditable area is in terms of the achievement of corporate or service objectives and priorities.

Timings

Senior Managers and SIAS 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, change and management concerns, as part of the risk assessment. This will also incorporate topical requirements considered by the Internal Audit Standards Advisory Board e.g. cyber security and failure of supply chain. The overall approach provides a baseline for the provision of assurance on identified high risk areas.

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 2026/27.

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.
 - The expectation to promote growth that improves people's lives and goes hand in hand with protecting the environment by developing prosperous, sustainable, resilient and green communities for future generations.
 - Proposals around local government reorganisation and devolution provide both significant challenges and opportunities for local authorities.
- 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 2026/27

2.13 The draft plan for 2026/27 is included at Appendix A and contains a high-level proposed outline scope for each audit and the delivery quarter. The number of days commissioned in 2026/27 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	2026/27 Days	%
Key Financial Systems	54	18%
Corporate Themes	85	28%
Operational Areas	81	27%
Information Technology	16	5%
Strategic Support & Follow Up*	52	17%
Contingency	2	1%
Completion of 2025/26 Projects	10	4%
Total allocated days	300	100%

* This includes supporting the Audit Committee, monitoring delivery of the audit plan, client liaison and planning for 2027/28

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 2025/26. 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 change.
- 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 nine team members studying towards their professional qualifications.
- 2.22 Technology is often used in support of internal audit delivery. Examples include time recording software being used for internal performance management and as an aid for reporting to SIAS partners. The suite of MS

Office tools is routinely used for producing standard documents, working papers, data analysis, resource management and work allocation. The use of artificial intelligence is in its early stages, with expectations that its use be expanded through networking opportunities.

- 2.23 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 2026/27.
- 2.24 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 2026/27 and any proposed changes will be reported to this Committee four times in the 2026/27 civic year.
- 3.2 SIAS will report on the implementation of agreed critical and high 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 2026/27 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
1. Conformance with GIAS (UK public sector) – annual self-assessment or five-yearly external assessment; including areas of non-conformance	Yes	Annually
2. Internal Audit Annual Plan Report – approved by the March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	Annually
3. Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (measured in audit days, excluding contingency)	95%	Quarterly

4. Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	90%	Quarterly
5. Project Completion – delivery of all planned projects to final report stage prior to the publication of the CAE annual assurance statement and opinion.	100%	Quarterly
6. Client Satisfaction* – percentage of client satisfaction questionnaires returned at ‘satisfactory’ level	90%	Quarterly
7. Chief Audit Executive’s Annual Assurance Opinion and Report – presented at the first Audit Committee meeting of the financial year	Yes	Annually
8. Staff and Training – percentage of our staff that are actively studying towards, or have obtained, a relevant professional qualification	Head of Service and Client Audit Managers (Chief Audit Executives) – 100% All Staff – 80%	Annually
9. Implementation of critical, high, and medium priority (where relevant to partner) recommendations	Yes	Presented as part of regular internal audit progress updates to Audit Committee

APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2026/27

Coverage of Key Financial Systems (54 days)

<u>Audit Title</u>	<u>Purpose of the Audit</u>	<u>Days</u>	<u>Delivery Quarter</u>	<u>Audit Sponsor</u>
Council Tax	An 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
Business Rates	An 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
Accounts Receivable	An audit covering invoicing customers for works, goods, or services. The collection and recovery of outstanding sums. Denial of service when payment is not forthcoming.	10	4	Assistant Director Finance & Deputy S151 Officer
Accounts Payable	An audit covering the payment of invoices received. Use of purchase orders, supplier onboarding, receipt and verification of invoices, payment arrangements and credit notes.	10	4	Assistant Director Finance & Deputy S151 Officer
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.	12	4	Head of Human Resources

APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2026/27

Housing Rent Arrears	An in-depth audit covering one or more aspects of housing rents administration e.g. the collection of rent payments and recovering outstanding debt.	10	4	Assistant Director Housing & Neighbourhoods
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Coverage of Corporate Themes (85 days)

<u>Audit Title</u>	<u>Purpose of the Audit</u>	<u>Days</u>	<u>Quarter</u>	<u>Audit Sponsor</u>
Local Government Reorganisation (LGR)	Provision for assurance and advice across workstreams as required during the year. Areas to consider include technology assets, procurement and contracts, workforce and human resource management, finance and local taxation, property assets, and project management. Days not used will be reallocated to audits from the Reserve List.	15	1-4	Various
Business Change – Governance	An audit of transformation workstreams, including one or more aspects such as project management, action planning & tracking, oversight and benefits realisation.	10	4	Assistant Director Business Change & Digital
Outsourced Services / Supplier Resilience	An audit covering arrangements should a key supplier or partner be lost, impacting upon the availability of works, goods and services to the Council and or its customers.	12	2	Various
Asset Management System	An audit covering the new asset management system, including data accuracy and completeness, access rights and permissions.	10	2	Head of Estates
Community Infrastructure Levy (CIL)	An audit of a processes associated with CIL e.g. policies & procedures, allocation, authorisation & approvals, agreements, spend monitoring and reporting.	10	1	Assistant Director Planning & Regulation

APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2026/27

Risk Management	Mapping the various sources of assurance, the associated control framework and identifying any gaps.	8	3	Strategic Director
Fraud Risk Assessment	An audit of arrangements for managing rising fraud risks. A new criminal offence, “failure to prevent fraud”, came into effect on 1 September 2025 under the Economic Crime and Corporate Transparency Act (2023).	10	1	Assistant Director Finance & Deputy S151 Officer
Third Party Data Security	An audit of arrangements with third parties where they may have control of sensitive customer data, potentially leading to risks such as data loss, theft or misuse.	10	2	Assistant Director, Chief Technology Officer, and Senior Information Risk Owner

Coverage of Operational Areas (81 days)

<u>Audit Title</u>	<u>Purpose of the Audit</u>	<u>Days</u>	<u>Quarter</u>	<u>Audit Sponsor</u>
Housing Safety Compliance Checks	Reviews of housing building safety compliance e.g. fire and lifts checks.	10	1	Assistant Director Building Safety & Housing Property Services
Homelessness	An audit covering risks linked to signposting, receiving, and managing people presenting as homeless.	10	2	Assistant Director Housing & Neighbourhoods
Pre-Employment Screening/Agency Staffing	An audit of the processes and procedures relating to background/pre-employment checks and onboarding agency staff.	8	3	Head of Human Resources
Anti-Money Laundering & Counter Terrorist Financing	An audit covering the management of existing and emerging risks across a changing landscape, combating associated activities, compliance with regulations and legislation.	10	1	Assistant Director Finance & Deputy S151 Officer
Freehold Garages	An audit covering risks linked to remedial works at freehold garages.	10	1	Assistant Director Housing & Neighbourhoods

APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2026/27

On Demand Grant Audits	Provision for auditing grant claims in accordance with the providers terms and conditions. Such requests are typically made on an adhoc basis.	3	1-4	Various
Facilities Management – Building Safety Compliance	An audit of procedures associated with fire safety within the Council’s buildings.	10	2	Head of Estates
Events Planning	An audit covering procedures, events being aligned to objectives, clarity of roles & responsibilities, budget management, risk and compliance with legal requirements.	10	3	Assistant Director Stevenage Direct Services
Housing Major Refurbishment Contract(s)	An audit of major works planning, business cases, procurement, contractor management and financial payments.	10	2	Assistant Director Building Safety & Housing Property Services

Coverage of Information Technology (16 days)

<u>Audit Title</u>	<u>Purpose of the Audit</u>	<u>Days</u>	<u>Quarter</u>	<u>Audit Sponsor</u>
Cyber Security - Reliance on Alternative Assurance	An audit of assurance provided by third parties, relating to cyber security risks.	6	4	Assistant Director, Chief Technology Officer, and Senior Information Risk Owner
Accessibility Regulations (Digital)	An audit to provide assurance over the steps taken to help ensure compliance with the digital accessibility regulations.	10	3	Assistant Director Business Change & Digital

Contingency – 2 days (capacity to respond to management requests and to accommodate new risks and issues)

Available time for unplanned work as required.

APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2026/27

Strategic Support (52 days)

<u>Title</u>	<u>Purpose</u>	<u>Days</u>
Chief Audit Executive Annual Opinion Report	To prepare the Chief Audit Executive Opinion for 2025/26.	3
Audit Committee	To provide services linked with the preparation, agreement, and presentation of Audit 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 2027/28	Provision of services to prepare, agree and report the 2027/28 Annual Audit Plan.	6
SIAS Development	Included to reflect the Council's contribution to developing the shared service. In 2026/27 this provision includes supporting the services External Quality Assessment	5
Follow Up Audit Provision (x2)	Provision for up to follow up 2 Limited Assurance audits from prior years. In addition, following up any recommendations made by the Shared Anti-Fraud Service.	6

2025/26 Carry Forward (10 days)

Available time for completion of 2025/26 audits which did not commence or complete as scheduled. Days not used will be reallocated to audits in the Reserve List below.

APPENDIX A – PROPOSED STEVENAGE BOROUGH COUNCIL INTERNAL AUDIT PLAN 2026/27

Reserve List

<u>Title</u>	<u>Purpose</u>
EV Charging	An audit of EV charger rollout across the district and associated contract risks.
Climate Change & Environmental Impact	An audit of managing risks associated with climate change and its impact upon the delivery of works, goods and services.
Use of Artificial Intelligence (AI)	An audit covering the framework for the adoption of AI technology, links to organisational objectives and adequate control and oversight.
Cloud Computing	An audit of cloud provision and the associated benefits and risks e.g. data security and infrastructure, service management and maintenance.
Staff Welfare & Wellbeing	An audit covering means of managing positive employee welfare and wellbeing, such as employee engagement, motivation, sickness absence and an employee assistance programme.
Budget Forecasting & Control	An audit covering the oversight and governance of budget forecasting, subsequent variance analysis and reporting.
Income Generation	The development of a commercial strategy, action planning and implementation, benefits realisation, ongoing monitoring and reporting.
Whistleblowing Arrangements	An audit of policies and procedures relating to confidential reporting arrangements, including awareness, reporting mechanisms, the investigation of reported concerns, and maintaining confidentiality.
Licensing	An audit of application processes and income streams relating to one or more aspects of licensing e.g. taxis and market traders.
Health & Safety	An audit of the assurance framework relating to corporate and or operational health and safety.
Fly Tipping	An audit of arrangements for managing the illegal dumping of waste on unauthorised land, such as policy, prevention, operational response, enforcement and partner coordination.
Renters Rights Act (RRA) 2025	An audit covering the mandatory duty to enforce landlord legislation in the private rented sector, such as rental discrimination, bidding, rents in advance, reporting obligations and civil penalties.

APPENDIX B – RISK REGISTER MAPPING TO INTERNAL AUDIT PLAN

Council Corporate Plan and Corporate Risks - Risk Register	Internal Audit Coverage 2022/23 – 2025/26	Internal Audit Coverage 2026/27	Assurance Mapping and Other Assurance
Balancing the Budget - the Council does not have sufficient resources to fund its medium and long term service plans	Revenues Accounts Payable/Receivable Payroll Treasury Management Asset Management Grants Housing Rents	Revenues Accounts Payable/Receivable Payroll Asset Management Grants Housing Rent Arrears Reserve List	Savings proposals and realisation checks Debt management Member oversight
Business Change & Digital - there is a risk that due to capacity and other priorities, the change programmes may not meet its aims and ambitions	N/A	Business Change – Governance Accessibility Regulations (Digital) Reserve List	Resourcing plan Change management programmes
Building & Fire Safety - failure to meet the requirements of the Building Safety Act/Fire Safety Act	Landlord Health & Safety Compliance Compliance Checks Facilities Management	Facilities Management – Building Safety Compliance Housing Safety Compliance Checks	Performance scorecard Corporate Compliance Group
Capacity - the Council fails to retain, attract, and recruit the right people and right skills at all levels	Corporate Capacity Sickness Absence Management Ways of Working Equality, Diversity & Inclusion	LGR Pre-Employment Screening / Agency Staffing Health & Safety Reserve List	Performance targets Transition plans
Climate Change - Stevenage is unable to meet the government's net zero target for the town of Stevenage by 2050	Climate Data & Reporting Decarbonisation Grant Audit Recycling Parks & Open Spaces	Freehold Garages Reserve List	Update report to SLT, Cabinet, and E&E Select Committee Climate Action Plan Tracker EELGA-RCCF Sustainable Procurement Group
Commercialisation - the Council fails to achieve its commercial ambitions within desired timescales or at the scale hoped for	Commercialisation Commercial Property	Reserve List	Review of contract management arrangements
Community Cohesion - there is a risk that national and global events may trigger increasing tensions locally, causing a breakdown in community cohesion in Stevenage	N/A	Events Planning	Incident response plans Working with partners
Compliance with Awaab's Law - failure to comply with Phase 1 of Awaab's Law (from 27 October 2025), covering	Damp & Mould		Reporting and oversight within case management

APPENDIX B – RISK REGISTER MAPPING TO INTERNAL AUDIT PLAN

damp/mould and emergency hazards, could result in legal action being taken against the Council			Training Claims monitoring
Contract Management - a failure to ensure resilience, quality and best value are being provided by suppliers and contractors	Contract Management Tendering Supply Chain Interruption Procurement Act	Outsourced Services / Supplier Resilience Third Party Data Security Housing MRC	CSOs and Procurement Strategy Review of training
Corporate & Community Asset Compliance - there is a risk of enforcement action against the Council, fines for non-compliance and/or a potentially fatal health and safety risk if maintenance and compliance requirements are not met.	N/A	Asset Management System	Audit regime Oversight of procurement activity Performance reporting processes
Council Housebuilding and Acquisitions Programme 2019-2026 - the delivery of homes through the Wholly Owned Company, creates a financial risk surrounding estimated build costs and projected sales income materialising as forecast, as well as risks in relation to the servicing of debt	Housing Development Wholly Owned Company House Building & Acquisitions		Housing Development Working Group Performance Indicators
Digital Switchover - not having transferred all Council telephone lines over to digital by the time analogue lines are switched off	Digital Exclusion		Testing switching arrangements
Fraud - a risk of theft & fraud	Council Tax Discounts & Exemptions Malicious Software Confidential Reporting Procedures Building Security	Fraud Risk Assessment Anti-Money Laundering & Counter Terrorist Financing	Anti-Fraud training and guidance
Health & Safety - failure to maintain adequate and effective health & safety management arrangements	Health & Safety Facilities Management	Health & Safety – Reliance Upon Alternative Assurance	Corporate high risks monitor External audits for frontline services
HRA Business Plan - 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 Housing Rents Housing Register & Allocations	Housing Rents Homelessness	Review of HRA Business Plan Review of MTFS
ICT Resilience - failure of ICT services because of a cyber-attack	Cyber Security Framework Malicious Software Cyber Security - Reliance on Alternative Assurance	Cyber Security - Reliance on Alternative Assurance Reserve List	Cyber Treatment Plan Cyber security policies Cyber Assessment Framework

APPENDIX B – RISK REGISTER MAPPING TO INTERNAL AUDIT PLAN

Information Governance - the loss, inappropriate acquisition, or disclosure of sensitive personal or commercial data and/or breach of data subject rights	Data Breaches Information Governance Social Media	Third Party Data Security	Technical Design Authority and Corporate Governance Group
Lithium-ion battery fire - There is a risk of fire from lithium-ion batteries if they are stored or disposed of incorrectly	N/A		Staff awareness and training Information campaigns Fire mitigations
Local Government Reorganisation (LGR)/Devolution - there are both risks and opportunities for the delivery of the Council's strategic goals in the context of local government reorganisation and devolution	N/A	LGR	Communication programme Partner working Internal governance arrangements
Regeneration Programme Delivery - insufficient capital funding for Stevenage regeneration/delays	Capital Programme Delivery Asset Management	Asset Management System	Regeneration Monitor Capital Funding Plan
Resilience - Repairs & Voids Service - 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 Compliance Checks Damp & Mould Housing Response Maintenance	Compliance Checks	Cabinet 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 Facilities Management	Risk Management	Updated Emergency Plan
Social Housing Regulation Act - failure to meet the new requirements of the Social Housing Regulation Bill	Housing Regulator Reporting		Cabinet Forward Plan item Improvement Programme
Socio-economic Impact - increased demand on Council services, reduced income for the Council and increased arrears	Accounts Receivable Housing Rent Arrears Council Tax	Accounts Receivable Housing Rents Council Tax	Oversight of Arrears Action Plan Social Inclusion Partnership Welfare Steering Group

The Corporate Risk Register and Corporate Plan are closely connected. The version used above was the most recent in place 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.

The Council has several identified risks, and our audit plan is constrained. The Reserve List also aligns with the Risk Register. 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 Audit 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 & Service Plan 2026/27

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 (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 & Service Plan

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 & Service Plan

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

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 and mandate, 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

APPENDIX D – SIAS Internal Audit Strategy & Service Plan

effectiveness of the internal audit activity followed by the completion of actions to address opportunities for improvement.

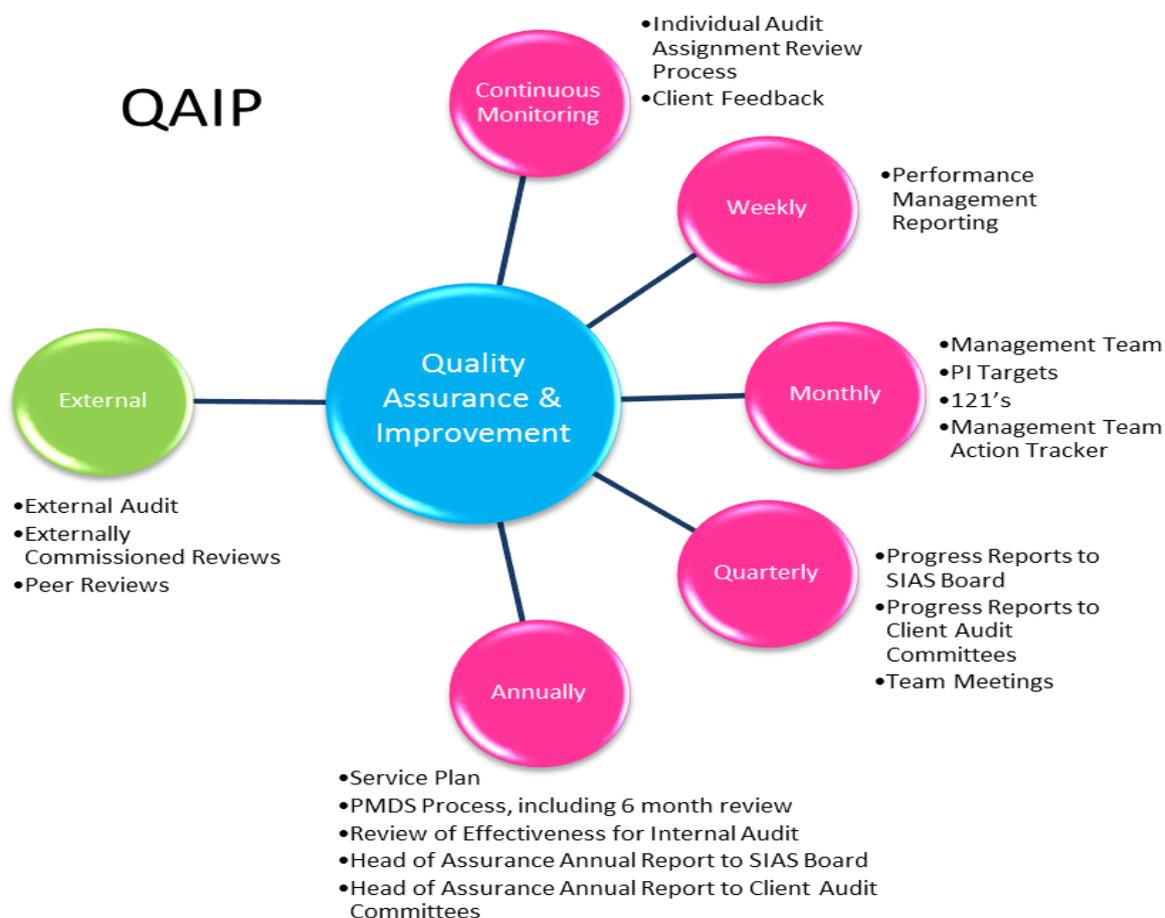
Resources

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 20.45 FTE's; these being aligned to the 3347 internal audit days that SIAS is commissioned to deliver, this split between SIAS Partner commissions of 2955 days, and work delivered to external clients of 392 days.
20. Our internal resources are as follows:
 - 0.4 FTE Head of Assurance
 - 1 FTE Head of Shared Service / Client Audit Manager
 - 2.8 FTE Client Audit Managers
 - 2 FTE Assistant Client Audit Manager
 - 3 FTE Senior Auditors
 - 4.5 FTE Auditors
 - 4 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.

APPENDIX D – SIAS Internal Audit Strategy & Service Plan

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.



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
Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (excludes contingency)	95%
Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	90%

APPENDIX D – SIAS Internal Audit Strategy & Service Plan

Performance Indicator	Performance Target / Reporting
Project Completion – delivery of all planned projects to final report stage prior to the publication of the CAE annual assurance statement and opinion.	100%
Client Satisfaction - percentage of client satisfaction questionnaires returned at 'satisfactory' level.	90%
Staff and Training – percentage of our staff that are actively studying towards, or have obtained, a relevant professional qualification.	Head of Service and Client Audit Managers (Chief Audit Executives) – 100% All Staff – 80%
Internal Audit Annual Plan Report	Approved by the March Audit Committee or the first meeting of the financial year should a March committee not meet.
Chief Audit Executive's Annual Report (incl. Annual Assurance Opinion)	Presented to the first meeting of each Audit Committee in the new financial year.
Implementation of critical, high, and medium priority (where relevant to partner) recommendations	Presented as part of regular internal audit progress updates to Audit Committee
Conformance with GIAS (UK public sector) – 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

APPENDIX D – SIAS Internal Audit Strategy & Service Plan

technical and professional developments, benchmarking good practices and ensuring consistency of approach with our peers in the sector.

SIAS Service Plan 2026/27

Purpose

The SIAS Service Plan sets out the key activities that SIAS will be undertaking during 2026/27 to support the delivery of our key strategic objectives, primarily meeting statutory requirements, driving our service growth, and fostering a culture of continuous improvement.

Overview of Current Position and Developments

The internal audit landscape continues to evolve, with significant challenges faced by many internal audit teams in securing the appropriate resources, skills, and engagement to provide high quality and robust assurance to our customers.

- The revised Global Internal Audit Standards were launched during 2024/25, with a mandatory implementation date of 1st April 2025 for UK local authorities. SIAS will also be subject to our next External Quality Assessment (under the Global Internal Audit Standards) in 2026/27, thereby meaning that it is critical that SIAS can successfully demonstrate how the revised standards are being applied.
- Internal Audit is a specialist profession and therefore challenges continue across the sector in maintaining a pipeline of sufficiently qualified and experienced staff to fill critical roles such as Audit Managers and Chief Audit Executives.
- The financial landscape for all Local Authorities remains challenging, with these providing pressures in resourcing the Internal Audit function, which in the case of SIAS is the need to generate additional income to reduce financial pressures on our Partners in resourcing the function.
- The above financial pressures are also creating a backdrop of wider challenges for Local Authorities in terms of delivering sustainable critical services, this leading to a landscape of increasing risk, high degrees of transformation and the potential for dilution of governance or internal control arrangements as organisational resources reduce.
- We continue to monitor the progress of Devolution and Local Government Re-organisation within Hertfordshire, particularly considering the role that should be played by SIAS to provide assurance to our Partner Councils during the preparation and transition process, and the future structures for providing Internal Audit services post transition.

The above highlights the need for SIAS to use resources effectively, explore innovative ways of delivering assurance and maintain a full awareness and adherence to key professional standards.

APPENDIX D – SIAS Internal Audit Strategy & Service Plan

Our Key Service Plan Priorities for 2026/27

Objective	Key Area of Focus	Lead / Timescale
To ensure that the service has a workforce with sufficient skills to meet professional standards and deliver our core service commitments to our Partners.	To continue to review and enhance our approach to developing internal staff to allow internal candidates to be able to progress to key hard to fill roles such as Senior Auditor, Assistant Audit Manager and Client Audit Manager.	SIAS Management Team – March 2027
To commission, prepare for and participate in our five-yearly External Quality Assessment, as required under the Global Internal Audit Standards.	In line with the requirements of the Global Internal Audit Standards, SIAS are required to commission an External Quality Assessment during 2026/27. Significant work will be required by the SIAS management team to prepare the required evidence to support the assessment and demonstrate how SIAS conforms with the GIASs.	SIAS Management Team – October 2026
To formalise an approach to providing assurance to SIAS Partners in relation to Local Government Re-organisation.	SIAS will continue to work with the SIAS Board and Audit Committees to determine the most appropriate methods for providing assurance on governance, risk management and internal control arrangements during the process of Local Government Re-organisation in Hertfordshire.	SIAS Management Team – Ongoing during 2026/27
To provide clear outputs from assurance activities	Following the successful embedding of the revisions to the SIAS audit report template, we will seek to revisit the format of other key documents and reports such as our Terms of Reference (for audit assignments), Audit Committee progress reports and SIAS Annual Assurance Opinion Reports.	SIAS Management Team and SIAS Team Members – March 2027
To embed the use of data analytics and continuous assurance methodologies to improve the level of insight and depth of assurance provided within our work.	To actively participate within the Local Authority Chief Auditors Network working group on data analytics to identify any potential good practice that can be applied across the service.	SIAS Management Team – March 2027

APPENDIX D – SIAS Internal Audit Strategy & Service Plan

Objective	Key Area of Focus	Lead / Timescale
To provide a financially sustainable internal audit shared service partnership.	Deliver key external business income targets for 2026/27. Continuing to market SIAS as a provider of high-quality internal audit Services. Developing and refining approaches to identifying and bidding for external business opportunities, using experience gained from successful and unsuccessful bids.	Head of SIAS & Head of Assurance – March 2027

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Stevenage Borough Council

Audit Committee

Anti-Fraud Plan 2026/27

Purpose

- 1 This report provides members with an introduction to the Councils Anti-Fraud Plan for the next 12 months

Recommendations

- 2 **The Committee is RECOMMENDED to:**
 - I. **Review and approve the Anti-Fraud Plan 2026/27.**

Background

- 3 The Cabinet Office, Ministry for Housing Communities and Local Government (MHCLG), National Audit Office (NAO), Chartered Institute for Public Finance and Accountancy (CIPFA) 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".

CIFAS Annual Fraudscape Report 2025- Fraud is as prevalent as ever. It accounts for almost 40% of all crime reported in England and Wales and is estimated to cost the UK economy £219 billion each year, money that is stolen and used to fund other forms of crime. Losses to the public sector are estimated to be as much as £81 billion. This is money that could otherwise be used to fund our public services.

Lost Homes, Lost Hope. This paper, published by the Fraud Advisory Panel & Tenancy Fraud Forum in April 2023 uses previous research and current data to estimate the volume and cost of fraud in the social housing sector and the impact of this on local government.

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 2026/27

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 2026/27 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 2026/27

11. The proposed Anti-Fraud Plan can be found at **Appendix A**.
12. The Plan includes reference to the 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. 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.

- 14 SAFS will continue to work closely with Council officers working in those services mentioned in the Plan.
- 15 SAFS has engaged with the Senior Leadership of the Council to ensure compliance with current best practice in line with the Economic Crime and Corporate Transparency Act 2023.
- 16 Regular reports will be provided to senior management and this Committee on progress delivering the Plan for 2026/27.

Appendices

Appendix A - Stevenage Borough Council - Anti-Fraud Plan 2026/27.

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) ***NAFN Local Authority Counter Fraud Survey- (National Report 2025)***
- (e) ***Lost Homes Lost Hope- (Fraud Advisory Panel 2023)***

Stevenage Borough Council

Anti-Fraud Plan 2026-2027

In partnership with

The Hertfordshire Shared Anti-Fraud Service



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Introduction

This plan supports the Councils [Anti-fraud and Corruption Strategy](#) 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 2021** states that its 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 Communities 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 its Delivery Plan for 2024-2025 the Chief Executive of the Public Sector Fraud Authority stated that “*Our estimate, released in the Fraud Landscape Report in March 2024, indicates the challenge for the government in taking action on fraud against the public sector remains significant. Our estimate (including tax and welfare) is that every year between £39.8bn and £58.5bn of public money is subject to fraud and error. The more public bodies can take action on this, the more we can protect the public sector and the more money will be available for the delivery of public services*”. There are no accurate statistics for fraud loss/prevention in local government but, based on SAFS work over 10 years, it is safe to say that fraud still presents a significant financial/delivery/reputational risk for all councils.

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 [Fighting Fraud Corruption Locally Strategy 2020s | Cifas](#)

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 corruption including internal fraud and fraud committed by associated parties.



Anti-Fraud Plan 2026-2027

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.

SAFS Resources 2026-2027

Anti-Fraud Arrangements

Stevenage Borough Council is a partner 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, Hertsmeare Borough Council, Hertfordshire County Council, Luton Borough Council, North Herts Council, East Herts Council and Welwyn and Hatfield Council. 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 2026/27. 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 be 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 2024 SAFS underwent an external Peer Review with a final report provided to the SAFS Board in March 2025. This report commended the service provided to the SAFS Partners and the work of the SAFS Team. In 2025 SAFS underwent an external Peer Review to ensure compliance for its membership of the Local Authority Collective as part of the Government's Counter Fraud Profession. This review concluded that Hertfordshire SAFS had robust mechanisms in place to meet the requirements of the GCFP Local Authority Collective standards.

The SAFS Partnership requires each Partner to pay an annual fee to Hertfordshire County Council to deliver a contracted service. 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 2025 the SAFS Board agreed fees for all Partners from April 2026. The Board also received assurance from financial modelling that the service would be sustainable, in its current form until March 2028.

Fees for Stevenage Borough Council for 2026-2027 have been agreed at £188,322+ VAT (this is an increase of 4% from 2025-2026).

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, National Fraud Database or Internal Fraud Database which will be charged directly to the Council by CIFAS.

The Council has its own 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, in addition to the internal recharges for the core SAFS service.

Staffing

The full complement for SAFS Core Service in 2026-2027 is planned to be 22.5 FTE.

The Council will have access to 503 days of anti-fraud work, 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 Governance 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, advanced data-analytics and national counter fraud intelligence services provided via third parties/contractors 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 2026-2027

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

Fees for SAFS will be split across those service areas as follows:

Service Area	Agreed Projects
Corporate Support	<p>General Support. Three Reports to Audit and Governance Committee. SAFS attendance at Corporate Governance Groups and management meetings to keep fraud risks on the Councils agenda. Assisting with the development and review of the Councils existing anti-fraud policies. Money Laundering Reporting Officer (MLRO) role. Assist with NFI 26/27 Output and FraudHub. Assisting with Payroll fraud matters including disciplinary investigations. Identify new fraud risks and fraud alerts. Membership of various antifraud network forums including NAFN/FFCL/CIFAS/LBFIG/GCFP/PSFA A review of the ECCTA 2023 and its implications for the Council.</p> <p>Training. Ten fraud training/awareness events for staff/members in year delivered face to face/virtually/hybrid. Review the Councils I-Learn training package on fraud/bribery/money laundering - hosted on the Councils Learning Pool. Making the on-line training mandatory with alternative options for staff without access to the Councils intranet.</p>
Revenues and Benefits	<p>Proactive training and awareness for senior leadership and front-line staff.</p> <p>Reactive investigations for HB/CTRS, incl JW with DWP/FES. Assist with staff awareness and use of the Councils Fraud Sanctions Policy for Council Tax fraud.</p> <p>NFI/FraudHub output- how this can be managed in 2026/27 between SAFS and R&B Mgt.</p> <p>Develop and deliver a new SPD/Empty Homes Review Framework using third party providers, to be managed by SAFS.</p>
Housing Services	<p>Proactive training and awareness for senior leadership and front-line staff. Training and awareness to be agreed. (BTS refresher).</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. Targets include:</p> <ul style="list-style-type: none"> • 12 social homes secured from illegal sub-letting or other tenancy breaches. • 100% review of RTB applications. (SAFS to review all applications once eligibility confirmed). • 100% review of Succession applications. <p>Review housing register and current housing stock using NFI and Fraud-Hub capacity to identify fraud/error including the use of local data.</p> <p>Review of temporary accommodation to identify discrepancies- Use of Cabinet Office/NFI or other 3rd party projects to identify fraud/error in TA learning from the London FraudHub pilot.</p>
Parking Enforcement	<p>Proactive training and awareness for front-line staff. SAFS attendance at CEO Teams meeting during 2026/27. CEOs are employed as part of a third party contract managed by EHC.</p> <p>Investigation into alleged misuse of BB by CEO's. Responding to allegations of misuse from the public. Investigation into alleged fraudulent applications for a BB.</p> <p>BB Action Days- proactive work with CEOs in known hot-spots. Publicity following campaigns or sanctions to aid deterrence in</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 Council's 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 3rd 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 or 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 - Anti-Fraud Action Plan 2026-2027

SBC / SAFS Action Plan 2026/2027			
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.	Ensure the Councils Anti-Fraud and Corruption Strategy & Fraud Response Plan and associated policies to deter, prevent, investigate and pursue acts of fraud or corruption are reviewed against latest best practice including the Economic Crime and Corporate Transparency Act 2023.	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
ACKNOWLEDGE	Accessing and under-standing fraud risks. Committing the right support Demonstrating that it has a robust anti-fraud response. 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. Enhancing fraud controls. Developing an effective anti-fraud culture. 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, PNLD, CIPFA, CIFAS etc.	Head of SAFS
		Develop the Councils use of the Herts <i>FraudHub in 2026/2027</i> and take part in the mandatory NFI 2026/2027 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. Developing capability and capacity. Collaborating across boundaries. 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
PROTECT	Recognising the harm that fraud can cause. 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
		SAFS will provide reports for Audit & Governance Committee on all Counter Fraud activity taking place 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 the Ministry of Housing and Local Government/ Local Government Association/ Fighting Fraud Locally Board/Fraud Advisory Board/ Tenancy Fraud Forum/ Fraud Research Group (Aston University)/Public Sector Fraud Authority to develop anti-fraud strategies at a national level that support fraud prevention in local government.	Head of SAFS

Appendix B- SAFS KPIs 2026-2027

SAFS KPIs - 2026/ 2027 (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. A. Meetings to take place with the Councils S.151, quarterly. 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. Target to deliver at least 95% (478) of the funded 503 Days agreed counter fraud activity including proactive and reactive investigations, data-analytics, staff training and fraud risk management. (Supported by SAFS Intel/Management). B. To deliver 3 Reports to Audit & Governance Committee. (Report/Update/Plan)	Ensure ongoing effectiveness and resilience of the Councils anti-fraud arrangements.
3	Action on reported fraud.	A. 95% referrals into SAFS to be reviewed within 2 Days of receipt, on Average. B. 100% urgent/high risk referrals to be triaged through SAFS Management Team and details shared with S151 Officer.	Ensure that all cases of reported fraud are triaged within agreed timescales.
4	Triage of referrals & Outcomes for cases investigated.	A. 100% of reported fraud (referrals) will be logged by type & source on SAFS case management system (CMS). B. 100% cases investigated will be recorded and the financial value, including loss/recovery/ savings of each will be reported to officers. C. Recover or secure 6-12 properties belong to the Council that were subject to fraud/misuse.	This target will measure the effectiveness of the service in identifying cases worthy of investigation and recording the outcomes from those cases.
5	Making better use of data to prevent/identify fraud.	A. Ensure upload of data for NFI 2026/27 and the output from it is resolved as required by legislation. B. Ensure membership of the Herts FraudHub in 2026/27. C. That the ROI for the FraudHub exceeds its cost.	Build a data hub that will allow the Council to access and share data to assist in the prevention/detection of fraud.
6	Added value of SAFS membership.	A. Membership of NAFN, PNLD & CIFAS (via HCC) B. 10 Training events for staff/Members in year. C. Identify financial Savings or fraud loss that exceeds the Councils contribution (£188k) towards SAFS for 2026/2027.	Deliver additional services that will assist in the Council in preventing fraud across all services and in the recovery of fraud losses.

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Stevenage Borough Council

Audit Committee

March 2026

Anti-Fraud Progress Report 2025/2026

Purpose

1. This progress report provides details of the work undertaken by the Shared Anti-Fraud Service (SAFS) and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Plan for 2025/26.
2. Further reports will be provided during the current financial year and a final report covering the whole year will be provided to this Committee in the summer of 2026.

Recommendations

Members are asked to:

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

The Anti-Fraud Plan

3. The Anti-Fraud Plan for the current financial year was approved by this Committee at its March 2025 meeting ([Public Pack](#))[Agenda Document for Audit Committee, 25/03/2025 18:00](#) This Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Corruption Locally Strategy for the 2020s*. The Plan also provides assurance that the council continues to benefit from a positive return on its investment in the SAFS Partnership.

2025/2026 Anti-Fraud Activity

4. The Council has in place Anti-Fraud, Bribery & Corruption Policies and these are reviewed routinely to ensure compliance with current best practice and the impact of any changes required by legislation. All CF policies were last reviewed in 2024, and a further review is ongoing at present, along with associated policies, by the Councils Assistant Director Finance.
5. SAFS provides alerts of new and emerging fraud trends through its Board members and directly with officers working in 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.
6. SAFS on-line reporting portal has been fully operational for staff, public, members and partners of the Council to use 24/7 as has our 24-hour hotline. We have also received reports of alleged fraud from various sources by email, letter and in-person.
7. Between April and December 2025 SAFS issued 4 Fraud Alerts including a reminder about fake documents, email spoofing, false ID and guidance on the 'Failure to Prevent Fraud' offence. SAFS also provide regular Fraud Threat Reports that summarise new and emerging risks and provide officers with guidance to assist with prevention and reporting. SAFS has issued 25 such reports this year including areas such as multiple employment, housing

applications, blue badge misuse, mandate fraud, purchase cards, discretionary payments, grants and council tax liability.

8. A training plan to build on staff awareness and fraud reporting, along with publicity campaigns to inform the public and encourage fraud reporting has been developed with officers in HR and Comms teams for 2025/26. Nine (9) training sessions have been delivered to officers, senior management and elected members on fraud prevention, fraud awareness, ID docs, recruitment fraud and the Economic Crime and Corporate Transparency Act to the end of December 2025.
9. SAFS provides Executive Reports (ER) to senior management and internal audit where investigations identify that fraud has occurred due to system/process weaknesses, these included recommendations for management to consider the removal/reduction/mitigation of any ongoing fraud risk. We have provided three separate ER for the Council this year, two relating to procurement processes and the third for declarations of interest.
10. A new offence of 'Failing to Prevent Fraud' introduced by the *Economic Crime and Corporate Transparency Act 2023* took effect from September this year. SAFS published a briefing paper for senior leadership teams across all SAFS Partners to advise on the impact of this legislation and ensure appropriate action plans are in place. We met with senior management at the Council to discuss the Council's compliance with the Act and the new risks this creates in December 2025, a gap analysis and action plan has been implemented along with the Council's anti-fraud policy review.

Reactive Work

11. Between April and December 2025 128 allegations of fraud had been received affecting service areas such as housing, council tax, procurement, and Blue Badge misuse- 56 referrals were made by Council officers. SAFS currently have 37 cases under investigation, or at referral stage (17), with estimated losses just under **£840k** recorded in this caseload.
12. SAFS have closed 19 investigations with fraud identified in 13 of these cases. Fraud losses and savings, through prevention, amounting to **£341k** have been reported. SAFS have also conducted compliance reviews of 28 low value frauds identifying **£48k** of additional revenue in council tax.
13. SAFS work with the Department for Work and Pensions to investigate fraud linked to awards of national benefits such as Universal Credit has identified **£29k** in loss that is pending recovering. This work has also resulted in several cases where the DWP and Crown Prosecution Service are considering criminal prosecution which will include charges for fraud committed against the Council for offences related to Council Tax and/or Housing Benefit
14. One case is with the Council's shared legal service to consider prosecution for offences contrary to the Fraud Act. The Council makes use of other sanctions as alternatives to prosecutions where these are appropriate, this includes the use of

civil penalties for council tax matters, cease and desist notices and disruption activity.

15. 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 (RTB) applications and identifying fraudulent housing applications. So far this year three properties have been secured and re-let to residents from the Councils housing register, with three more pending recovery at the end of December.
16. 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.

Proactive Work

17. SAFS officers have reviewed 27 'right to buy' (RTB) and 38 succession applications to ensure that there were no fraud or money laundering concerns with these. To the end of December three RTB applications required further investigation one has been withdrawn saving around **£102k** in discount value if the sales had gone ahead.
18. SAFS and Council officers ensured that all data required for submission as part of the Cabinet Office 'National Fraud Initiative' (NFI) was uploaded in late 2024. The output from this exercise produced 572 general matches. Officers from SAFS and the Council are reviewing all matches with the intention to clear and close this work by the end of Q2, however only 122 have been cleared and areas such as Housing Tenants and Housing Register did not receive as much attention as planned although two cases of fraud were identified with a saving to the Council of **£6k**.
19. The Council is signed up the Herts Fraudhub for 2025/26. 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. We suspended activity on the FH until Q3 to focus on clearing the matches from the main NFI exercise, but again progress has been slow in this area with only 59 of the 534 matches reviewed and no fraud or error reported.
20. The Council has been making use of the Analyse Local 'Small Business Rate Fraud Finder' in 2025/26 and of 16 reviews completed three businesses had their Small Business Discount removed.
21. The Council has also benefited this year from the County-wide Council Tax Review Framework, managed by SAFS. The Shared Revenue and Benefit Service hosted by East Herts Council commenced their review in late 2024 with the outcome being reported in the summer of 2025. This exercise resulted in the removal 724 *single person discounts* that had been claimed incorrectly by council taxpayers across the Borough and the billing of a further **£306k** in Council tax for 2025/26.
22. SAFS KPIs were agreed in the Anti-Fraud Plan and progress is shown below.

KPI	Measure	Objectives	Performance to December 2025
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. A. Meetings to take place with the Councils Deputy S.151, quarterly. B. S.151 or deputy will attend the quarterly meeting of the SAFS Board.	A. Meetings are being arranged with the Assistant Director Finance and other senior leaders to discuss delivery of the AF Plan and anything else relevant. The agenda is agreed by Council Officers B. Assistant Director Finance is a member of the SAFS Board and is invited to its quarterly meetings. SAFS meet with other service leads across the Council as and when required with a focus on the highest risk areas. And takes part in CGG boards.
2	Provide an investigation service.	A. Target to deliver at least 95% of the funded 521 Days of counter fraud activity including proactive and reactive investigations, data-analytics, staff training and fraud risk management. (Supported by SAFS Intel/Management). B. 3 Reports to Audit & Governance Committee.	A. To the end of December 2025 SAFS had provided 344 days (64%) of those planned for the year. SAFS have allocated additional resource for Q4 onwards to bring this KPI back on target. B. SAFS reports agreed for September/November/March Audit Committees as part of the Fwd Plan.
3	Action on reported fraud.	90% of all referrals into SAFS to be reviewed within 2 working days on average.	A. In Q1/Q2/Q3 100% of referrals within 0.7 days on average.
4	Anti-Fraud Training	A. Membership of NAFN & PNLD B. Membership of CIFAS/LBFIG/FAP/FFCL C. NAFN Access/Training for relevant Council Staff D. 10 Training events for staff/Members in year.	A. NAFN and PNLD licences in place. B. CFIAS/LBFIG/FAP/FFCL memberships in place C. NAFN and NFI training and awareness part of the SAFS Training Plan for 25/26. D. 9 training sessions delivered.
5	Allegations of fraud. & And outcomes from cases investigated.	A. All reported fraud (referrals) will be logged and reported to officers by type & source. B. All cases investigated will be recorded and the financial value, including loss/recovery/savings of each will be reported to Council officers. C. 6-12 Social homes secured from unlawful use or sub-letting. D. 100% Review 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. B. All cases with reports/values/outcomes recorded on SAFS CMS. C. 3 Properties recovered, with a number pending recovery at the time of reporting, +2 RTB applications rejected. D. 100% review of all RTBs and Succession applications completed.
6	Making better use of data to prevent/identify fraud.	A. Support the output from NFI 2025/26 Council services. B. Maintain use of the Herts FraudHub	A. The NFI reports/matches were reviewed with SAFS support. B. The Council has a contract in place for the FHUB, and data is being uploaded and output commenced from Q3.

Further Reading

23. 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/CIF9AS/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) Fighting Fraud - Breaking the Chain (Report of Session 2022-2023 House of Lords)*
- (f) HMG Fraud Strategy - Stopping Scams, Protecting the Public (May 2023)*
- (g) Lost Homes, Lost Hope (Fraud Advisory Panel 2023)*

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