

STEVENAGE BOROUGH COUNCIL

**STATEMENT OF ACCOUNTS COMMITTEE
MINUTES**

Date: Wednesday, 18 February 2026

Time: 6.00pm

Place: Council Chamber

Present: Councillors: Jeannette Thomas (Chair) (Chair), Myla Arceno, Kamal Choudhury, Forhad Chowdhury, Rob Henry, Lin Martin-Haugh and Simon Speller

Start / End Start Time: 6.00pm

Time: 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 Councillor Robin Parker.

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.

At 18:50hrs, following the conclusion of the Audit Committee meeting, the Members of the Statement of Accounts Committee returned.

The Assistant Director (Finance) reported that the Audit Committee had expressed thanks to the auditors and Officers involved in producing the accounts. They added that the Audit Committee had supported 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