

**Meeting**                    Audit Committee  
**Portfolio Area**        Resources and Performance  
**Date**                      02 June 2026



**AUDIT COMMITTEE ANNUAL REPORT 2025/26**

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**NON-KEY DECISION** **JOE**

**1**                    **PURPOSE**

1.1                  To present the Audit Committee Annual Report for the 2025/26 financial year, setting out the Committee’s work and providing assurance to Members on the effectiveness of the Council’s governance, risk management, internal control and financial reporting arrangements.

**2**                    **RECOMMENDATIONS**

That the Audit Committee:

- 2.1                  Notes the content of the Audit Committee Annual Report 2025/26; and
- 2.2                  Agrees that the report provides assurance to the Council on the effectiveness of the audit, governance and risk management framework during the year.

### **3 BACKGROUND**

- 3.1 The Audit Committee is a key component of the Council's governance framework. In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance, audit committees are expected to provide independent assurance on the adequacy of governance arrangements, financial management, internal control and risk management processes.
- 3.2 While the Audit Committee has not historically produced a formal annual report, the introduction of this report for 2025/26 reflects a commitment to align with recognised best practice and to further strengthen transparency and accountability in the Council's governance arrangements.
- 3.3 As a matter of good governance, the Audit Committees are encouraged to produce an annual report summarising its activities during the municipal year and demonstrating how they have discharged their responsibilities. This approach is consistent with the Global Internal Audit Standards (GIAS), which emphasise the importance of transparent reporting to those charged with governance, and with CIPFA guidance which identifies the annual report as a key mechanism for audit committees to evidence effectiveness, accountability and impact.
- 3.4 This report for 2025/26 therefore supports transparency and accountability to Council and the public and provides assurance that the Audit Committee has fulfilled its role in overseeing governance, risk management, internal control and financial reporting arrangements during the year.

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

#### **Recommended course of Action**

- 4.1 Producing and presenting an annual report is recognised best practice as per GIAS and CIPFA guidelines and supports the Council in demonstrating strong governance and effective assurance arrangements. The report enables Members to gain assurance that the Audit Committee has fulfilled its role effectively during the year.

#### **Other options considered**

- 4.2 An alternative option would be not to produce an annual report. This option is not recommended as it would reduce transparency and limit the Committee's ability to demonstrate how it has discharged its responsibilities in accordance with GIAS and CIPFA guidance.

#### **Consultation**

- 4.3 The report reflects the work of the Audit Committee and draws on contributions and assurance work undertaken by Committee Members, Senior Officers, Shared Internal Audit Service, External Audit and the Shared Anti-Fraud Service during the year.

## **5 IMPLICATIONS**

### **Financial Implications**

- 5.1 There are no direct financial implications arising from noting this report. However, the work of the Audit Committee during 2025/26 has contributed to providing assurance over the Council's financial management, budget monitoring and financial reporting arrangements.

### **Legal Implications**

- 5.2 The Audit Committee operates within the Council's constitutional framework and supports the Council in meeting its statutory responsibilities relating to accounts, audit and governance. There are no additional legal implications arising from this report.

### **Local Government Reorganisation (LGR) Implications**

- 5.3 The Committee will oversee governance and risk arrangements during a period of sector-wide change. There are no specific LGR implications arising directly from this report.

### **Risk Implications**

- 5.4 The Audit Committee has overseen the Council's corporate risk management framework during the year, including regular review of the Corporate Risk Register, providing assurance over the identification and mitigation of key strategic risks.

## **6 BACKGROUND DOCUMENTS**

- BD1 All Audit Committee Reports are available on the Council Website using following link:

<https://democracy.stevenage.gov.uk/ieListMeetings.aspx?CId=138&Year=0>

## **7 APPENDICES**

- A Audit Committee Annual Report 2025/26  
B Audit Committee TOR 2026  
C Key Reports 2025/26