

**Audit Committee Annual Report 2025/26**

**STEVENAGE BOROUGH COUNCIL**

**1. Foreword from the Vice-Chair of the Audit Committee**

I am pleased to present the Audit Committee Annual Report for the 2025/26 municipal year. This report outlines the work undertaken by the Committee during the year and highlights how the Committee has fulfilled its role in supporting strong governance, effective risk management and sound financial stewardship at Stevenage Borough Council.

The Audit Committee plays a vital role in providing independent assurance to Members on the adequacy and effectiveness of the Council's governance arrangements, internal control environment and risk management framework.

During the year, the Committee has continued to provide constructive challenge and robust scrutiny, supported by officers and both internal and external audit.

I would like to thank all those who have supported the work of the Audit Committee throughout the year. The Committee is made up of elected Members, supported by one Independent Member who provides additional expertise and challenge. Our work is further strengthened by the valuable contributions of officers, particularly from Finance, the Shared Internal Audit Service (SIAS), the Shared Anti-Fraud Service (SAFS), ICT and Corporate Performance Team. I would also like to acknowledge the contribution of our External Auditors, Azets, who have attended meetings regularly since their appointment.

I would also like to thank the Democratic Services team for their excellent support throughout the year, for keeping proceedings focused and on track.

**Lloyd Briscoe**  
**Vice-Chair of the Audit Committee**  
June 2026

### 2. Role of the Audit Committee

The Audit Committee is a key component of the Council's governance framework. Its purpose is to provide independent and high-level assurance to the Council on the effectiveness of governance, risk management, internal control and financial reporting arrangements.

In discharging its role, the Committee:

- Acts as the Council's audit committee
- Reviews and approves the Statement of Accounts
- Oversees the work of Internal Audit, External Audit and counter-fraud arrangements
- Monitors the effectiveness of risk management and the internal control framework
- Reviews treasury management, financial reporting and budget monitoring
- Considers the Annual Governance Statement and supports continuous improvement in governance arrangements

The Committee is comprised of elected Members, supported by one Independent non-voting Member, and meets regularly throughout the year to discharge its responsibilities effectively. The Committee operates in accordance with its Terms of Reference as set out in the Council's Constitution and with reference to relevant professional guidance, including that issued by CIPFA.

The existing full Terms of Reference for the Audit Committee are set out in Part 3 (para 2.4) of the Council's Constitution and can be accessed by clicking the link below:

<https://www.stevenage.gov.uk/documents/constitution/part-3-responsibility-for-functions-june-2025.pdf>.

The updated terms of reference are also attached as Appendix B to this report and once agreed, will replace the existing TOR within the Constitution.

### 3. Committee Membership and Meetings

During 2025/26, the Audit Committee met five times, plus one joint meeting as Statements of Accounts Committee. The following Members were appointed to the Committee for 2025/26:

Carolina Veres (Chair) - Labour

Lloyd Briscoe (Vice-Chair) - Labour

Phil Bibby - Conservative  
Robert Boyle - Labour  
Leanne Brady - Labour  
Mason Humberstone - Reform  
Dermot Kehoe - Labour  
Tom Plater - Labour  
Ceara Roopchand - Labour  
Tom Wren - Lib Dem  
Syed Uddin – Independent Member (Non-Voting rights)

Attendance at meetings was good and enabled the Committee to discharge its responsibilities effectively. The Committee was supported at meetings by appropriate senior officers, Internal Audit, External Audit and other assurance providers.

#### **4. Key Areas of Work During 2025/26**

The Committee operates an annual work programme designed to ensure that its responsibilities are addressed in a structured and appropriately timed manner throughout the financial year. Meeting agendas and reports are published on the Council's website to promote transparency and public access.

During 2025/26, the Committee undertook work across the full scope of its remit. A comprehensive list of reports considered during the year is set out at Appendix C, with the key areas of activity summarised below.

##### **4.1. Financial Reporting and Statements of Accounts**

The Committee is responsible for approving, on behalf of the Council, the Annual Statement of Accounts and for providing assurance that appropriate accounting policies have been applied and that any significant issues arising from the accounts or the external audit are properly considered.

The committee received reports from External Auditors on audit planning, findings and conclusions of agreed management actions. In February 2026, the Committee reviewed and approved the Council's Statement of Accounts 2024/25, providing assurance that appropriate accounting policies were applied and that any issues arising from the accounts and the external audit were properly considered.

The set of accounts received disclaimed audit opinions, issued solely because there was insufficient time for the auditors to complete a full audit in line with the statutory backstop arrangements introduced by Government. The

disclaimers were not the result of identified errors or weaknesses in the Council's accounting records or financial management.

The Committee welcomed the significant progress made during the year in restoring timely financial reporting. In particular, the 2024/25 Statement of Accounts was published on time and received audit sign-off within the Government-prescribed timescales, marking an important milestone in returning to normal audit arrangements.

The Committee has also received and noted a recovery timetable from the Council's external auditor, setting out how audit assurance will be rebuilt over the coming years. This includes planned work to establish full audit coverage of key balances and transactions, with the intention of returning to an unqualified audit opinion by the 2027/28 accounts, subject to national audit arrangements and progress against the agreed programme.

The Committee will continue to monitor progress closely and provide appropriate challenge and oversight to support the restoration of timely, high-quality audited accounts.

### **4.2. Shared Internal Audit and Anti-Fraud Services**

The Committee oversaw the Council's Shared Internal Audit service throughout the year. This included:

- Approving the Internal Audit Plan.
- Monitoring delivery of the plan through progress reports.
- Reviewing the annual opinion of the Chief Audit Executive (the Council's Client Audit Manager) which provided satisfactory assurances on the Council control environment.

The Committee also received updates on counter-fraud activity and arrangements from Shared Anti-Fraud Services, providing assurance that appropriate measures are in place to prevent, detect and respond to fraud and corruption.

The committee also reviewed and endorsed the SIAS and SAFS plans for 2026/27.

### **4.3. Risk Management and Governance**

The Committee received and considered quarterly Corporate Risk Reports throughout the year. The reports provided the Committee with an update on

Strategic Risk Register and other relevant risk management issues. This enabled the Committee to maintain effective oversight of the Council's key strategic risks, trends in risk exposure, and the adequacy of mitigating actions in place. During 2025/26, the Committee also reviewed and endorsed the draft Risk Management Policy, prior to formal approval by the Portfolio Holder and Chief Executive.

During the year, the Committee reviewed the 2024/25 Annual Governance Statement (AGS) and received a mid-year update, providing challenge on governance arrangements, control effectiveness and progress against agreed actions. The Committee also considered updates to the Local Code of Corporate Governance, supporting assurance over the robustness of the Council's governance framework.

In discharging its responsibilities, the Committee reviewed a range of governance, assurance and risk-related reports, including updates on anti-bribery policy, whistleblowing policy, cyber security and ICT risks, and the governance and risk management arrangements relating to the Council's wholly owned companies. These reports enabled the Committee to provide constructive challenge on emerging risks, control effectiveness and organisational resilience.

#### **4.4. Treasury Management, Financial Assurance and Resilience**

The Committee did not consider routine budget monitoring reports during the year, as responsibility for in-year budget monitoring and financial performance rests with Cabinet and Council. Instead, the Committee focused on providing assurance over the Council's financial governance, treasury management arrangements and longer-term financial resilience, in line with its Terms of Reference.

During 2025/26, the Committee considered a range of treasury management reports, including the Annual Treasury Management Review for 2024/25, the Mid-Year Treasury Management Review for 2025/26, and the Annual Treasury Management Strategy for 2026/27, including associated prudential indicators. Through this work, the Committee provided scrutiny and challenge on borrowing, investments, capital financing, and compliance with the CIPFA Treasury Management Code.

This work supported the Committee's role in maintaining effective oversight of the Council's financial stewardship, treasury risk exposure and overall financial resilience.

### 5. Committee Effectiveness

The Committee recognises the importance of regularly reviewing its own effectiveness in line with CIPFA guidance and reflecting on its operation, work programme and the quality and timeliness of information received, to ensure it remains focused on areas of highest governance and assurance risk.

During the year, the effectiveness of the Audit Committee was subject to an independent internal audit review. The review provided reasonable assurance over the effectiveness of the Committee's arrangements, concluding that there is a generally sound system of governance in place, supported by clear Terms of Reference, an appropriate balance of skills and experience within the membership, effective meeting arrangements, and timely provision of information to Members.

The review identified a small number of areas for improvement, including the retention of evidence relating to Member induction training, the formal recording and follow-up of the Committee's annual self-assessment, and the inclusion of clearer deadline dates within the Committee's work programme. Management actions have been agreed to address these points and will be monitored through the Committee's ongoing work programme.

This review provided additional assurance in support of the Council's Annual Governance Statement and will inform further strengthening of the Committee's effectiveness and good governance arrangements going forward.

### 6. Training and Development

Effective Audit Committee members require an appropriate level of knowledge and understanding to discharge their responsibilities and provide informed scrutiny and challenge.

During 2025/26, training was provided to Committee Members on a range of relevant topics, including anti-fraud awareness (delivered by the Shared Anti-Fraud Service), the role of internal audit and standards (delivered by the Shared Internal Audit Service), and treasury management (delivered by the Council's external Treasury Advisers). Training sessions were aligned to items within the Committee's work programme and were designed to strengthen Members' understanding of key governance, risk and assurance matters.

An internal audit review of the effectiveness of the Audit Committee identified the need to strengthen the formal retention and accessibility of records relating to Member induction and training. Actions have been agreed to address this, including

clearer arrangements for recording induction and specialist training undertaken by Members.

Further training is planned to ensure Members continue to develop and maintain the skills, knowledge and awareness required to fulfil their role effectively and in line with recognised good practice.

### **7. Conclusion**

The Audit Committee has fulfilled its role during 2025/26 by providing independent assurance to the Council on the effectiveness of governance, risk management, internal control and financial reporting arrangements.

This Annual Report demonstrates the Committee's contribution to promoting strong governance, transparency and accountability at Stevenage Borough Council and supports confidence in the Council's assurance framework.