

STEVENAGE BOROUGH COUNCIL

**AUDIT COMMITTEE
MINUTES**

Date: Tuesday, 2 June 2026

Time: 6.30pm

Place: Council Chamber

Present: Councillors: Forhad Chowdhury (Chair), Dermot Kehoe (Vice-Chair), Jeff Bullock, Leanne Brady, Coleen De Freitas, Sarah Mead, Liam Morrell Phillips and Graham Spencer

Start / End Start Time: 18:30
Time: End Time: 19:20

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Peter Wilkins.

There were no declarations of interest.

2 MINUTES OF PREVIOUS MEETING

The minutes of the Audit Committee held on 24 March 2026 were approved and signed by the Chair.

3 EXTERNAL AUDIT PLAN - AZETS

At this juncture the Chair gave apologies on behalf of AZETS and informed Members that the report would be brought to the next meeting of the Audit Committee.

**4 SIAS ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT REPORT
2025/26**

The Committee received the SIAS Annual Assurance Statement and Internal Audit Report for 2025/26, outlining the work of the shared internal audit service, which operated on behalf of eight Hertfordshire councils. The report formed the final stage of the annual audit cycle and summarised audit activity, outcomes and assurance provided during the year.

Members were advised that the overall annual opinion was one of reasonable assurance, reflecting a largely positive control environment and a position consistent with the previous year. Details of individual audit opinions, recommendations and performance against service indicators were included within the report and supporting appendices.

The Committee noted that almost all service performance targets had been achieved

and that the service had secured additional income-generating work outside Hertfordshire. Members were also asked to approve the Internal Audit Charter for 2026/27, which remained substantially unchanged apart from an amendment reflecting new Global Internal Audit Standards introduced in 2025, providing an opportunity for member involvement in oversight of the Internal Audit Manager's role.

During discussion, members sought assurance regarding the effectiveness and robustness of the audit programme, particularly considering there being no audits receiving limited or no assurance opinions and no high-priority recommendations issued during the year. Officers explained that the audit plan was developed using a risk-based approach, informed by the Council's strategic risks, previous audit findings and areas not recently reviewed. While no high-priority recommendations had been raised, 26 medium-priority recommendations had been issued during the year, demonstrating a robust audit approach.

Officers confirmed that all recommendations were subject to management action plans, implementation deadlines and ongoing monitoring through governance processes and future Audit Committee reports. The Committee noted that the 17 outstanding medium-priority recommendations represented a snapshot at year-end and that progress against these actions would be reported through subsequent audit monitoring reports.

It was **RESOLVED** that:

- The Annual Assurance Statement and Internal Audit Annual Report 2025/26 be noted.
- The results of the self-assessment required by the Global Internal Audit Standards (GIAS) and the Quality Assurance and Improvement Programme (QAIP) be noted.
- The SIAS Audit Charter 2026/27 be approved.
- Management assurance be sought that the scope and resources for internal audit were not subject to inappropriate limitations in 2025/26.

5 **2025/26 ANNUAL GOVERNANCE STATEMENT AND LOCAL CODE OF CORPORATE GOVERNANCE**

The Committee received a report presenting the updated Local Code of Corporate Governance and the 2025/26 Annual Governance Statement (AGS). Members were advised that the Local Code had been refreshed to reflect the Council's current governance arrangements and to maintain alignment with the CIPFA governance framework. The AGS, following a review of the effectiveness of governance arrangements throughout the year, concluded that the Council's governance framework remained fit for purpose during 2025/26 and provided a robust basis for the delivery of the Council's objectives.

This conclusion was supported by a range of assurance sources, including service assurance statements, internal audit work and ongoing governance oversight. The

report also identified several improvement actions for 2026/27, including strengthening oversight of Council-owned companies, continuing work on IT resilience, progressing financial assurance recovery work, and preparing for the governance implications of local government reorganisation (LGR).

In response to a question regarding the impact of local government reorganisation on future external audits, the Committee was advised that there would be significant challenges associated with closing the accounts of existing authorities ahead of the establishment of the new unitary authority in April 2028. Members heard that the 2027/28 accounts would need to be completed after staff had transferred to the new authority, creating risks around staff retention and continuity. Further risks related to the completion of the external audit assurance “build-back” programme before reorganisation. Officers confirmed that these risks had been recognised across Hertfordshire and that plans were in place to support the completion of outstanding assurance work and retain key finance staff.

The Committee noted the report and the challenges associated with the transition arrangements.

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

6 **ANNUAL REPORT OF THE AUDIT COMMITTEE**

The Committee received the Annual Report of the Audit Committee for 2025/26, which provided assurance that the Committee had fulfilled its responsibilities effectively during the year. The report was prepared in line with CIPFA guidance, the Global Internal Audit Standards and recognised best practice, and provided assurance regarding governance, risk management, internal control and financial reporting arrangements.

Members noted that the Committee had continued to oversee the work of internal and external audit, approved the Statement of Accounts, monitored risk management and internal controls, and scrutinised treasury management and financial reporting matters.

The report highlighted the Committee’s key activities during 2025/26. Members noted that the 2024/25 Statement of Accounts had been approved and that the external auditor had issued a disclaimer of opinion due to national audit timing pressures rather than concerns relating to the Council’s financial position. The Committee had approved and monitored the Internal Audit Plan, received a satisfactory annual internal audit opinion, and maintained oversight of counter-fraud arrangements.

Quarterly corporate risk reports, the Annual Governance Statement, cybersecurity, whistleblowing, anti-bribery policies and company governance matters had also been reviewed. An independent effectiveness review had concluded that the Committee was generally effective, with recommendations relating to member training records, self-assessment processes and work programme timelines, all of which were being addressed.

Members further noted the training provided during the year and the updated Terms of Reference, which clarified the Committee's responsibilities across audit, risk, governance, fraud and financial reporting. The Committee concluded that it had provided robust scrutiny and challenge throughout the year and had supported good governance, transparency and accountability across the Council.

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

7 URGENT PART 1 BUSINESS

There was no Urgent Part 1 Business.

8 EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 to 7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.

2. That having considered the reasons for the following item being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

9 STRATEGIC RISK REGISTER

The Committee considered a Part II report in respect of the Strategic Risk Register.

The Corporate Performance and Improvement Officer presented the report.

Members asked several questions that were answered by Officers

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

10 URGENT PART II BUSINESS

There was no Urgent Part II business.

CHAIR