



Stafford Borough Council

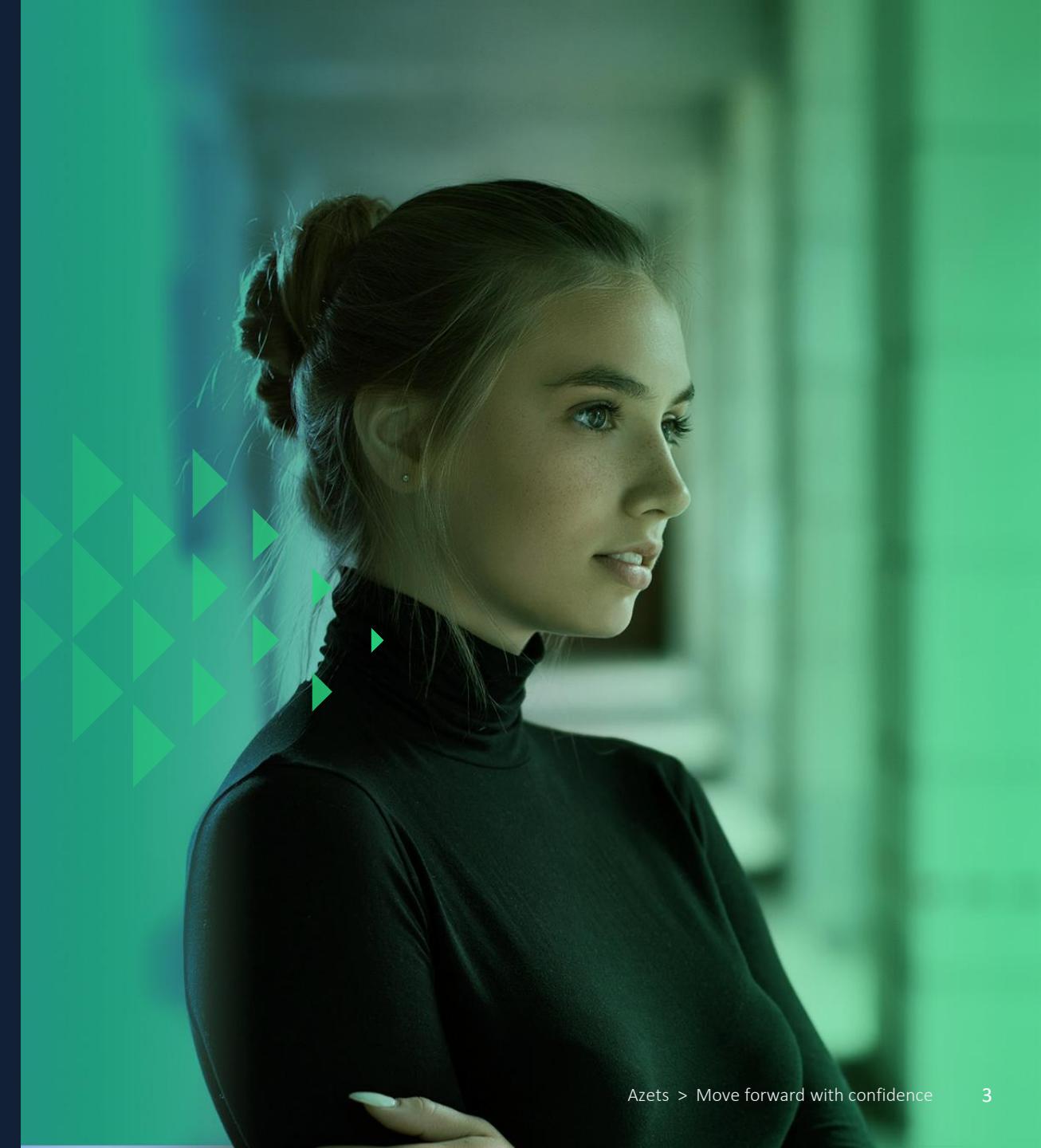
Auditor's Annual Report
Year ended 31 March 2025

November 2025

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Headlines from our audit



Headlines from our audit

Purpose of this report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our audit of the Council for 2024/25. This report has been prepared in line with the requirements set out in the Code of Audit Practice and supporting guidance published by the National Audit Office and is required to be published by the Authority alongside the annual report and accounts.

Our responsibilities

Financial statements	Narrative report and Annual Governance Statement	Value for money
<p>We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Authority and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting ('the Code').</p> <p>Due to the challenges of undertaking an audit where the previous 3 years have been disclaimed because of the local authority backstop, it will not be possible to regain full assurance, and it is not possible for us to undertake sufficient work to support an unmodified audit opinion ahead of the backstop date of 27 February 2026. The limitations imposed from this lack of assurance on opening balances and closing balances in key areas means we are unable to form an opinion on the 2024/25 financial statements. We therefore intend to disclaim our audit report.</p>	<p>We assess whether the Narrative report and Annual Governance Statement is consistent with our knowledge of the Authority.</p> <p>We are unable to conclude the other information included in the statement of accounts is consistent with our knowledge of the Council and the financial statements we have audited. This is because it has not been possible to undertake sufficient audit work to reach a conclusion at the time of writing this report. Further updates will be provided by February 2026.</p>	<p>We are required under Section 20(1)c of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness (value for money) in its use of resources and provide a summary of our findings in the commentary in this report.</p> <p>We are required to report if we have identified any significant weaknesses as a result of this work.</p> <p>At the time of writing this report, we have not concluded our assessment of whether any significant weaknesses exist in the arrangements for securing economy, efficiency and effectiveness in the use of resources at the Council for 2024/25. Further detail is provided in this report.</p>



Headlines from our audit

Statutory powers

We may exercise other powers we have under the Local Audit and Accountability Act 2014. These powers include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

Public interest report	Statutory recommendations	Advisory notice	Judicial review	Application to the court
<p>We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.</p> <p>If we issue a Public Interest Report, the Authority is required to consider it and to bring it to the attention of the public.</p> <p>At the time of writing this report, we have not issued a Public Interest Report this year.</p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p>	<p>We may make written recommendations to the Council under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Authority must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.</p> <p>At the time of writing this report, we have not made any statutory recommendations this year.</p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p>	<p>We may issue an advisory notice if we believe that the Council, or an officer of the Council, has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency. If we issue an advisory notice, the Authority is required to stop the course of action for 21 days, consider the notice and then notify us of the action it intends to take and why.</p> <p>At the time of writing this report, we have not issued an advisory notice this year.</p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p>	<p>We may make an application for judicial review of a decision of the Council, or of a failure to act by the Council, which it is reasonable to believe would have an effect on the accounts of that body.</p> <p>At the time of writing this report, we did not make an application for judicial review this year.</p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p>	<p>We may apply to the courts for a declaration that an item of expenditure the Authority has incurred is unlawful.</p> <p>At the time of writing this report, we have not applied to the courts this year.</p> <p>Additional information, will be provided in our update report, presented to Committee in February 2026.</p>



Headlines from our audit

Findings and recommendations

Findings from our financial statements audit	Recommendations arising from our financial statements audit	Key recommendations arising from our value for money work	Other recommendations arising from our value for money work
<p>Detailed findings from our audit of the financial statements, including our consideration of significant risks, are communicated in the following reports:</p> <ul style="list-style-type: none">• audit opinion on the financial statements for the year ended 31 March 2025• audit completion (ISA 260) report to Those Charged with Governance <p>Our audit completion report will be reported to the Council's Audit Committee in February 2026.</p> <p>Requests for our audit completion (ISA260) report should be directed to the Council.</p>	<p>Recommendations relating to internal controls and other matters arising from our financial statements work are contained in the audit completion (ISA 260) report.</p> <p>At the time of writing this report, our work remains outstanding and on-going in respect of the Local Authority's financial statements audit.</p>	<p>We provide a summary of our findings in respect of value for money in the commentary in this report.</p> <p>Where we identify significant weaknesses as part of our review of the Council's arrangements to secure value for money, we make key, or essential, recommendations setting out the actions that should be taken by the Council.</p> <p>At the time of writing this report, our work remains outstanding and on-going in respect of the Local Authority's value for money arrangements.</p>	<p>We make other recommendations if we identify areas for improvement which do not relate to identified significant weaknesses.</p> <p>At the time of writing this report, our work remains outstanding and on-going in respect of the Local Authority's value for money arrangements.</p>

Value for money



Value for money

We are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources, as set out in the NAO Code of Practice 2024 and the requirements of Auditor Guidance Note 3 ('AGN 03').

We have carried out an initial risk assessment to identify any risks of significant weakness in respect of the three specific areas of proper arrangements using the guidance contained in AGN 03. A significant weakness is a risk requiring audit consideration and procedures to address the likelihood that proper arrangements are not in place at the body to deliver value for money.

We will re-evaluate this risk assessment during the course of the audit and, where appropriate, update our work to reflect emerging risks or findings that may suggest a significant weakness in arrangements. When considering the Council's arrangements, we will have regard to the three reporting criteria set out in AGN03, as well as performing additional work in the areas identified below which are the potential areas of significant weaknesses, we have identified at the planning stage.

Reporting criteria	Planning –risk of significant weakness identified?	Final – significant weakness identified?	Recommendations made		
			Statutory	Key	Other
Financial sustainability How the body plans and manages its resources to ensure it can continue to deliver its services	Yes				
Governance How the body ensures it makes informed decisions and properly manages risk	Yes				Assessment not complete at the time of issue of this report
Improving economy, efficiency and effectiveness How the body uses information about its costs and performance to improve the way it manages and delivers its services	Yes				

Value for money: Risks of significant weakness identified for 2024/25

Criteria	Risk of significant weakness identified at planning	Our risk based procedures and evaluation approach includes (but is not limited to)
Financial Sustainability	Refer to the following page in respect of risks of significant weaknesses identified for 2024/25.	We will review actions taken by the Council in response to the previously raised significant weakness and assess whether this remains an area of significant weakness in 2024/25.
Governance		November 2025 update
Improving economy, efficiency and effectiveness	These risks of significant weakness for 2024/25 were identified following the reporting of significant weaknesses in arrangements in our 2023/24 audit, and which were also reported by the predecessor auditor for 2022/23.	At the time of writing this report we have not yet concluded on whether the significant weaknesses reported for 2023/24 remain in place for 2024/25. Further updates will be provided in an additional Auditor's Annual Report (AAR), that will be presented to Committee in February 2026.

Value for money: Risks of significant weakness identified for 2024/25

Potential risk of significant weakness – assessment for 2024/25 not yet concluded

We identified one significant weakness in the Council's arrangements for **financial sustainability** and **governance** for 2023/24. This was in relation to arrangements for financial planning and financial monitoring and finance team capacity not being adequate.

We identified one significant weakness in the Council's arrangements for **financial sustainability** for 2023/24. This was in relation to the Council not having robust arrangements to ensure an understanding of costs of delivering core statutory services.

We identified two significant weaknesses in the Council's arrangements in respect of **governance** for 2023/24. These were in relation to the Council's:

- internal controls in respect of Information Technology (IT), which could expose the Council to significant financial or service loss including fraud and cyber-attacks and the Council has failed to follow-up on external audit recommendations in these areas.
- internal controls relating to fraud, which could expose the Council to significant financial loss, and the Council has failed to follow-up on external audit recommendations in this area.

We identified one significant weaknesses in the Authority's arrangements in respect of **improving economy, efficiency and effectiveness** for 2023/24. These were in relation to the Council's lack of a performance management framework to deliver its business plan.

For all of the above areas of significant weakness which were identified and reported in 2023/24 and 2022/23, we will assess whether the significant weakness remains in place for 2024/25.



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