

## **Audit and Standards Committee**

Tuesday 19 September 2023

**10:00**

Oak Room, County Buildings, Stafford

The meeting will be webcast live and archived for 12 months. It can be viewed at the following link: <https://staffordshire.public-i.tv/core/portal/home>

John Tradewell  
Deputy Chief Executive and Director for Corporate Services  
11 September 2023

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### **Agenda**

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes of the Meeting held on 11 July 2023** (Pages 1 - 6)
4. **Proposed addition to the Scheme of Delegation re Section 53 Applications under the Wildlife and Countryside Act 1981** (Pages 7 - 10)
5. **Final Report to those charged with Governance (ISA 260) 2020/21 - Staffordshire County Council**  
Report of Ernst & Young (External Auditor)
6. **Final Report to those charged with Governance (ISA 260) 2020/21 - Staffordshire Pension Fund**  
Report of Ernst & Young (External Auditor)
7. **Annual Audit Letter - 2020/21**  
Report of Ernst & Young (External Auditor)

8. **Civil Contingencies Governance Annual Report 2022/23** (Pages 11 - 28)
9. **Review of the Effectiveness of the Audit and Standards Committee - Results of the Member Workshop** (Pages 29 - 44)
10. **Review of the Effectiveness of the Audit and Standards Committee - Updated Terms of Reference** (Pages 45 - 54)
11. **Review of the Effectiveness of the Audit and Standards Committee - Consideration of the Appointment of Independent Members to the Committee** (Pages 55 - 60)
12. **Report to those charged with Governance (ISA 260) 2021/22 - Staffordshire County Council**  
Report of Ernst & Young (External Auditor)
13. **Report to those charged with Governance (ISA 260) 2021/22 - Staffordshire Pension Fund**  
Report of Ernst & Young (External Auditor)
14. **External Audit Plan 2022/23 - Staffordshire County Council**  
Report of Ernst & Young (External Auditor)
15. **Staffordshire Pension Fund Audit Planning Report 2022/23**  
Report of Ernst & Young (External Auditor)
16. **Forward Plan for the Audit and Standards Committee 2023/24** (Pages 61 - 72)
17. **Exclusion of the Public**  
The Chairman to move:  
  
"That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government Act 1972 as indicated below".

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**Part Two**  
**(reports in this section are exempt)**

18. **Exempt Minutes of the meeting held on 11 July 2023 (Exemption paragraph 3)** (Pages 73 - 74)
19. **Capital Receipts from Farm Sales (Exemption paragraph 3)** (Pages 75 - 76)
20. **Nexus Financial Assurance Review - Update Report (Exemption paragraph 3)** (Pages 77 - 90)

<b>Membership</b>	
Carolyn Trowbridge (Vice-Chair)	Janice Silvester-Hall
Ross Ward	Mike Worthington (Chair)
Bernard Williams	Arshad Afsar
Philippa Haden	Keith Flunder
Phil Hewitt	Richard Cox
Graham Hutton	Derrick Huckfield
Bernard Peters	Stephen Sweeney
James Salisbury	

**Notes for Members of the Press and Public**

**Filming of Meetings**

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## **Recording by Press and Public**

Recording (including by the use of social media) by the Press and Public is permitted from the public seating area provided it does not, in the opinion of the chairman, disrupt the meeting.



**Minutes of the Audit and Standards Committee Meeting held on 11 July 2023**

Present: Mike Worthington (Chair)

<b>Attendance</b>	
Bernard Williams	Arshad Afsar
Philippa Haden	Keith Flunder
Phil Hewitt	Richard Cox
Graham Hutton	Derrick Huckfield
Bernard Peters	Stephen Sweeney

**Also in attendance:**

For all items – Debbie Harris (Chief Internal Auditor) and John Tradewell (Director for Corporate Services and Deputy Chief Executive)

For item 4- Rachel Spain (Chief Accountant)

For items 4 & 5 Hassan Rohimun (Ernst Young, External Auditors)

**Apologies:** Carolyn Trowbridge, Ross Ward and Janice Silvester-Hall

**Part One**

**1. Declarations of Interest**

Mr Afsar declared an interest in that section of item no. 15 where reference is made to contracts held with school transport contractors.

**2. Minutes of the Meeting held on 25 April 2023**

**Resolved** – That the minutes of the meeting held on 25 April 2023 be confirmed as a correct record and signed by the Chairman.

**3. To note the appointment by Full Council of the following members to serve as a Standards Panel for 2023/24**

**Resolved** – That the decision of the full County Council to appoint the following members to the Standards Panel for 2023/24 be noted:

P Haden, G Hutton, C Trowbridge, B Williams and M Worthington.

**4. Update regarding the situation within the External Audit Provision**

The Committee considered correspondence from Ernst Young LLP, the Councils' external auditors, setting out action they propose to take to address the backlog of work on open 2019/20, 2020/21 and 2021/22

audits with a December 2023 target date for completion of the earliest audits.

The letter explained that whilst EY's resourcing difficulties mirrored those being experienced in the audit sector nationally, they were working to prioritise work which would minimise the impact of any delays on the transition of Staffordshire's external audit function to the new provider appointed with effect from April 2024.

**Resolved** – That the letter be noted.

## **5. External Audit - Financial Years 2020/21 and 2021/22**

Building on the information detailed above, Hassan Rohimun, external auditor reported on the specific work programme to secure completion of the County Council's audits, indicating his wish to complete the 2020/21 and 2021/22 audits by the end of September 2023.

Members raised questions on the amount of work outstanding for the later audits and whether work to date had identified any issue of significance that would need addressing by the Council. Replying Hassan detailed key issues highlighted to date, confirming that none were expected to be significant and adding that where any valuations were being reviewed, adjustments would be made to recognise the valuations for the period of the audit rather than current day.

**Resolved** – That the update on the external audits of the County Council's accounts be noted.

## **6. Code of Conduct for Members - Annual Report on the Management of Complaints: June 2022-June 2023**

The Director for Corporate Services presented his annual report on the number and nature of complaints received alleging the breach of the Code of Conduct for members. For the June 2022-June 2023 period the Director reported that of the 15 complaints received, no breach of the Code had taken place in 14 cases with the remaining case awaiting consideration.

Members discussed the absence of mechanisms for elected members to report abusive/offensive acts against them where the matter was not deemed to cross the threshold for Police consideration. The Director summarised proactive measures being introduced to support members harassed or abused, particularly via social media, and agreed to investigate the feasibility of an all members' event to identify common

experiences and identify ways in which problems could be addressed.

**Resolved** – That the Annual Report be noted and the Director for Corporate Services consider the holding of a members event as discussed.

## **7. Proposed Changes to the Scheme of Delegation for Officers re Actions under Wildlife and Countryside Act 1981**

The Director of Corporate Services reported that the resourcing and working practices of his Countryside and Rights of Way Team was constantly under review in order to address the backlog in processing applications under Section 53 of the Wildlife and Countryside Act 1981 which related to the inclusion of Public footpaths on the Staffordshire Definitive Map.

Following the latest review the Director requested updates to the Scheme of Delegation to Officers to grant him authority to:

- 1 exercise the Councils' discretion to prioritise those applications which would be considered to have a benefit to the public (as proposed in the new Prioritisation Scheme recently adopted by the Countryside and Rights of Way Panel)
- 2 grant the Council's 'Surveying Authority' powers in respect of any cross-boundary application to the appropriate neighbouring authority
- 3 remove the word 'properly' from his existing delegated authority to remove any inference that a criteria must be met for an application to be referred to the Countryside and Rights of Way Panel whereas in reality such action heavily depended on the views of the relevant local member.

**Resolved** – That the proposed updates to the Scheme of Delegation to Officers be supported and recommended to full County Council for approval.

## **8. Internal Audit Outturn Report 2022/23**

The Committee considered a detailed report on work undertaken by the Internal Audit Service in line with its 2022/23 Work Plan. That Plan was designed to give the Internal Audit Service the flexibility to respond to matters which might arise during the year (eg contributing the Council's submission to the national COVID inquiry). In addition, the audit service constantly revised its scheduling to minimise disruption for those areas under review.

The audit processes followed and method adopted for assessing risk and determining priority work areas were summarised.

There were five categories of audit: high risk, financial systems, other systems, compliance reviews and special investigations including fraud related work. For each category a detailed analysis was given of each review undertaken, the outcomes, recommendations and final positions.

Particular reference was made to the finding of Compliance Reviews in schools with a Limited Assurance rating awarded to 13 of the 16 Schools reviewed. Common financial administrative and governance issues had been identified similar to the previous year. Best practice would be promoted via Bursar meetings.

Overall, the service had achieved its own performance target of at least 90% of the audits performed being awarded an opinion of 'Adequate or above'. or more. This was consistent with performance in previous years.

**Resolved** – That the Internal Audit Outturn Report 2022/23 be noted.

#### **9. Review of the Effectiveness of the Audit and Standards Committee - Results of the Member Workshop**

The Director of Finance and Section 151 Officer briefly referred to the productive nature of the recent Members' Workshop using the CIPFA guidance to assess the effectiveness of this committee. He called on all members to complete the CIPFA self- assessment questionnaire to inform his report to the next meeting of this committee on the outcome of the overall exercise.

**Resolved** – That the update and request for members to complete the self- assessment questionnaire be noted.

#### **10. Code of Corporate Governance - 2023 Update Report**

The Code of Corporate Governance aims to set out how a Council's governance arrangements enable it to comply with the seven core principles of governance as introduced by CIPFA in 2016.

Members considered proposed revisions to the Code for 2023 and to its accompanying Single Sheet Framework which detailed the policies and practices through which governance was delivered. The resultant Action Plan for 2023/24 set out how identified improvements to the Council's current governance arrangements would be addressed either within a specified timescale or under an ongoing update and review process.

**Resolved** – That the 2023 Code of Corporate Governance and the resultant 2023/24 Action Plan be approved.



## **11. FRC Annual Report on the Quality of External Audit**

The Committee considered the report of the Financial Reporting Council (FRC) on their quality inspection of external audits carried out within the Local Government sector. The report had been produced in line with CIPFA guidance issued in 2022 aimed at providing assurance to Councils on the effectiveness of their support for the external audit process.

**Resolved** – That the FRC report be noted.

## **12. Forward Plan for the Audit and Standards Committee 2023/24**

**Resolved** – That the Forward Plan 2023/24 as circulated be noted.

## **13. Exclusion of the Public**

**Resolved** – That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A (as amended) of the Local Government act 1972.

## **14. Exempt Minutes of the Meeting held on 25 April 2023 (exemption paragraph 3)**

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## **15. Appendix 2 - Counter Fraud Outturn Report 2022/23 (exemption paragraph 3 and 7)**

**Chair**



## **Countryside and Rights of Way Panel - Friday 11 August 2023**

## **Audit and Standards Committee - Tuesday 19 September 2023**

### **Proposed addition to the Scheme of delegation in relation to the Handling of S53 Applications under the Wildlife and Countryside Act 1981**

The following recommendations were agreed at the last meeting of the Countryside and Rights of Way Panel and are now referred to this Committee for approval.

#### **Recommendation**

I recommend:

- a. That the Panel support the proposed measures set out in paragraph 10 of this report.
- b. That the proposed addition to the Scheme of Delegation be referred to the Audit and Standards Committee and Full Council, with the recommendation that it be approved, and that the Constitution and Scheme of Delegation be updated accordingly.

#### **Local Member Interest:**

N/A

### **Report of the Deputy Chief Executive and Director for Corporate Services**

#### **Report**

##### **Summary**

1. Under the County Council's Constitution this Panel is authorised to carry out the duties of the County Council in respect of S53 of the Wildlife and Countryside act, 1981. In addition, the Constitution enables this Panel to delegate its functions to another Authority.
2. The Panel is being asked to approve an addition to the Scheme of delegation in relation to S53 applications.

## Background

3. Staffordshire County Council is the authority responsible for maintaining the Definitive Map and Statement of Public Rights of Way as laid out in section 53 of the Wildlife and Countryside Act 1981 (“the 1981 Act”). Determination of applications made under the Act to modify the Definitive Map and Statement of Public Rights of Way, falls within the terms of reference of the Countryside and Rights of Way Panel of the County Council’s Regulatory Committee (“the Panel”).
4. At present the Council deals with and works on applications, as far as is practicable, in the order in which applications were originally received. This is considered to be the fairest and most equitable mechanism with regard to all parties in the current circumstances.
5. This mechanism has been affected in recent years by the number of applications which the Council has been directed to determine by the Secretary of State. Consequently, directed applications are dealt with in the order of the date determined by the Secretary of State or as close to that schedule as feasible.
6. At the 23 June 2023 meeting of this Panel members approved a new Priority Criteria for prioritising the *Determination* stage of S53 applications and I was granted delegated powers to exercise the Councils discretion to apply that new Criteria.
7. This delegation together with the additional resources allocated to this function means that whilst we are processing initial applications for determination more speedily, it is creating a backlog of Definitive Map Modification Orders (DMMO) to be made. That backlog currently stands at 83. I am concerned that in some circumstances the backlog is not in the overall interest of the Council itself, in particular:
  - a) where an application has been the subject of Court proceedings requiring the Council to obtain such a level of legal expertise and advice, that any potential delay in making an order might result, over time, in the loss of that knowledge.  
or
  - b) Where pending cases are linked to routes which may be affected by major projects such as HS2.

8. To address these specific issues, I'm requesting a further delegated authority to prioritise the making of Orders in either of the above two instances.

### **Proposed updates to Scheme of Delegation.**

9. To remind members I am currently authorised:
  - a. *To determine applications for Modification Orders under the Wildlife and Countryside Act 1981 unless, after consultation with the local County Councillor(s) for the area concerned and the Director for Economy, Infrastructure and Skills, they decide that the matter in question ought to be determined by the Countryside and Rights of Way Panel.*
  - b. *To determine whether an applicant's details should be removed from the Register of Applications made under Paragraph 2(3) of the Public Rights of Way (Register of Applications under Section 53(5) of the Wildlife and Countryside Act 1981)(England) Regulations 2005.*
  - c. *To exercise the County Council's discretion as set out in section 3 of the Priority Scheme.*
  - d. *To delegate the County Council's surveying authority powers in respect of any cross-boundary application to the appropriate neighbouring authority as and when such action would prove beneficial both in terms of the effective use of resources and processing of the s53 application.*
10. Members are asked to approve the inclusion of the new Delegation:
  - e. *To prioritise the making of Definitive Map Modification Orders in circumstances where:*
    - a. *an application has been the subject of court proceedings which has required the Council to obtain such a level of legal expertise and advice, that any potential delay in making an order might result, over time, in the loss of that knowledge, or*
    - b. *routes may be affected by major projects, such as HS2.*
11. At its meeting on 11 August 2023 the Countryside and Rights of way Panel supported the above request and referred the matter on to the Audit and Standards Committee and Full Council for approval.

### **Resource and Financial Implications**

12 The proposal aims to make best use of the councils' resources.

### **Risk and Legal Implications**

13 The delegation of decision-making powers need to be properly justified and authorised to avoid challenge to any proposed action on a DMMO application.

### **List of Background Documents/Appendices:**

### **Contact Details**

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## **Audit and Standards Committee - Tuesday 19 September 2023**

### **Annual Civil Contingencies Report (April 2022 – March 2023)**

#### **Recommendation(s)**

I recommend that:

- a. Committee is requested to consider this report and the assurances provided within it, accepting that the emergency planning arrangements are fit for purpose, up to date, are routinely complied with, have been effectively communicated and are monitored.
- b. Committee Members are asked to provide feedback which will be used to inform the 2023/2024 workplan.

#### **Local Member Interest:**

N/A

### **Report of the Deputy Chief Executive & Director of Corporate Services**

#### **Report**

##### **Purpose**

1. This report provides Audit & Standards Committee Members a better understanding of the challenges we have faced in the past year and the role of the Staffordshire Resilience Forum (SRF) and Staffordshire County Council Emergency Planning and Resilience Strategic Group (EPRSG) in emergency preparedness planning and incident response to support the Council to discharge its obligations as a Category 1 responder under the Civil Contingencies Act, 2004.

##### **Background**

2. The Civil Contingencies Act 2004 identifies Local Authorities as Category 1 responders and so we have a statutory responsibility to maintain an emergency response capability, to deliver our civil protection duties. We deliver this capability as part of the SRF and commission dedicated support from the Civil Contingencies Unit (CCU).

3. The Civil Contingencies Act 2004 put in place a framework for the management of major incidents. This provides for command, coordination and communications at national, regional and local level.

#### National Level

4. The lead government department (e.g.: Department of Health - Covid-19) co-ordinates the government's response via the Cabinet Office Briefing Room (COBRa).

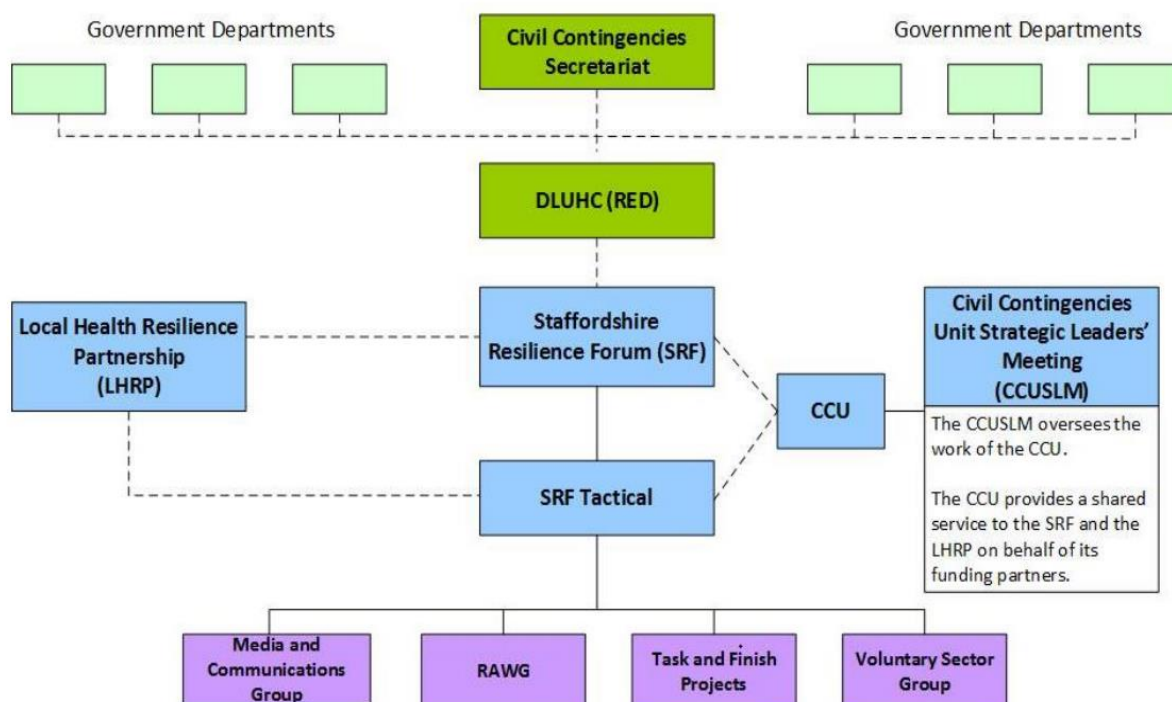
#### Regional level

5. The Government Office of the Regions co-ordinate regional activity and The Department for Levelling Up, Housing and Communities (DHLUC) Resilience and Emergencies Division (RED) act as a conduit for information to and from central government.

#### Local level (Staffordshire & Stoke-on-Trent)

6. Local Resilience Forums (LRFs) are based on Police Force areas.
7. The Staffordshire Resilience Forum (SRF) is a partnership that includes the emergency services, local authorities (upper & lower tier), health authorities, Environment Agency, Highways Agency, military, utility companies, NHS organisations not covered by the CCA 2004, CCU and the voluntary sector.
8. This gives us the benefits of economies of scale and a mechanism for multi-agency response and planning as well as training and exercising with other Local Authorities and responders. Funding for the CCU is based on a partnership model for core services, with supplementary contracts for the provision of additional support.
9. The Partnership, which is hosted by Staffordshire Fire and Rescue service, meet regularly, and have a combined plan and response protocols in the event of an emergency. In an emergency, the representatives would form the Strategic Co-ordination group (SCG), initially chaired by the police.
10. The 'SRF partnership' is the term used to describe the mechanism through which routine Civil Contingencies activity is co-ordinated and delivered at a local level in Staffordshire and Stoke-on-Trent and the governance structure can be seen below.





11. The Council commits to support wider multi-agency working to promote a joined-up, partnership approach to resilience in Staffordshire and Stoke-on-Trent. It therefore supports the following meetings:
- Staffordshire Resilience Forum (SRF): Chief Executive or Lead Director (Deputy Chief Executive & Director of Corporate Services), or their representative deputy
  - SRF Tactical Meeting: Incident Management Team Chair, or other TCG chair
  - Local Health Resilience Partnership: Director of Public Health, or their representative deputy
  - Civil Contingencies Strategic Leads Meeting (SLM): Assistant Director for Corporate Operations
  - Risk Assessment Working Group (RAWG): Health & Safety Manager and Flood Risk Manager
  - Staffordshire Prepared Conference: Open invitation to all staff
  - Task & Finish Projects: Specialist staff to support on request of CCU and / or EPRSG
  - Strategic Assessment Meeting (SAM) / Strategic Coordinating Group (SCG)
  - Tactical Assessment Meeting (TAM) / Tactical Coordinating Group (TCG)
  - Recovery Coordinating Group (RCG) and Sub-Groups dependant on the nature and scope of an incident.
  - SRF Training and Exercising Group

12. Key priorities on the Partnership's work programme for 2022/2023 included: -

- Local implementation of the new [Protect Duty](#), identifying linkages with the Civil Contingencies Act.
- Working with the voluntary sector to improve engagement and support for civil resilience planning, response, and community recovery.
- Local approach to societal resilience and identification of priority communities requiring emergency support.
- Data sharing, reporting and use of local intel/data for the safe sharing and visualization of data to support the response to incidents.
- Continued development of a robust training and exercise strategy/programme including accreditation options covering strategic, tactical, and operational roles, loggist and business continuity management.
- Various risk assessments

#### Local Authority level (Staffordshire County Council)

13. CCU support Staffordshire County Council (SCC) as a Category 1 responder and the wider SRF in preparing for, responding to, and recovering from incidents and emergencies as defined under the Civil Contingencies Act 2004.

14. Staffordshire County Council therefore has wide ranging obligations under the Civil Contingencies Act, and as such has statutory requirements to ensure that certain arrangements, planning and policies are in place.

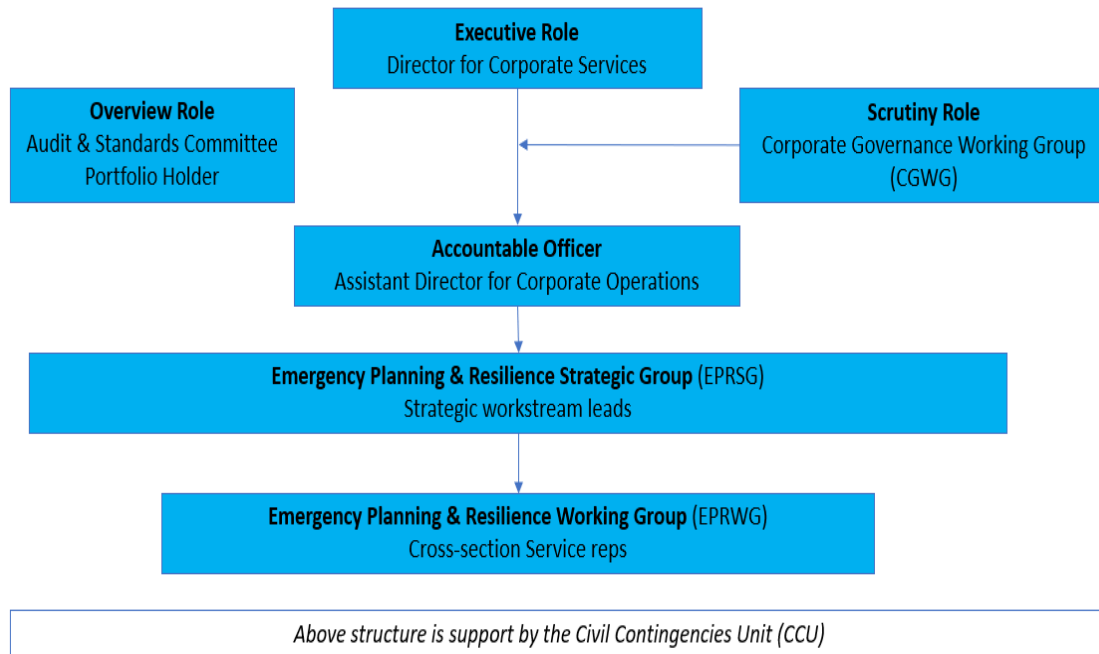
15. This report provides the details of the Council's resilience preparedness arrangements in order to meet the requirements of:-

- Civil Contingencies Act (2004)
- The Health and Safety at Work Act 1974
- The Flood and Water Management Act 2010
- Control of Major Accident Hazard Regulations 2015 (COMAH)
- Radiation Emergency Preparedness and Public Information Regulations 2019 (REPPIR)
- Safety of Sports Grounds Act 1975
- Fire Safety and Safety of Places of Sport Act 1987
- The Pipelines Safety Regulations 1996 (PSR)

#### **Governance**

16. Civil Contingencies within the council is delivered through a distributed model of responsibility rather than the sole responsibility of the Chief Executive, Director of Corporate Service and Assistant Director

for Corporate Operations. With key roles identified and assigned to ensure appropriate subject matter expert oversight and accountability, as shown in the structure chart below: -



17. Terms of reference for both the Emergency Planning & Resilience Strategic Group (EPRSG) and Emergency Planning & Resilience working Group (EPRWG) can be found on the intranet.

### Strategic Level management and oversight

18. Key accountabilities for these groups can be seen in the figure below:-

Cabinet	SLT	Lead Director	EPRSG	EPRWG
Set and approve Civil Contingencies policy	Set strategy	Oversee delivery	Represent SCC at LRF groups.	Lead Tactical Delivery
Direct SLT	Agree resources	Provide Leadership	Review documents passed from EPRWG	Support delivery of Tactical Level policies via working groups as required.
	Ownership and accountability of risk	Maintain CCU Shared Services Service Level Agreement	Provide an avenue for escalation of issues from EPRWG.	Scrutiny and development of documents and Business Continuity Plans.
	Liaise with members	SCC representative at SRF Strategic / Strategic Co-ordinating Group.	Escalate issues to SLT as appropriate.	Provide an Incident Management Team (IMT)
		Attend Civil Contingencies Strategic Leads meeting		Monitoring, updating and escalating risk
				Identify and Maintain critical services.

19. The Council has an overarching Civil Contingencies Policy (CCP) accompanied by a comprehensive suite of specific policies to deal with civil emergencies and business continuity issues. These conform to the Civil Contingencies Act (2004). All plans are reviewed and updated along with new plans which are contained within the EPRSG/EPRWG work programme. A list of plans can be seen in **Appendix 1** and their review cycle and approval can be seen in **Appendix 2**.
20. This suite of plans is in turn, supported by service level business continuity plans, a full list of relevant documents can be found in the relevant policy. It is recognised that planning in this area is not as robust as it should be following Covid, and a programme to improve this is currently underway and to move us towards best practice.

## **Emergency Planning and Resilience**

### Response & Recovery

21. Staffordshire County Council has a statutory duty as a Category 1 responder to respond to, and recovery from, incidents that impact the county, as well as internal responses to issues impacting the delivery of critical services within SCC. The level of response will vary depending on the size and scale of the incident, but can include the following:
- SCC Incident Management Team (IMT)
  - Recovery Co-ordinating Group (Chaired by SCC)
  - Tactical Co-ordinating Group / Tactical Assessment Meeting (SCC representative, potential SCC chair)
  - Strategic Co-ordinating Group / Strategic Assessment Meeting (SCC representative)

The full response structure can be seen in **Appendix 3**.

22. The CCU assist the Council by independently monitoring internal compliance, informing and advising on Staffordshire County Council obligations, providing advice and guidance and raising awareness on emergency planning and civil protection matters.

### Emergency Planning

23. Staffordshire County Council has wide ranging obligations for Emergency Planning under the legislation we are the Lead Flood Authority, and have responsibilities under COMAH, REPIR, and PSR legislation. As such the Council is involved with both internal and external emergency planning. Some of these responsibilities are covered by the SRF & CCU, however others fall to SCC to complete.
24. The Emergency Planning Policy has been updated to cover details of all planning, the cycle of review, and the accountability for delivery of

each. Alongside the external emergency planning, SCC also has a requirement to ensure that appropriate Internal Emergency Plans are in place for incidents and issues such as Cyber Attack, Supply Chain Failure, etc, these are also outlined within the Emergency Planning Policy and where appropriate specific plans produced.

### Business Continuity

25. Under the Civil Contingencies Act (CCA) 2004, the Council, as a Category 1 responder, commits to undertake Business Continuity Management (BCM) to ensure continued operation of services during an emergency. BCM is a process by which the organisation or service area can prepare for a disruptive incident which is likely to create a gap in normal business provision.
26. Civil Contingencies, Business Continuity has a Strategic Level policy, and a Tactical level Business Continuity Programme. The BCI Good Practice Guidelines 2018 indicate that a Business Continuity Management policy should always be set and approved by top management, as such, the Policy document within SCC is a Strategic level document, with a Business Continuity Programme providing the fine detail of how Business Continuity will be implemented below this.
27. Currently SCC has 47 BCP's and it is recognised that our framework is no longer fit for purpose and therefore will be under review and updated during 2023/2024 to streamline both the process and documentation as well as working towards best practice.

### Risk Assessment

28. The Civil Contingencies Act (2004) places a legal duty on responders to undertake risk assessments and publish risks in a Local Resilience Forum Community Risk Register, accountability is held at the SRF level. The purpose of the Community Risk Register is to reassure the community that the risk of potential hazards has been assessed, and that preparation arrangements are undertaken, and response plans exist. The Councils Emergency Planning & Resilience (EPP) risk register mirrors the risks identified on the Community Risk Register that impact our residents as well as additional internal risks solely the responsibility of the Local Authority.
29. Within the Council corporate risks involving emergencies and business continuity are included within the corporate risk register, where appropriate. The Assistant Director of Audit & Financial Services and her team works with departments to increase their awareness of emergency-related risk assessments within their departmental risk registers when carrying out audits.

## Training and Awareness

30. It is a requirement that key staff within Staffordshire County Council are trained and experienced to a suitable level to carry out key response and recovery roles. It is the responsibility of Staffordshire County Council to track learning and experience of these staff, so that in the event of an incident, there is a clear audit trail of staff being appropriate for the role they undertake. It is recognised this is an area that requires improvement of tracking and is therefore on the workplan for 2023/2024.
31. Whenever possible, the Council strives to ensure that our testing is held in a multi-agency context. This is to provide familiarisation with other organisations and to assist with benchmarking our response with our partners. Exercises provide invaluable insight into the operationalisation of our plans and important information regarding the areas of the plans that require further development.
32. Some training is provided through the LRF, with other addition training being provided by SCC. Alongside this, SCC will participate in several LRF and National exercises to allow staff to gain experience in their roles. Additional internal exercises are also carried out to test internal arrangements, and business continuity.
33. As a partnership we have adopted the Joint Emergency Services Interoperability Programme (JESIP) Doctrine which lays out how the emergency services should work together around major incidents. Therefore, we have developed a wide training and development programme to maintain a high state of preparedness.
34. Training was provided to 2 new directors before joining the director on-call rota and quarterly joint sessions with IMT chairs are provided to share best practice and carry out specific desktop exercises.
35. In addition to these, a rolling programme of service-level major incident and business continuity exercises have taken place. The need for improvement in the level of service-level training and exercising is recognised, and a programme to achieve this is being developed alongside the review of BCP framework.
36. Following live events and exercises, debriefs are undertaken to capture learning points. Lessons identified from live events and exercises are subsequently incorporated into major incident and business continuity plans and are shared with partner organisations,

where appropriate. Following live events and exercises, debriefs are undertaken to capture learning and identify measures which need to be introduced as a result. These are recorded by the CCU who assure the delivery of follow up actions and report on this to the EPRSG who assure the implementation of lessons identified.

37. We saw a busy summer in 2022, as public events re-launched after a two-year absence due to Covid restrictions, with events such as Jubilee celebrations, Ironman & Commonwealth Games activities. We also had to respond to the passing of Her Majesty Queen Elizabeth II, Avian Influenza outbreaks, asylum seeker arrivals, industrial action planning and the winter-related risks such as power outage and cost of living crisis. As well as local events such as Whalley's Quarry, waste fire and severe weather and several people trapped in vehicles.

## **Future 2023 onwards**

### Enhancing Capacity

38. The Council bolstered its capacity and capabilities to respond to incidents across Staffordshire by expanding the number of Council officers available 24 hours a day, 7 days a week via an on-call rota at both DOC and IMT chair levels. Further work will take place to increase other areas within the council once training has happened.

### SRF Training accreditation

39. The SRF has agreed a new strategy and modular approach to training and has been identified as being a trailblazer project which is in line with recent reviews by Cabinet Office and the National Preparedness Commissions. The SRF is investing further via external grant funding, to develop accreditation for the programme to provide further assurance of sector compliance and provide opportunity to share the product with other LRFs.

### Critical Services List and Business Continuity Plan

40. The Council identifies and maintains a schedule of Critical Services to ensure that each one is covered by an effective Business Continuity Plan (BCP). The Council's definition of a Critical Service is one which: 1. Provides a vital life-saving and / or health function; and / or: 2. Is provided as a legal / regulatory requirement, and / or is vital in maintaining the financial stability of the County Council, and / or is vital in maintaining the County Council's reputation (public perception), and / or is vital to maintaining the delivery of core services. Critical Services are also deemed to include those corporate support services, which are essential to the maintenance of other Critical Services, this includes, but is not limited to, property, staffing, ICT and supplies. The Business Continuity framework will be reviewed considering changes of structure

within the Council, legislation and/or best practice and then a programme of testing on a regular basis produced.

#### Organisational Resilience (Supply chain)

41. The COVID-19 pandemic has exposed the underlying complexities and vulnerabilities of supply chains and demonstrated the importance of a well-functioning supply chain. Therefore, Staffordshire County Council will develop a supply chain resilience framework including governance structure to support the Council in anticipating future disruptions, capabilities to resist disruptions and capability to recover rapidly.

#### Gap Analysis

42. An independent gap analysis will be carried by The CCU to map Staffordshire County Councils compliance against the various legislation, standards, and best practice. With a high-level action plan produced to include the review of policies, guidance, and documentation. Including implications of the [UK Government resilience framework](#) recently published, because this document has a very ambitious vision for Local Resilience Forums and all responders.

#### Awareness

43. It is acknowledged that more could be done to strengthen the Council's approach to Emergency Preparedness and resilience. Once documentation is refreshed, we will work with the communications team to develop a communication plan to help raise awareness of refreshed policies and procedures; train staff and engage all staff and members not just those who hold a role within Civil Contingencies to better understand the responsibilities the Authority holds as a Cat1 responder.

#### **Equalities Implications**

44. There are no specific equalities implications arising out of this report. However, the Council's responsibilities under Section 149 of the Equality Act 2010 are supported by UK GDPR/DPA2018, requiring that Special Category Data is afforded extra measures of security to protect that data, which may be used and shared during incidents.

#### **Legal Implications**

45. There are no specific legal implications arising out of the report. However, the Council's performance is subject to external scrutiny and failure to comply with legislation or legal requirements (i.e. Civil Contingencies Act 2004, Flood and Water Management Act 2010) can result in external censure, financial loss (including fines and compensation) and reputational damage.



## **Resource and Value for Money Implications**

46. There are no specific financial implications resulting from the issues within this report although it is worth noting that the cost of any incident cannot always be planned for, both in relation to resources required to plan and respond and financial cost of rectification.
47. As covered under para 8 we form part of the CCU partnership model which give us the benefits of economies of scale, with a supplementary contract for the provision of additional support. We therefore don't have dedicated emergency planning officers within SCC.

## **Risk Implications**

48. Any risks identified are subject to inclusion within the Emergency Planning risk register and are dealt with as a matter of priority accordingly and escalated for inclusion on the Corporate Risk Register as appropriate.
49. Team progress on developing and updating service continuity plans requires ongoing focus to achieve best practice. A programme to improve the plans is in place.
50. It is a key part of the Committee's role to give assurance to the Authority and the council taxpayers that the public resources invested in the Council are being properly managed. This report is one way by which that assurance can be given.

## **Climate Change Implications**

51. There are no specific Climate Change implications arising out of the report.

## **List of Background Documents/Appendices:**

**Appendix 1** – Civil Contingencies Plans

**Appendix 2** – Civil Contingencies Plans review cycle

**Appendix 3** – Staffordshire Resilience Forum response structure

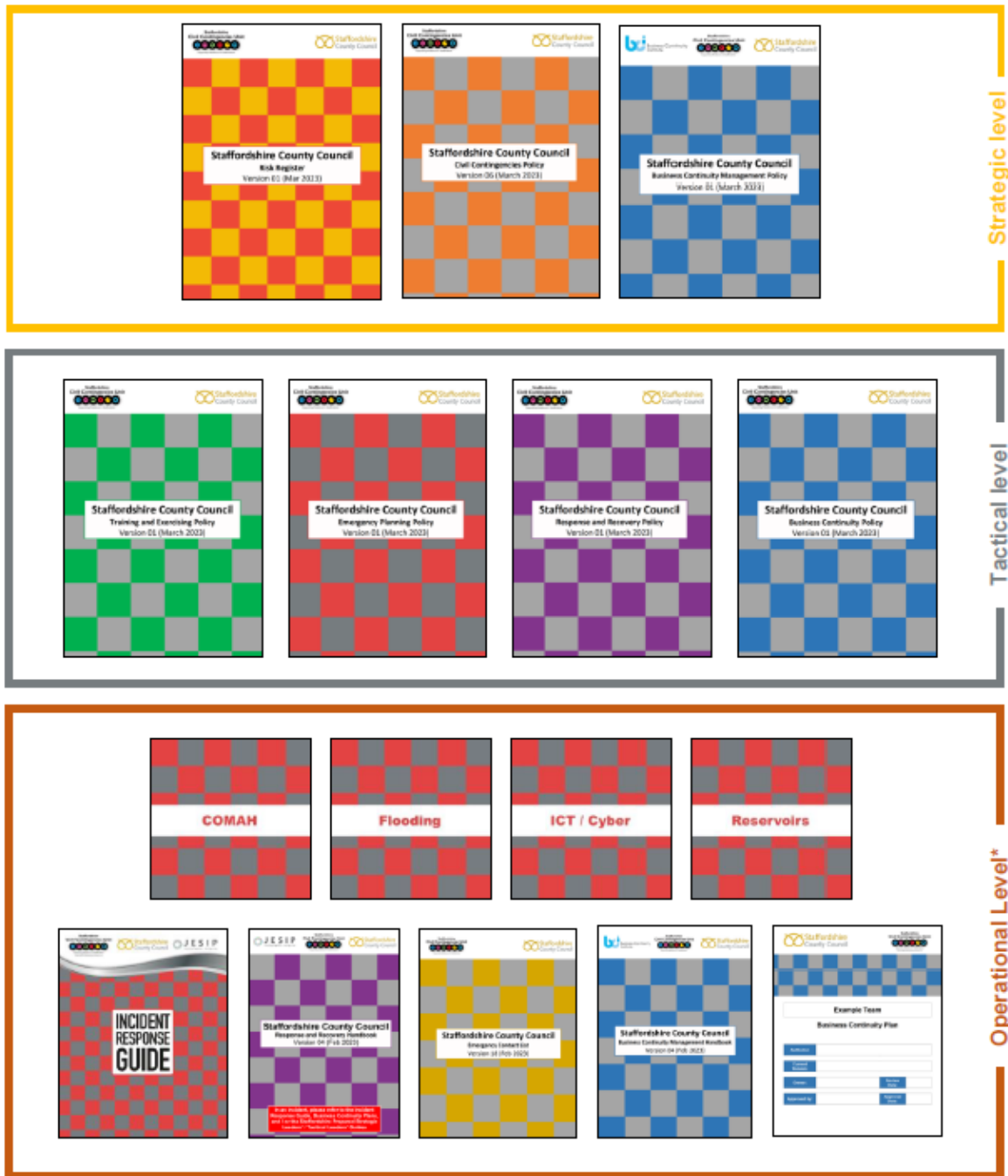
## **Contact Details**

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# Appendix 1



\* The above is not a full list of all operational documents, a full list of all relevant documents can be found in the relevant policy.

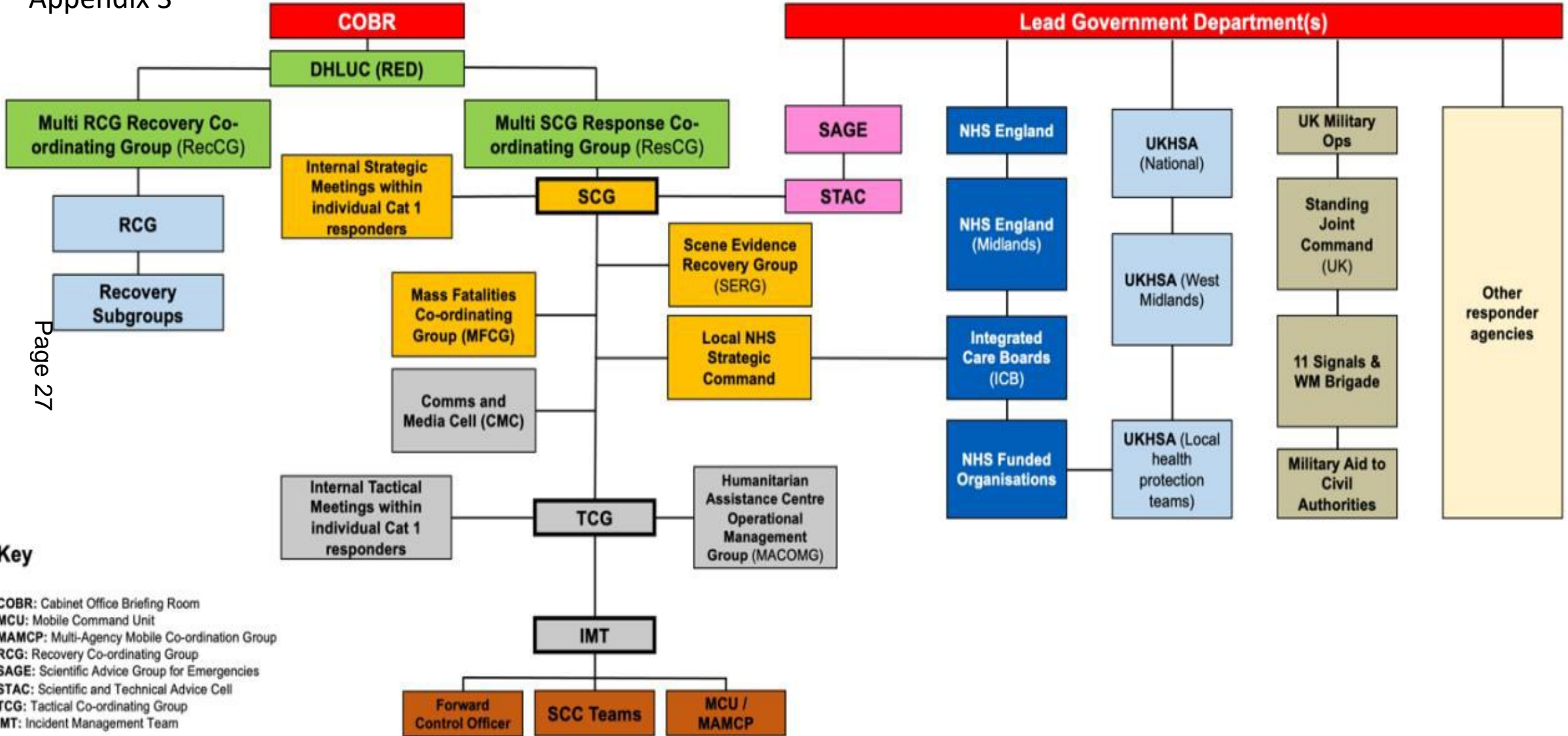


## Appendix 2

	<b>Review cycle</b>	<b>Approved by</b>
<b>Civil Contingencies Policy</b>	2 years	Cabinet
<b>SCC Risk Register</b>	Live document	n/a
<b>Business Continuity Policy</b>	2 years	Cabinet
<b>Training and Exercising Policy</b>	3 years	SLT / Corporate Governance Working Group
<b>Emergency Planning Policy</b>	3 years	SLT / Corporate Governance Working Group
<b>Response and Recovery Policy</b>	3 years	SLT / Corporate Governance Working Group
<b>Business Continuity Programme</b>	3 years	SLT / Corporate Governance Working Group



Appendix 3



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**Key**

- COBR: Cabinet Office Briefing Room
- MCU: Mobile Command Unit
- MAMCP: Multi-Agency Mobile Co-ordination Group
- RCG: Recovery Co-ordinating Group
- SAGE: Scientific Advice Group for Emergencies
- STAC: Scientific and Technical Advice Cell
- TCG: Tactical Co-ordinating Group
- IMT: Incident Management Team





<b>Local Members Interest</b>
N/A

## **Audit and Standards Committee - Tuesday 19 September 2023**

### **Review of the Effectiveness of the Audit & Standards Committee – Results of the 23 May 2023 Workshop**

#### **Recommendations**

I recommend that:

- a. To receive and consider the self-assessment results following the review of the effectiveness of the Audit & Standards Committee against recommended practice contained within CIPFA's Publication – Practical Guidance for Local Authorities and Police 2022 Edition.
- b. To arrange a programme of refresher training in response to the self-assessment exercise performed by Members against the CIPFA Audit Committee Members knowledge and skills framework.

#### **Report of the Director of Finance**

### **Report**

#### **Background**

1. CIPFA's Publication - Practical Guidance for Local Authorities and Police 2022 Edition sets out its guidance on the function and operation of audit committees in local authorities and police bodies and represents CIPFA's view of best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. The guidance incorporates CIPFA's 2022 Position Statement: Audit Committees in Local Authorities and Police sets out CIPFA's view of how the Audit Committee supports overall governance within the Authority.
2. Audit committees are a key component of an authority's governance framework and provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.
3. The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the

integrity of the financial reporting and annual governance processes. By overseeing internal and external audit, it makes an important contribution to ensuring that effective assurance arrangements are in place.

4. As a key component of an organisation's governance arrangements, the audit committee has the potential to be a valuable resource to the whole authority. Where they operate effectively, audit committees can exert influence and add value by supporting improvement across a range of objectives including: -
- Aiding the achievement of the Authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.
  - promoting the principle of good governance and their application to decision making.
  - raising the awareness of the need for sound internal control and contributing to the development of an effective control environment.
  - supporting the arrangements to govern risk and for the effective arrangements to manage risk.
  - advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.
  - reinforcing the objectivity, importance and independence of both internal and external audit and supporting the effectiveness of the audit functions.
  - supporting the development of robust arrangements for ensuring value for money; and
  - helping the authority to implement the values of ethical governance including effective arrangements for countering risks of fraud and corruption.
  - Promoting measure to improve transparency, accountability and effective public reporting to the Authority's stakeholders and the local community.

#### *Self-Assessment of Good Practice*

5. An audit committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on the authority's business. However, as audit committees are an advisory body, it can be more difficult to identify how audit committees have made a difference.

6. CIPFA states that a good standard of performance against recommended practice together with a knowledgeable and experienced membership are essential requirements for delivering effectiveness. To this effect, CIPFA has provided a high-level review checklist that incorporates the key principles set out in CIPFA's Position Statement: Audit Committees in Local Authorities and Police. This checklist provides the basis of a self-assessment to evaluate the effectiveness and impact of current arrangements. Any areas of improvement identified can support the planning of the audit committee work programme and training plans.
7. Members of the Audit & Standards Committee attended a workshop on the 23 March 2022 to consider the key requirements of the CIPFA checklists. **Appendix A**, attached to this report, sets out the draft evaluation results of the self-assessment of the audit committee's current practice against the recommended practice contained within CIPFA's publication. The actions arising from this self-assessment are included within Appendix A.

#### *Evaluation of the Effectiveness of the Audit Committee*

8. The CIPFA publication also includes an assessment tool to help audit committee members consider where it is most effective and where there may be scope to do more. To be considered effective, the audit committee should be able to identify evidence of its impact or influence linked to specific improvements.
9. **Appendix B** attached to this report sets out the draft evaluation of the effectiveness of the audit committee. The actions arising from this self-assessment are included within Appendix B.
10. The key actions highlighted related to the requirement for a detailed review of the terms of reference for the Audit & Standards Committee to be performed to ensure that they reflect the updated exemplar template included in the 2022 CIPFA guidance. These have been reviewed and are included on the agenda for approval by Members. In addition, oversight of the risk management arrangements is to be strengthened. A detailed briefing regarding the risk management process will be included on a future agenda of the Committee. The potential recruitment of an independent member was also discussed and is included on the agenda for consideration. The opportunity for the Committee to meet privately with both the Internal and External Auditors will be explored. The Committee's annual report will specifically include a section on how its work has added value to the Council.

*Audit Committee Members – Knowledge & Skills Framework Self-Assessment.*

11. In order to have an effective Audit Committee it is important the Members are supported in the role by receiving the appropriate level of training tailored to their individual needs. The 2022 guidance has provided a self-assessment checklist which enables Members to identify any training requirements to support them to discharge the duties identified in paragraph 4. Members have recently undertaken this exercise and the following key areas have been identified. A detailed training programme will be developed, and workshops held to deliver the requested training over the next 12 months.
- a) An overview of the Council's governance arrangements including the requirements of the Annual Governance Statement (AGS).
  - b) The elements of good governance including the Nolan Principles.
  - c) Terms of reference of the Audit & Standards Committee
  - d) Counter Fraud arrangements including the whistleblowing process.
  - e) Overview of the Internal Audit function including further details on the Public Sector Internal Audit Standards (PSIAS) and the Local Government Application note (LGAN). Further information regarding the role of the Head of Internal Audit within Local Government will also be provided.
  - f) Greater information regarding the function of the External Auditor was requested together with the content of the key reports that they present to the Council.
  - g) Additional information and knowledge on financial management arrangements and reporting including the financial statements.
  - h) The role of the Chief Financial Officer in Local Government
  - i) Knowledge and understanding of the risk management arrangements within the Council, including the current risk maturity and any key areas of improvement.
  - j) Core skills required of an Audit Committee member.

### **Equalities Implications**

There are no direct implications arising from this report

### **Legal Implications**

Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations specifically require that a relevant body must "maintain an adequate and effective system of internal audit of its

accounting records and of its system of internal control in accordance with the proper internal audit practices”

### **Resource and Value for Money Implications**

The net budget of the Internal Audit Section is £1,027,510.

### **Risk Implications**

Whilst there are no direct risk implications arising from this report, the Audit & Standards Committee objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews will link into the County Councils Annual Governance Statement, providing assurance on the operation of key controls.

### **Climate Change Implications**

There are no direct climate change implications arising from this report.

### **List of Background Documents/Appendices:**

- CIPFA – Practical Guidance for Local Authorities and Police 2022 Edition.
- Review of the Effectiveness of the Audit & Standards Committee Presentation – March 2023
- Review of the Audit & Standards Committee Terms of Reference Report – September 2023
- Potential Appointment of Independent Members to Audit Committees Report – September 2023

### **Contact Details**

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# Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

## Audit committee purpose and governance

- 1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?
- 2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?
- 3 Has the committee maintained its advisory role by not taking on any decision-making powers?
- 4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?
- 5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?
- 6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?
- 7 Does the governing body hold the audit committee to account for its performance at least annually?

\* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:																									
<ul style="list-style-type: none"> <li>compliance with the CIPFA Position Statement 2022</li> </ul>																									
<ul style="list-style-type: none"> <li>results of the annual evaluation, development work undertaken and planned improvements</li> </ul>																									
<ul style="list-style-type: none"> <li>how it has fulfilled its terms of reference and the key issues escalated in the year?</li> </ul>																									
<b>Functions of the committee</b>																									
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?																									
Governance arrangements																									
Risk management arrangements																									
Internal control arrangements, including:																									
<ul style="list-style-type: none"> <li>financial management</li> <li>value for money</li> <li>ethics and standards</li> <li>counter fraud and corruption</li> </ul>																									
Annual governance statement																									
Financial reporting																									
Assurance framework																									
Internal audit																									
External audit																									
10 Over the last year, has adequate consideration been given to all core areas?																									
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?																									
12 Has the committee met privately with the external auditors and head of internal audit in the last year?																									



Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				

### Membership and support

**13** Has the committee been established in accordance with the 2022 guidance as follows?

- Separation from executive
- A size that is not unwieldy and avoids use of substitutes
- Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation

**14** Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?

**15** Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?

**16** Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?

**17** Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?

**18** Is adequate secretariat and administrative support provided to the committee?

**19** Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?

### Effectiveness of the committee

**20** Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?

**21** Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?

**22** Are meetings effective with a good level of discussion and engagement from all the members?

**23** Has the committee maintained a non-political approach to discussions throughout?

Good practice questions	Partially complies and extent of improvement needed				Fully complies
	Does not comply	Major improvement	Significant improvement	Moderate improvement	Minor improvement
Weighting of answers	0	1	2	3	5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?					
26 Do audit committee recommendations have traction with those in leadership roles?					
27 Has the committee evaluated whether and how it is adding value to the organisation?					
28 Does the committee have an action plan to improve any areas of weakness?					
29 Has this assessment been undertaken collaboratively with the audit committee members?					
<b>Subtotal score</b>					
<b>Total score</b>					
<b>Maximum possible score</b>					<b>200**</b>

\*\* 40 questions/sub-questions multiplied by five.

## Appendix B

The table includes examples of what the audit committee might do to have impact in each of these areas.

The third area includes key indicators that might be expected to be in place if arrangements are in fact effective. These indicators are not directly within the control of the audit committee, as it is an advisory body. They do provide an indication that the authority has put in place adequate and effective arrangements, which is the purpose of the committee.

Use the tool for discussion and evaluation of the strengths and weakness of the committee, identifying areas for improvement.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses, and proposed actions
<b>Promoting the principles of good governance and their application to decision making.</b>	<ul style="list-style-type: none"> <li>Supporting the development of a local code of governance.</li> <li>Providing a robust review of the AGS and the assurances underpinning it.</li> <li>Supporting reviews/audits of governance arrangements.</li> <li>Participating in self-assessments of governance arrangements.</li> <li>Working with partner audit committees to review governance arrangements in partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements.</li> <li>Local arrangements for governance have been clearly set out in an up-to-date local code.</li> <li>The authority's scrutiny arrangements are forward looking and constructive.</li> <li>Appropriate governance arrangements established for all collaborations and arm's-length arrangements.</li> <li>The head of internal audit's annual opinion on governance is satisfactory (or similar wording).</li> </ul>	<ol style="list-style-type: none"> <li>1. Considered that the level of involvement and engagement with the wider community, could be increased.</li> <li>2. To review the oversight by Cabinet on the output of the Committee and how it has impacted on the work of the Council.</li> </ol>

<p><b>Contributing to the development of an effective control environment.</b></p>	<ul style="list-style-type: none"> <li>• Encouraging ownership of the internal control framework by appropriate managers.</li> <li>• Actively monitoring the implementation of recommendations from auditors.</li> <li>• Raising significant concerns over controls with appropriate senior managers.</li> </ul>	<ul style="list-style-type: none"> <li>• The head of internal audit’s annual opinion over internal control is that arrangements are satisfactory.</li> <li>• Assessments against control frameworks such as CIPFA’s FM Code have been completed and a high level of compliance identified.</li> <li>• Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement.</li> </ul>	<p>Considered that the Internal Audit function is effective, supported by the recent external quality assessment that concluded that the service met the PSIAS standards in full.</p> <p>Representations from A&amp;S Committee to, for example, Cabinet members. Manager attendance at meetings</p>
<p><b>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking.</li> <li>• Monitoring improvements to risk management.</li> <li>• Reviewing accountability of risk owners for major/strategic risks.</li> </ul>	<ul style="list-style-type: none"> <li>• A robust process for managing risk is evidenced by independent assurance from internal audit or external review.</li> </ul>	<p>Good – done through the Audit risk assessment methodology.</p> <p>Improvements could be made to the risk management briefings provided to the Committee.</p>
<p><b>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing the adequacy of the leadership team’s assurance framework.</li> <li>• Specifying the committee’s assurance needs, identifying gaps or overlaps in assurance.</li> <li>• Seeking to streamline assurance gathering and reporting.</li> <li>• Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority’s leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies.</li> </ul>	<p>Considered to be satisfactory and suitable measures in place. All major issues affecting Council are picked up within the annual audit risk assessment and subsequent annual audit plan. There is an overlap with Scrutiny functions and members consider this to be a positive</p>

<p><b>Supporting effective external audit, with a focus on high quality and timely audit work.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing and supporting external audit arrangements with focus on independence and quality.</li> <li>• Providing good engagement on external audit plans and reports.</li> <li>• Supporting the implementation of audit recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>• The quality of liaison between external audit and the authority is satisfactory.</li> <li>• The auditors deliver in accordance with their audit plan, and any amendments are well explained.</li> <li>• An audit of high quality is delivered.</li> </ul>	<p>A considerable number of meetings are held between the Director of Finance/Chief Accountant and the External auditors. There well known and documented difficulties sector wide regarding the closure of outstanding Financial Accounts. These are regularly discussed as part of each meeting agenda. The Council will change External Auditor with effect from 2023/24 financial year from EY to KPMG. The quality of the service is monitored through PSAA/FRC. The latest available quality report from FRC has been presented to the Committee in July 23.</p>
<p><b>Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing the audit charter and functional reporting arrangements.</li> <li>• Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</li> <li>• Actively supporting the quality assurance and improvement programme of internal audit.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment).</li> <li>• The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <a href="#">Statement on the Role of the Head of Internal Audit</a> (2019).</li> </ul>	<p>An external quality assessment was undertaken in January 2023 and reported to the Committee. It was concluded that the IA team demonstrate high standards and have a good standing in the Council.</p>
<p><b>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing how the governance arrangements support the achievement of sustainable outcomes.</li> <li>• Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</li> <li>• Reviewing the effectiveness of performance management arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.</li> <li>• The authority's arrangements to review and assess performance are satisfactory.</li> </ul>	<p>Greater detail on how the work of the Committee contributes to the strategic plan.</p> <p>The risks surrounding major projects are considered by the Committee via reports produced by Internal Audit as part of the annual plan.</p>

<p><b>Supporting the development of robust arrangements for ensuring value for money.</b></p>	<ul style="list-style-type: none"> <li>• Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee.</li> <li>• Considering how performance in value for money is evaluated as part of the AGS.</li> <li>• Following up issues raised by external audit in their value-for-money work.</li> </ul>	<ul style="list-style-type: none"> <li>• External audit’s assessments of arrangements to support best value are satisfactory.</li> </ul>	<p>The annual value for money opinion report from the external auditors to those charged with governance is presented in full to Members.</p>
<p><b>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014).</li> <li>• Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks.</li> <li>• Assessing the effectiveness of ethical governance arrangements for both staff and governors.</li> </ul>	<ul style="list-style-type: none"> <li>• Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements.</li> </ul>	<p>A detailed Counter fraud plan is produced and presented to the Committee. An Outturn report is generated which conforms with CIPFA standards.</p>
<p><b>Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability.</b></p>	<ul style="list-style-type: none"> <li>• Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it.</li> <li>• Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English.</li> <li>• Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency.</li> <li>• Publishing an annual report from the committee.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.</li> <li>• The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion.</li> <li>• The authority has published its financial statements and AGS in accordance with statutory guidelines.</li> <li>• The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements.</li> </ul>	<p>All Audit &amp; Standards Committee meeting agendas are published on the Councils website, the meetings are webcast, and the recordings are available to review on demand. An annual report regarding the work of the Committee is produced and presented to full council. The Statement of Accounts, the Annual Governance Statement and the External Audit ISA 260 &amp; Management Letters are published on the website.</p>
	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	







## **Audit and Standards Committee – Tuesday 19 September 2023**

### **Review of Audit & Standards Committee Terms of Reference**

#### **Recommendation(s)**

I recommend that:

- a. To consider the proposed revisions to the terms of reference for the Audit & Standard's Committee following publication of CIPFA's latest guidance - Practical Guidance for Local Authorities and Police 2022 Edition.
- b. To refer the finally agreed Terms of Reference to full Council for approval and inclusion in the County Council's Constitution.

#### **Local Member Interest:**

N/A

#### **Report of the Director of Finance**

### **Report**

#### **Background**

1. CIPFA's Publication - Practical Guidance for Local Authorities and Police 2022 Edition sets out its guidance on the function and operation of Audit Committees in local authorities and police bodies and represents CIPFA's view of best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. Suggested terms of reference for Audit Committees are also included within the guidance.
2. Details of the key changes contained in the 2022 guidance were presented to the Audit & Standards Committee at the March 2023 meeting. One area that was identified as an action point related to reviewing the current terms of reference against the exemplar ones contained in the guidance. Overall, the current terms of reference were comprehensive. Several additional areas contained in the 2022 suggested terms of reference covering the following areas are recommended for inclusion: -

- a) To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting achievement of the Authority's objectives.
  - b) To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code
  - c) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resources limitations.
  - d) To provide free and unfettered access to the Audit and Standards committee chair for the External Auditors, including the opportunity for a private meeting with the committee.
  - e) Specifically in relation to the Statement of Accounts, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
3. As part of the review, it was identified that a number of areas within the suggested terms of reference had not been previously included in the current version but have been undertaken for several years by the Committee as best practice. These are as follows:
- a) The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.
  - b) Receiving an annual risk based internal audit plan from the Head of Internal Audit, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
  - c) To approve significant interim changes to the risk based internal audit plan and resource requirements.
  - d) Monitoring the response to major findings and the implementation of key recommendations including issues of concern and action in hand as a result of internal audit work.
  - e) The statement of the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). Areas of non-compliance will be outlined; any significant aspects will be incorporated into the annual governance statement where applicable.
  - f) To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its performance

4. The current terms of reference also included those functions which came under the remit of the former Standards Committee. The opportunity was also taken as part of the review exercise to consider those functions and to revise the terms of reference for the 'Standards' functions being undertaken by the Committee.
5. The proposed revised terms of reference for the Audit and Standards Committee are attached as **Appendix A** to the report. All proposed key changes are highlighted within the revised document. For ease of reference, yellow depicts new additions, and green for those new suggested functions that are already undertaken by the Committee but had not been included in the current terms of reference.

### **Equalities Implications**

6. There are no direct implications arising from this report.

### **Legal Implications**

7. Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations specifically require that a relevant body must "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices"

### **Resource and Value for Money Implications**

8. The net budget of the Internal Audit Section is £1,027,510.

### **Risk Implications**

9. Whilst there are no direct risk implications arising from this report, the Audit & Standards Committee objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews will link into the County Councils Annual Governance Statement, providing assurance on the operation of key controls.

### **Climate Change Implications**

10. There are no direct climate change implications arising from this report.

## List of Background Documents/Appendices:

- CIPFA – Practical Guidance for Local Authorities and Police 2022 Edition.
- Review of the Effectiveness of the Audit & Standards Committee – 21 March 2023. Presentation.

## Contact Details

**Assistant Director:** **Lisa Andrews, Assistant Director, Audit & Financial Services**

**Report Author:** Lisa Andrews  
**Job Title:** Assistant Director – Audit & Financial  
**Telephone No.:** 01785 276402  
**E-Mail Address:** [Lisa.Andrews@staffordshire.gov.uk](mailto:Lisa.Andrews@staffordshire.gov.uk)

## Proposed Revised Terms of Reference for the Audit & Standards Committee

### 3. Audit and Standards Committee

3.1 The purpose of our audit and standards committee is to provide independent assurance on the adequacy of the risk management framework and the internal control environment. It provides independent review of Staffordshire County Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. **The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.** It also oversees the Council's democratic processes and the content and application of the Code of Conduct for Councillors and Co-opted members.

3.2 The Audit and Standards Committee has the following functions and responsibilities: -

#### Audit Matters

#### **Governance, Risk and Control**

- To approve, monitor, review and amend from time to time the Council's corporate governance arrangements against the good governance framework including the ethical framework to ensure that it is adequate and effective including approval of the local code of corporate governance.
- To review the Annual Governance Statement (AGS) prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- **To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting achievement of the Authority's objectives.**
- To monitor the adequacy and effectiveness of the Authority's risk management processes and to: -
  - Approve the Risk Management Policy Statement and monitor its implementation
  - Approve the content of the Corporate Risk Register and proposed Risk Mitigation Action Plan and monitor its implementation

- To consider the Authority's framework of assurance and ensure that it adequately addresses the risks and priorities of the Authority.
- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To monitor the Counter Fraud Strategy, actions and resources and review the assessment of fraud risks and potential harm to the Authority from fraud and corruption.
- To consider the Authority's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To consider the governance and assurance arrangements for significant partnerships and/or collaborations, where required to do so in delivering the Internal Audit Plan.

### **Internal Audit**

- To work with and advise the Director of Finance in ensuring arrangements for the provision of an adequate and effective Internal Audit.
- To monitor the adequacy and effectiveness of the Internal Audit service and Chief Officers' responsibilities for ensuring an adequate control environment including: -
  - approving the Internal Audit Charter
  - Receiving an annual risk based internal audit plan from the Head of Internal Audit, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
  - Monitoring progress against the plan through the receipt of periodic progress performance reports.
  - To approve significant interim changes to the risk based internal audit plan and resource requirements.
  - Receiving and considering major Internal Audit findings and recommendations.
  - Monitoring the response to major findings and the implementation of key recommendations including issues of concern and action in hand as a result of internal audit work.
  - Considering the Head of Internal Audit's annual Internal Audit report including: -

- The statement of the level of conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). **Areas of non-compliance will be outlined; any significant aspects will be incorporated into the annual governance statement where applicable.** The results of the Quality Assurance and Improvement Programme (QAIP) that support the statement contained in the annual report – these will indicate the reliability of the conclusions of internal audit.
  - The effectiveness of Internal Audit to support the AGS.
  - The opinion on the overall adequacy and effectiveness of the council’s framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.
- To contribute to the QAIP and in particular, the periodic external quality assessment of Internal Audit.
  - To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.
  - **To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resources limitations.**
  - To review any issue referred to it by the chief executive or a director, or any council body.
  - To provide free and unfettered access to the Audit and Standards Committee Chair for the Head of Internal Audit, including the opportunity for a private meeting with the Committee.

### **External Audit**

- To determine the procurement process to be taken by Staffordshire County Council for the appointment of external Auditors either via means of an auditor panel or through Public Sector Audit Appointments (PSAA) and to express an opinion on their selection and rotation.
- To monitor the independence, adequacy and effectiveness of the External Audit service and respond to its findings. This will include :-
  - o Discussing the nature and scope of the audit of Staffordshire County Council services and functions, and considering the external audit fee and terms of engagement;



- o Receiving and considering the external auditor's annual letter, relevant reports and the report to those charged with governance and advising the Council as appropriate;
- o Commenting on the scope and depth of external audit work and to ensure it gives value for money.
- o Monitoring the County Council's response to the external auditor's findings and the implementation of external audit recommendations.
- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the auditor panel, as appropriate.
- To provide free and unfettered access to the Audit and Standards committee chair for the External Auditors, including the opportunity for a private meeting with the committee.

### **Financial Reporting**

- To approve authority's statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

### **Accountability Arrangements**

- To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions, where required.
- To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its performance.



## Standards Matters

### **Standards**

- To make recommendations to full Council on the Code of Conduct (including associated Protocols) for Councillors and Co-opted members and to monitor its application and effectiveness including overseeing training for Councillors and Co-opted members.
- To oversee the Register of Members' Interests.
- To oversee the effectiveness of the Councils procedures for investigating and responding to complaints about Councillors and Co-opted members (as approved by Full Council in **May 2021**)
- To appoint a Panel of five members of the Committee to:
  - interview and make recommendations to Council on the appointment of Independent Persons in accordance with the Localism Act 2011 and an Independent Person to serve on the Audit and Standards Committee should CIPFA's Practical Guidance For Local Authorities (2018 Edition) on Committee membership be adopted.
  - consider alleged breaches of the Code of Conduct **as referred for consideration by the Monitoring Officer following consultation with an Independent Person.**
- To consider and, where applicable, make recommendations to full Council on decisions of the Standards Panel on breaches of the Code of Conduct considered by that Panel.
- To oversee the maintenance of the List of Politically Restricted Posts

### **Elections**

- To oversee the actions of the Returning officer with regard to the delivery and conduct of the County Council elections and casual vacancies, and any peripheral responsibilities.

### **Governance and Decision-Making**

- To oversee, review, and make any recommendations on, the effectiveness and operation of the Constitution and any of the provisions of it.
- To monitor the adequacy and effectiveness of the County Council's Information Governance arrangements
- To establish Panels of five members of the Committee, as and when required, with delegated powers to deal with:
  - appeals by officers against disciplinary, grading or employment related action (including in respect of the List of Politically Restricted Posts)

- appeals against dismissal from teachers employed in Education Support Units
- appeals against any Executive decision where the law requires that a person shall have a right of appeal within the Council against that decision and for which no other provision is made under this Constitution
- Planning Applications referred to in paragraph 2.2 of section 8 of this Constitution (ie where the Planning Committee is minded to refuse an application for planning permission submitted on behalf of the Cabinet in respect of a County Council service (membership of this Panel shall not include members of the Cabinet, relevant Scrutiny Committee or Planning Committee))

### **Miscellaneous**

- For functions which are not a function of the Executive – to authorise, or revoke the authority of, a person to exercise a function to which Section 70 of the Deregulation and Contracting Out Act 1994 applies
- To deal with any other matter (regulatory, judicial, quasi-judicial or licensing) which by law cannot be the responsibility of the Executive for which no other provision exists in this Constitution.

### **Health and Safety**

- To monitor the adequacy and effectiveness of the County Council's Corporate Health and Safety policies and to approve the annual Action Plan and key priorities

<b>Local Members Interest</b>
N/A

## **Audit and Standards Committee - Tuesday 19 September 2023**

### **Potential Appointment of Independent Members to the Audit and Standards Committee**

#### **Recommendation(s)**

I recommend that:

- a. To consider the option of appointing co-opted Independent Members to serve on the Audit & Standards Committee in line with guidance produced by CIPFA within its 2022 'Position Statement: Audit Committees in Local Authorities and Police'.
- b. If Members wish to explore this option further, to request the preparation of the associated recruitment documentation, for their review and approval.

#### **Report of the Director of Finance**

### **Report**

#### **Background**

1. In October 2022 CIPFA published its updated 'Practical Guidance for Local Authorities and Police'. This set out its guidance on the function and operation of audit committees in local authorities and police bodies and represented CIPFA's view of best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. This publication incorporated CIPFA's Position Statement: Audit Committees in Local Authorities and Police (2022) ("the position Statement") which set out CIPFA's view of the role and functions of an audit committee and replaced the previous 2018 Position Statement.
2. The revised and updated 2022 edition expanded on its 2018 guidance which considered the inclusion of an independent member on the Audit Committee. The membership and effectiveness of the Audit Committee section has been updated in the 2022 guidance, to consider the appointment of additional co-opted independent members which is an important step in ensuring that the Audit Committee can undertake its work effectively. CIPFA also states that the appointment of co-opted

independent members on the committee should consider the overall knowledge and expertise of the existing members. The objective of including such members is to increase the knowledge and expertise base of the committee, reinforcing its independence.

3. In order to confirm what the role of the co-opted independent member of the committee should be CIPFA has provided the following guidance. 'The role description for a co-opted independent member should be the same as for an elected representative who is a committee member. The only substantial difference will be that a co-opted member cannot vote on council policy, so will not be able to take part in the decision, though they can contribute to the discussion prior to the formal decision.'
4. Research has been carried out to ascertain the extent of Independent Members being appointed to Audit Committees within Local Government, based on information shared via the Society of County Treasurers. From the 28 responses collected, 57% had already appointed at least 1 independent member. A further 21.5% were actively looking into recruiting a member/ had been out to source an individual but had been unsuccessful and considering next steps. The final 21.5% did not report any activity regarding independent members.
5. Previous work was undertaken in 2020 to establish the skills/attributes required of an Independent Member contained in person specifications, the following generic criteria were customary present in the recruitment information reviewed and are still considered to be relevant in light of the 2022 revised guidance i.e.:
  - a). Experience
    - Membership or involvement in any organisational environment where decisions are taken in meetings
    - A good understanding of finance and of the concepts of internal control, corporate governance, risk management and performance management
  - b). Qualifications
    - Over 18 years of age
    - Lives or works within the area of the Council
  - c). Disqualifications
    - A person may not be an Independent Member of the Audit Committee for the following reasons
    - Employment by or Membership of X Council in the last 5 years or current employment by or membership of any local authority
    - Any bankrupt or person who has made a composition or arrangement with creditors which is extant

- Having, within 5 years of the appointment, a conviction for an offence resulting in a sentence of imprisonment (whether or not suspended) or a period of not less than 3 months without the option of a fine.
- A disqualification for being elected or being a member of an authority under the Representation of the Peoples Act 1983 (corrupt electoral practices) or under the Audit Commission Act 1998 (unlawful local authority expenditure)
- Being a relative or close friend of a member or officer of X Council

d). Skills, Knowledge, Abilities and Personal Qualities

- A person who is an active and respected member of the community
- A person with knowledge of Local Government
- A person willing to serve the public interest and the local community
- A person who can demonstrate honesty and integrity which has never been impugned
- A person with the ability to look at issues objectively and make decisions on their merit
- A person who can put aside all political affiliations when making decisions
- A person who understands the concept of accountability
- A person willing to give reasons for decisions or actions taken in a spirit of openness whilst respecting issues of confidentiality
- A person who can take account of the views of others, work with others but is able to reach their own conclusions on issues before them
- A person who can show respect for others including a commitment to equal opportunities and the impartiality and integrity required of Council Officers
- A person who can demonstrate an understanding of the duty to uphold the law and trust placed on them

e). Other Requirements

- An ability and commitment to attend X formal meetings a year, plus ad-hoc sessions and training events

6. With regard to payment for undertaking the role, typically it was an unpaid role or one which attracted a small sum. Potential benefits have been identified as 'bringing an alternative and helpful perspective to the work of the Audit Committee'.

7. CIPFA's 2022 guidance also highlighted some potential pitfalls to the use of independent members that should also be borne in mind.

- Over-reliance on the independent members by other committee members in local authorities can lead to a lack of engagement across the full committee.
- A lack of organisational knowledge or context among the independent members when considering risk registers or audit reports.
- Both independent members and officers must try to establish an effective working relationship and appropriate protocols for briefings and access to information.

These factors should be considered when developing the committee structure and plans put in place to provide an appropriate level of support to the audit committee member.

8. Following the Review of the Effectiveness of the Audit & Standards Committee workshop event in May 2023, it was considered that Members re consider the option of recruiting/co-opting a suitably qualified independent individual onto the Committee. This report has set out the benefits and potential pitfalls of the process to support Members in determining the way forward on this matter.

### **Equalities Implications**

There are no direct implications arising from this report

### **Legal Implications**

Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations specifically require that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”

### **Resource and Value for Money Implications**

The net budget of the Internal Audit Section is £1,027,510.

### **Risk Implications**

Whilst there are no direct risk implications arising from this report, the Audit & Standards Committee objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews will link into the County Councils Annual Governance Statement, providing assurance on the operation of key controls.

## **Climate Change Implications**

There are no direct climate change implications arising from this report.

## **List of Background Documents/Appendices:**

- CIPFA – Practical Guidance for Local Authorities and Police 2022 Edition.
- Potential Appointment of Independent Members to Audit Committees – January 2020
- Review of the Review of the Effectiveness of the Audit & Standards Committee Report – September 2023
- Review of the Audit & Standards Committee Terms of Reference Report – September 2023

## **Contact Details**

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**Report Author:** Lisa Andrews

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# Audit and Standards Committee Forward Plan 2023/2024

*If you would like to know more about our work programme, please contact Lisa Andrews, Assistant Director - Audit & Financial Services, 01785 276402 or [Lisa.Andrews@Staffordshire.gov.uk](mailto:Lisa.Andrews@Staffordshire.gov.uk)*

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Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
<b>25 April 2023</b>				
External Audit – Verbal Update. <ul style="list-style-type: none"> <li>• Financial Year 2020/21</li> <li>• Financial Year 2021/22</li> </ul> Report of Ernst & Young				
Annual Report of the work of the Audit & Standards Committee Joint Report of the Director for Corporate Services and Director of Finance Lead Officer: Lisa Andrews				
Special Panel of the Audit & Standards Committee for the appointment of Independent Remuneration Panel Members. Report of the Director for Corporate Services. Lead Officer: Chris Ebberley				
Annual Report on Information Governance				

Agenda Item 16

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Report of the Director for Corporate Services Lead Officer: Tracy Thorley/ Natalie Morrisey				
Internal Audit Plan 2023/24 Report of the Director of Finance Lead Officer: Debbie Harris				
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports ( <i>Part 2 items</i> ).				
Infrastructure+ Asset Data Management – Progress report on implementation of Internal Audit recommendations. Lead Officers: David Walters/Scott Denny				
Settlement Agreements - Progress report on implementation of Internal Audit recommendations Lead Officer: Sarah Getley				
Internal Audit Special Investigation/limited/ Top Risk Areas reports ( <i>Part 2 items</i> ).  <b><u>Top Risk Reviews</u></b> <ul style="list-style-type: none"> <li>• Highways Transformation Programme Position Statement</li> <li>• Send Strategy Implementation (Substantial Assurance)</li> </ul> <b><u>Special Investigation</u></b>				

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
<ul style="list-style-type: none"> <li>SEND Personal Budgets (significant fraud with police circa £180k)</li> </ul>				
<b>11 July 2023</b>				
Internal Audit Outturn Report 2022/23 Report of the Director of Finance Lead Officer: Debbie Harris				
Update regarding the situation within the External Audit provision. Report of the Director of Finance Lead Officer: Lisa Andrews/Rachel Spain				
External Audit – Verbal Update. <ul style="list-style-type: none"> <li>Financial Year 2020/21</li> <li>Financial Year 2021/22</li> </ul> Report of Ernst & Young				
Code of Conduct for Members – Annual Report on the Management of Complaints Report of Director for Corporate Services Lead Officer: Julie Plant				
Code of Corporate Governance –2023 Update Report of the Director for Corporate Services Lead Officer: Lisa Andrews				
Review of the Effectiveness of the Audit & Standards Committee – Verbal Update. Report of the Director of Finance Lead Officer: Lisa Andrews				
Appointment of Members to Standards Panel 2023/24. Lead Officer: Chris Ebberley				
FRC Annual Report on the Quality of External Audit.				

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Proposed changes to the Constitution. - Countryside & Rights of Way Delegations Report of Director for Corporate Services Lead Officer: Julie Plant				
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports ( <i>Part 2 items</i> ).	As required	As required		
Appendix 2 – Counter Fraud Outturn Report 2022/23 Lead Officers: Debbie Harris				
<b>19 September 2023</b>				
External Audit – Verbal Update. <ul style="list-style-type: none"> <li>• Financial Year 2020/21</li> <li>• Financial Year 2021/22</li> </ul> Report of Ernst & Young		Potential to have the ISA 260		
Civil Contingencies Governance Annual Report – 2022/23 Report of the Director for Corporate Services Lead: Tracy Thorley				
Review of the Effectiveness of the Audit & Standards Committee – Results of the Member Workshop. Report of the Director of Finance Lead Officer: Lisa Andrews				
Review of the Effectiveness of the Audit & Standards Committee – Updated Terms of Reference.				

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Review of the Effectiveness of the Audit & Standards Committee – Consideration of the Appointment of Independent Members to the Committee.				
Proposed changes to the Constitution – Scheme of Delegation Countryside and Rights of Way. Lead Officer – Julie Plant	As required. (KL to advise)			
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports (Part 2 items).	As required			
Nexus & Company Governance – Follow Up Report. Lead Officer – Debbie Harris/Kate Loader				
Review of the arrangements regarding County Farms sales. Lead Officer – Rachel Spain				
<b>31 October 2023</b>				
Final Report to those charged with Governance (ISA 260) 2020/21 a) Staffordshire County Council Report of Ernst & Young	Moved from December 2021			
Final Report to those charged with Governance (ISA 260) 2020/21 b) Staffordshire Pension Fund Report of Ernst & Young	Moved from December 2021			
Annual Audit Letter – 2020/21 Report of Ernst & Young	Moved from September 2022			

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Future External Audit arrangements for the outstanding Statement of Accounts. Report of Director of Finance Lead Officer – Rachel Spain				
Health, Safety and Wellbeing Performance Annual Report Report of Director for Corporate Services Lead Officer: Becky Lee	B/fwd. from December 2022 meeting			
National Fraud Initiative - Update Report of the Director of Finance Lead Officer: Debbie Harris				
Strategic Risk Management - Risk Management Policy Statement & Strategy. Report of the Director of Finance Lead Officer: Lisa Andrews				
Annual Governance Statement 2022/23 Report of the Director of Corporate Services Lead Officer: Lisa Andrews				
Training on Statement of Accounts Lead Officer: Rachel Spain				
Draft Statement of Accounts 2022/23 Presentation and Report of Director of Finance Lead Officer: Rachel Spain				
Proposed changes to the Constitution	As required. (KL to advise)			
Standard Matters	As required. (JP to advise)			
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special	As required			

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Investigation/limited/ Top Risk Areas reports <i>(Part 2 items).</i>				
<b>12 December 2023</b>				
Internal Audit Plan 2023 – 2024 Progress Report.  Report of the Director of Finance Lead: Debbie Harris				
Proposed changes to the Constitution	As required. (KL to advise)			
Standard Matters	As required. (JP to advise)			
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports <i>(Part 2 items).</i>				
<b>20 February 2024</b>				
Report to those charged with Governance (ISA 260) 2021/22 c) Staffordshire County Council Report of Ernst & Young	Moved from December 2022			
Report to those charged with Governance (ISA 260) 2021/22 d) Staffordshire Pension Fund Report of Ernst & Young	Moved from December 2022			

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Annual Audit Letter – 2021/22 Staffordshire County Council				
Annual Audit Letter – 2021/22 Staffordshire Pension Fund				
External Audit Plan 2022/23 – Staffordshire County Council. Report of Ernst & Young	Moved from March 2023			
Staffordshire Pension Fund Audit Planning Report 2022/23 Report of Ernst & Young	Moved from March 2023			
Page 68				
Report to those charged with Governance (ISA 260) 2022/23 - Staffordshire County Council Report of Ernst & Young	Moved from December 2022			
Report to those charged with Governance (ISA 260) 2022/23 - Staffordshire Pension Fund Report of Ernst & Young	Moved from December 2022			
Proposed changes to the Constitution	As required. (KL to advise)			
Standard Matters	As required. (JP to advise)			
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				



Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports ( <i>Part 2 items</i> ).				
<b>19 March 2024</b>				
Annual Audit Letter – 2022/23 Staffordshire County Council Report of Ernst & Young (EY)	EY to provide update			
Annual Audit Letter – 2022/23 Staffordshire Pension Fund Report of Ernst & Young (EY)				
External Audit Plan 2023/24 Report of KPMG				
Staffordshire Pension Fund Audit Planning Report 2023/24 Report of KPMG				
Review of the Effectiveness of the Audit & Standards Committee. Report of the Director for Corporate Services Lead Officer: Lisa Andrews				
Internal Audit Charter 2024/25 Report of the County Treasurer Lead Officer: Debbie Harris				
Proposed changes to the Constitution	As required. (KL to advise)			
Standard Matters	As required. (JP to advise)			
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports ( <i>Part 2 items</i> ).				

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome
Infrastructure+ Asset Data Management – Further Progress report on the implementation of Internal Audit recommendations. Lead Officers: David Walters/Scott Denny				
<b>23 April 2024</b>				
Annual Report of the work of the Audit & Standards Committee Report of the Director for Corporate Services Lead Officer: Lisa Andrews				
Strategic Risk Management - Risk Management Policy Statement & Strategy. Report of the Director for Corporate Services Lead Officer: Lisa Andrews				
Annual Report on Information Governance Report of the Director for Corporate Services Lead Officer: Tracy Thorley/ Natalie Morrisey				
Internal Audit Plan 2024/25 Report of the Director of Finance Lead Officer: Debbie Harris				
Proposed changes to the Constitution	As required. (KL to advise)			
Standard Matters	As required. (JP to advise)			
Forward Plan for the Audit and Standards Committee Lead Officer: Lisa Andrews				
<b>PART TWO EXEMPT</b> Internal Audit Special Investigation/limited/ Top Risk Areas reports (Part 2 items).				

Item and lead officer	Date of meeting	Links with Council strategic commissioning priorities	Detail	Action/Outcome

**Membership**

*Mike Worthington* Bernard Peters  
*(Chair)* James Salisbury  
*Carolyn Trowbridge* Janice Silvester-Hill  
*(Vice Chair)* Richard Cox  
 Arshad Afsar Ian Wilkes  
 Keith Flunder Graham Hutton  
 Ross Ward Ann Edgeller  
 Bernard Williams  
 Philippa Haden  
 Phil Hewitt

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**Calendar of Future Committee Meetings**

**(All meetings at 10.00 a.m. unless otherwise stated)**

24 April 2023  
 11 July 2023  
 19 September 2023  
 01 November 2023  
 13 December 2023  
 21 February 2024  
 21 March 2024  
 24 April 2024

Meetings usually take place at County Buildings, Martin Street, Stafford ST16 2LH



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