

Audit and Risk Committee Agenda

21 September 2022 at 7pm
Marconi Room, Civic Centre, Chelmsford

Membership

Councillor N.M. Walsh (Chair)
Councillor M. Sismey (Vice Chair)

and Councillors

D.J.R. Clark, W.A. Daden, N.A. Dudley, G.B.R. Knight, J.M.C.
Raven, E.J. Sampson and A.B. Sosin

Local people are welcome to attend this meeting, where your elected Councillors take decisions affecting YOU and your City. There will also be an opportunity to ask your Councillors questions or make a statement. These have to be submitted in advance and details are on the agenda page. To find out more about attending please email daniel.bird@chelmsford.gov.uk or telephone on Chelmsford (01245) 606523

Audit and Risk Committee

21 September 2022

AGENDA

1. Apologies for Absence and Substitutions

2. Minutes

To consider the minutes of the meeting held on 15 June 2022

3. Declaration of Interests

All Members are reminded that they must disclose any interests they know they have in items of business on the meeting's agenda and that they must do so at this point on the agenda or as soon as they become aware of the interest. If the interest is a Disclosable Pecuniary Interest they are also obliged to notify the Monitoring Officer within 28 days of the meeting.

4. Public Question Time

Any member of the public may ask a question or make a statement at this point in the meeting. Each person has two minutes and a maximum of 20 minutes is allotted to public questions/statements, which must be about matters for which the Committee is responsible.

The Chair may disallow a question if it is offensive, substantially the same as another question or requires disclosure of exempt or confidential information. If the question cannot be answered at the meeting a written response will be provided after the meeting.

Any member of the public who wishes to submit a question or statement to this meeting should email it to committees@chelmsford.gov.uk 24 hours before the start time of the meeting. All valid questions and statements will be published with the agenda on the website at least six hours before the start time and will be responded to at the meeting. Those who have submitted a valid question or statement will be entitled to put it in person at the meeting.

5. Announcements
6. Presentation on Cyber Security
7. Modern Slavery Report
8. Annual Health & Safety Report 2021/22
9. CIPFA Financial Management Code Assessment
10. External Audit Contract Update
11. Update from External Auditor (verbal)
12. Presentation on the Unaudited Accounts 2021/22.
(Presentation to be made by Accountancy Services Manager)
Link to draft accounts: [202122 Draft Statement of accounts](#)
13. Work Programme
14. Urgent Business

To consider any other matter which, in the opinion of the Chair, should be considered by reason of special circumstances (to be specified) as a matter of urgency.

**MINUTES OF THE
AUDIT AND RISK COMMITTEE**
held on 15 June 2022 at 7.15pm

Present:

Councillor N.M. Walsh (Chair)

Councillors A.E. Davidson, J.M.C. Raven, E.J. Sampson, M Sismey, and A.B. Sosin

1. Attendance and Apologies for Absence

Apologies for absence were received from Councillors Clark, Dudley and Knight. Councillor A. Davidson substituted for Cllr Clark.

2. Election of Vice Chair

Councillor Sosin nominated Councillor Sismey to be elected as Vice Chair. This was seconded and agreed by the Committee.

RESOLVED that Councillor Malcolm Sismey be appointed as the Vice Chair of the Audit and Risk Committee.

3. Minutes

The minutes of the meeting on 27 April 2022 were confirmed as a correct record.

4. Declarations of Interests

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting, if they had not been previously notified.

5. Public Questions

There were no questions or statements from members of the public.

6. Announcements

No announcements were made.

7. External Audit Update (verbal update)

The Committee received a verbal update from the Section 151 Officer. It was noted that the external auditors had again missed their deadline and a new target had now been set for the end of July. Officers informed the Committee, that BDO were focusing on NHS audits and they had not been clear on the process for next years audit.

Members of the Committee expressed their continued disappointment with the delays and the poor level of service being provided by BDO. It was noted that an audit completed this late was essentially worthless as soon the next budget was being planned essentially against unaudited accounts. Members of the Committee also stated that in a different scenario the Council would simply appoint a different auditor, or withhold payments, but due to the PSAA agreement this was not possible. It was also noted that this was a national issue, where in some cases the goalposts had been moved by the regulator in terms of the level of detail in local government audits. However this was no excuse for the continued reassurances from BDO that have simply never been met by them, leading to constantly moving targets and deadlines.

In response to the points raised by the Committee and questions asked, officers informed them that;

- The knock on effects of delayed audits and a potential different auditor in the future would lead to further issues, but currently as officers, there was very little that could be done and this was a national issue.
- The PSAA contract had been designed at a time when these issues were not taking place, therefore there are insufficient performance clauses or sanctions built into it.
- It was simply unacceptable that audits were being completed this late as any findings were potentially out of date when they were found.
- BDO had informed officers that staffing issues had continued.
- They had been unable to engage with BDO on how they were planning the next audit.

RESOLVED that the update be noted.

(7.16 pm to 7.25 pm)

8. Provisional Revenue Outturn Report for 2021/22

The Committee received a report on the provisional revenue outturn position for 2021/22 which showed a projected underspend of £0.7m or 3.38%. The report included a list of key material variations that made up the overspend, the amount and the cause of each variation, and the actions recommended to manage each variation. For each affected service, action or variance, the report identified associated risks.

The Committee noted that assumptions for the pandemic had been built in when setting the budget for 2021/22 but some of these had not turned out as expected leading to variances on some elements of the revenue outturn. The pandemic continued to have an effect as new patterns of use were being established in income areas such as car parks and the leisure centre.

The Committee also heard that there were some variances which looked significant in the revenue outturn but these were due to elements such as income from business rates which were not yet finalised, another example was a £700k charge to revenue which had been moved from the Capital Programme, due to the Environment Agency changing their approach to flood defences in Chelmsford. The Committee also noted in broad terms due gains from Business rates and Government funding there was an additional £3m of unearmarked reserves which would be considered in the Medium Term Financial Strategy being considered by the Cabinet in July.

RESOLVED that the provisional revenue position for 2021/22 and the actions associated with it set out in the report to the meeting be noted.

(7.26pm to 7.32pm)

9. Capital Programme Update and Provisional Outturn 2021/22

The Committee considered a report which detailed the capital expenditure incurred in 2021/22, updated the Committee on the approved Capital Schemes and variations in cost which had been identified at outturn and to date.

The Committee were provided with further details on certain schemes within the programme.

The report concluded that:

- The total cost of the Capital Schemes was forecast to be a net £1.002m more than the latest approved budget of £149.505m
- There were some large schemes which had not been delivered against originally agreed milestones, due to circumstances outside of the control of the Project Officers.
- The underspend on capital schemes in 2021/22 of £15.013m was beneficial to the Council as it had reduced the requirement for internal borrowing in the financial year.
- The 2021/22 Asset Replacement Schemes were £250k less than the latest approved budget, £271k of this variation had been due to moving budgets forward into 2022/23.
- The 2022/23 Asset Replacement Schemes were forecast to be £264k more than the latest approved budget, mainly due to the realignment of budgets from 2021/22, an additional £271k.

In response to points raised by the Committee, officers informed them that inflation adjustment clauses in tenders were likely to feature in the near future. It was noted

that modern practitioners had not dealt with these clauses before but due to the economic uncertainty it was likely they could return.

RESOLVED that the updated capital programme and provisional outturn for 2021/22 be noted.

(7.33pm to 7.40pm)

10. Internal Audit Annual Report 2021/22

Members received a report which reviewed the work of the Internal Audit Service in 2021/22, examined the key themes identified across the Council, highlighted how responsive management had been in implementing recommendations, and reviewed the effectiveness of Internal Audit.

It was noted by the Committee the overall opinion was again of moderate assurance, this highlighted that the systems in place were working well and some small areas of improvement were always to be expected in such a large organisation. It was also noted that the position had not changed significantly in the last year and that the report detailed findings across different service areas. The Committee also heard that Hylands, the market and Freighter House had been selected for more detailed reports due to their roles in collecting income.

In response to a question from the Committee regarding two deferred audits it was noted that these had been requested for specific reasons. For the Chelmsford City Culture audit, this had been requested due to the imminent refurbishment works where it was felt an audit afterwards would be more sensible. It was also noted that the Medium Term Financial Strategy Audit had been deferred due to officers needing more time to determine the issues the audit could and should address. Officers agreed that in future reports, the explanation of officer requests to delay audits would be provided rather than just stating a deferral at the request of management.

RESOLVED that the Annual Report on the Internal Audit Service for 2021/22 be noted.

(7.41pm to 7.48pm)

11. Risk Management Report – Spring/Summer 2022

The Committee received a report updating them on Risk Management. The report summarised the current position for the Council's Principal Risks, reviewed risk management activity in 2021-22 and outlined the immediate priorities for the risk management function in 2022-23.

It was noted by the Committee that reporting to Management Team on the principal risk register had continued. It was noted that section three of the report detailed the

Principal Risk summary and that there had been two changes since the last report. These were highlighted as the theatre refurbishment which was newly included and information governance which had moved from severe to major. It was noted however that Cyber Security was still severe.

The Committee discussed the issues surrounding Cyber Security and agreed it was an area of high importance for the Council. Officers agreed to provide some further detail to members via email or to a future meeting regarding work in this area.

The Committee also heard that the risk management function had now taken on some insurance responsibilities; this had been a good development opportunity for staff and had also led to a general service improvement.

RESOLVED that;

1. the update be noted and;
2. further detail on Cyber Security be provided to the Committee via email or at a future meeting.

(7.49pm to 8.04pm)

12. Audit and Risk Committee Annual Report 2021/22 & Terms of Reference

The Committee considered its Annual Report for 2021/22, submitted in accordance with the code of best practice recommended by the Chartered Institute of Public Finance and Accountancy. The report also outlined the review of the Committee's terms of reference which had been carried out in accordance with the Chartered Institute of Public Finance and Accountancy recommended practice. No material changes had been made since last year.

RESOLVED that Committee's Annual Report for 2021/22 be approved and submitted to the Council and that the terms of reference be noted and confirmed.

(8.04pm to 8.05pm)

13. Work Programme

The Committee received a report updating them on the rolling programme of work. It was noted that a questionnaire would be sent to members soon regarding future training opportunities.

RESOLVED that the report be noted.

(8.05pm to 8.06pm)

14. Urgent Business

There was no urgent business for the meeting.

The meeting closed at 8.07pm

Chair



Chelmsford City Council Audit and Risk Committee

21st September 2022

Modern Slavery Report

Report by:

Keith Nicholson, Director of Public Places

Officer Contact:

Paul Brookes, Public Health and Protection Services Manager,
paul.brookes@chelmsford.gov.uk, 01245 606436

Alison Chessell, Procurement & Risk Services Manager, alison.chessell@chelmsford.gov.uk
01245 606598

Purpose

To update the Committee on the work undertaken within the Council on Modern Slavery reduction and awareness.

Recommendation

The Committee are requested to note the contents of this report.

1. Introduction

- 1.1 The Council signed the Charter Against Modern Slavery in June 2020 to commit to improve procedures to support measures to minimise the practice of Modern Slavery within the Council's supply chain and procurement practices.
- 1.2 A Modern Slavery Action Plan was produced in September 2020 to support the process and ensure delivery of actions across the organisation.

2. Modern Slavery Action Plan

- 2.1. The action plan produced in September 2020 has been updated with progress and is attached at Appendix 1.
- 2.2. The one action outstanding which was also outstanding last year is the review of Property Services and Housing Services. The appointment of a Co-ordinator discussed below in section 3 now provides the expertise and resources to carry out this review. It is anticipated that the review will be completed by the end of the calendar year.

3. Modern Slavery Update

- 3.1 The Council's Community Safety Team, as part of the Safer Chelmsford Partnership undertake a wide variety of work supporting the prevention of Modern Slavery within the city.
- 3.2 The Community Safety Partnership has recently been awarded funding from the Essex Community Foundation and await a funding decision from the Office of the Police Fire and Crime Commissioners (OPFCC) to develop a multi-agency partnership for Chelmsford which aims to enhance services and the response to Modern Slavery.
- 3.3 The funding from Essex Community Foundation enables the Safer Chelmsford Partnership to start enhancing its modern slavery response within Chelmsford. The funding has allowed for a co-ordinator to be appointed through the Together Free charity which will allow this work to move forward. Dan Pratt Co-Ordinator of the Chelmsford Against Slavery Partnership (CASP) is in post and located within the Community Safety Partnership Hub. This role enables the development of a multi-agency partnership to enhance the work already carried out as well as developing robust referral pathways. Further funding from the OPFCC will be used to increase the hours of the co-ordinator and extend the length of the contract.
- 3.4 A partnership event in October 2020 set the foundation for the Community Safety Team to work with the co-ordinator for CASP to set a pathway for the creation and delivery of the partnership, it allowed the team to identify areas for improvement and also to highlight the successes of the work already carried out locally. This event also highlighted a healthy appetite for enhancing the response locally to modern slavery. A further event is in the planning stages for October 2022 which will consist of partners from statutory services, the third Sector and Essex Police. There will be several keynote speakers around modern slavery followed by a networking lunch, the day will end with the very first meeting of CASP.

- 3.5 The Community Safety team continues to work to raise the awareness of human trafficking by training frontline staff in spotting the signs, as well as arranging training on the National Referral Mechanism.
- 3.6 The team conduct nights of action to help safeguard the most vulnerable members of our community. Conversations are regularly held with the rough sleepers around modern slavery and the risk that they are exposed to by being on the streets. It has been reported that over 80% of rough sleepers have been approached by gangs offering them work during their time on the streets.
- 3.7 The Community Safety Team are currently working with the Gangmasters Labour Abuse Authority and Essex Police on a live case where it is suspected families of Romanians are being exploited. The team will assist the investigation process and make any necessary referrals. Over the past year a number of potential modern slavery concerns have been identified by Council staff carrying out their day-to-day work. These concerns are all followed up by liaising with the police and speaking with the individuals of concern.

4. Conclusion

- 4.1 The funding of a modern slavery co-ordinator now enables the Chelmsford Against Slavery Partnership to be progressed, and provides resources and expertise to take forward this important area of work.
- 4.2 The one outstanding action within the Modern Slavery Action Plan will shortly be completed, and the Council will continue to raise awareness of Modern Slavery practices within the Council's operations and supply chain.
- 4.3 With the introduction of CASP Modern Slavery will become business as usual for the Safer Chelmsford Partnership and progress will be reported to the One Chelmsford Board as part of the regular community safety updates the Board receives, therefore it is proposed to stop providing an annual update to Audit and Risk Committee.

List of appendices:

Modern Day Slavery Action Plan

Background papers:

N/A

Corporate Implications

Legal/Constitutional: none

Financial: none

Potential impact on climate change and the environment: none

Contribution toward achieving a net zero carbon position by 2030: none

Personnel: none

Risk Management: none

Equality and Diversity: N/A

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why)

Health and Safety: none

Digital: none

Other: none

Consultees:

Relevant Policies and Strategies:

The Modern Slavery Action Plan -2022 Update

Date	Action Details	Status
Dec	Include information on update in annual Procurement Report to ARC. Ethical Supplier - Risk Assessment – Completed	Completed
	Property Services and Housing Services review to be undertaken	Yet to be completed

Charter Requirements and monitoring

No.	Activity	Measurement	Target	Status /Actions	Update
1	Train Procurement Team in CIPS Ethical Procurement & Supply Test	Percentage of staff completed	100%	Already undertaken as CPD and recently qualified team.	100 % in 2021
2	Check Contractors comply with MSA 2105	Percentage of contracts checked	Report Only	Self-selected question when through all new supplier set up.	100% through formal tender
3	Challenge any abnormally low tenders	No. of tenders challenged	Report only	We do this as part of normal procedures.	1 Tenders in 2021
4	Highlight to suppliers – workers right to join unions	No. of suppliers checked	Report Only	Refresh information on website. Update T&C's	Under review with Comms Team
5	Publish whistleblowing information	No. of whistle blowers	None	Not appropriate to target – just monitor. Already on website. Already done by Governance committee - MO.	Undertaken by Monitoring Officer arrangements
6	Contractors to adopt whistle blowing policy	No. of suppliers who have whistleblowing policy	None	Check high risk suppliers. Update website information.	Checks undertaken. Website to be updated
7	Review Contract Spend	Ethical Risk Assessment	None	Need to undertake a supplier ethical risk assessment.	Completed in Dec 2020
8.	Suppliers Identified and referred to agencies	Number referred	None	Not appropriate for target – just reporting by qualified officers, safeguarding and procurement teams.	1 for 2022
9.	Contractors referred to NCS	Number referred / Awareness raising	None	Not appropriate for targets – reporting only Combine with safeguarding reporting.	None
10	Report Progress Publicly	Annual report to ARC.	Annually	Report to ARC Sept – showing as is position and plan.	Completed.



Chelmsford City Council Audit and Risk Committee

21st September 2022

Annual Health & Safety Report 2021/22

Report by:

Keith Nicholson, Director of Public Places

Officer Contact:

Paul Brookes, Public health & Protection Services Manager,
paul.brookes@chelmsford.gov.uk, 01245 606436

Purpose

To provide Members with the 2021/22 annual health & safety update.

Recommendations

That Members note the report

1. Introduction

- 1.1 Chelmsford City Council is committed to high standards of health and safety management within a sensible risk management framework. This means having in place effective management arrangements within directorates to ensure the wellbeing of our staff, service users, members of the public and others affected by our organisation and services.
- 1.2 This report summarises the activity undertaken within corporate health and safety in the last 12 months, an analysis of accidents that have occurred, and a summary of audit activity undertaken.
- 1.3 The Council uses external health and safety advisors to assist in managing the Council's high-risk services. Peninsula have been in place since 2020, providing advice and carrying out audits across the higher-risk services such as Leisure, Waste Collection/Street Care and Parks, thereby providing an external check on the Council's approach to and implementation of its health and safety systems.
- 1.4 The Council has a Health, Safety & Welfare Forum that has senior level representation from across the organisation. The aim of the Health, Safety and Welfare Forum is to promote co-operation in instigating, developing and carrying out measures to ensure and improve the health, safety and welfare at work of all employees.
- 1.5 Management Team are kept informed of issues as when they arise, and key policies are reported on and discussed as required.

2. Training

- 2.1 The core training courses of Managing Safely, Working Safely and Peninsulas Health & Safety Awareness continue to underpin the health and safety training provided by the Council, with additional specific training provided depending on the job role. The majority of roles within the Council are required to carry out one of these three training courses; Managing Safety for managers and supervisors, Working Safely for frontline operatives and Health & Safety Awareness for low-risk operatives. The Managing and Working Safely courses are accredited by the Institute of Occupational Health & Safety (IOSH).
- 2.2 Service areas are being encouraged to coordinate corporate wide training through HR to help ensure a central record is maintained and refresher training can be carried out in an effective and efficient manner.
- 2.3 The Council will continue to fund the necessary health & safety training to ensure employees comply with the relevant health & safety legislation.

Table 1 – Employee Training Carried Out

Course	No. of Employees Trained				
	2017/18	2018/19	2019/20	2020/21	2021/22
IOSH Managing Safety	17	17	16	13	66
IOSH Managing Safety Refresher	18	12	7	20	36
IOSH Working Safely	11	15	29	40	149
IOSH Working Safely Refresher	0	16			
Manual Handling Train the Trainer	5	12	16	7	1
Manual Handling	57	212	142	122	211
First Aid Train the Trainer	0	0	0	0	0
Emergency First Aid	23	24	18	0	22
First Aid at Work	0	23	0	0	27
First Aid at Work Re-Qualification	15	19	14	26	13
Fire Marshall/ Fire Warden	57	62	20	37	59
Paediatric First Aid	0	0	0	2	7
Risk Assessment Refresher	16	44	6	35	1
Stress Management	19	26	15	0	0
Legionella Training for Operatives	12	12	12	10	7
Legionella Training for Supervisors	28	16	4	4	3
VDU Assessor Training	0	13	0	0	0
Conflict Resolution & Lone Working	6	57	25	19	23
Management of Contractors	22	0	0	50	40
Evac Chair		29	21	0	28
Evac Chair Refresher		7	3	0	0
Mental Health Awareness for Managers		24	32	0	0
Total Trained	306	640	384	385	665

2.4 Employees who required training as of April 2022:

- IOSH Managing Safely – 6
- IOSH Managing Safely Refresher – 5
- IOSH Working Safely – 93
- Manual Handling (exc. Casuals) – 71
- Fire Warden Refresher Training – 66

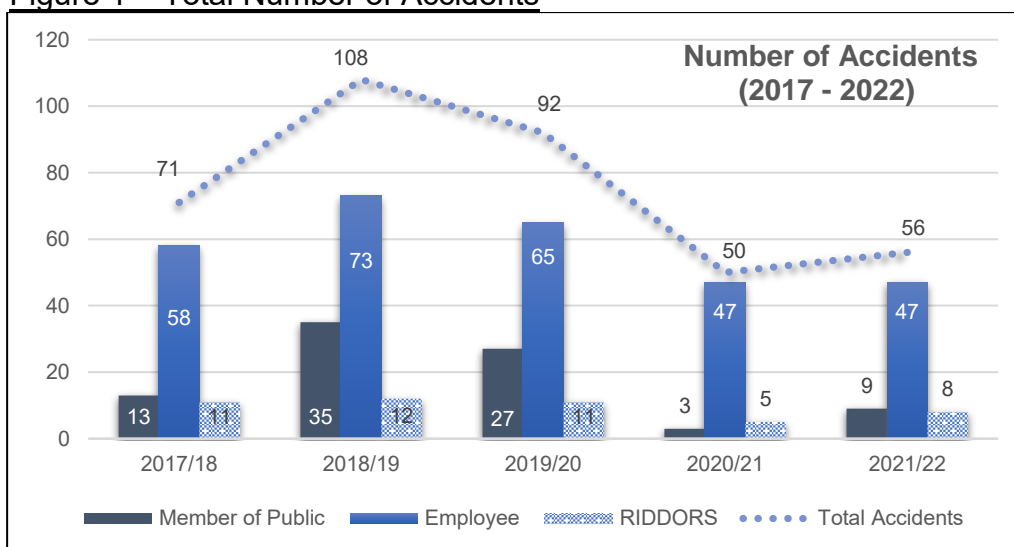
Some of these outstanding are new requirements due to new posts or the rolling program for IOSH. A proportion will have required this training in 2021/22 and failed to attend, there is an incremental approach taken with staff to ensure

these courses are undertaken, repeated non-attendance will result in disciplinary action.

3. Accidents

- 3.1 Accidents continue to be a key indicator of the effectiveness of the Council's health and safety management system. The pandemic will not have had a direct effect on the accident trend in comparison to previous years as the higher accident rate areas of waste collection and parks continued to work throughout the pandemic. However, there may be an unidentified indirect effect that has contributed to a reduced number of accidents in these areas and therefore the overall accident rate.
- 3.2 Figure 1 shows the total number of accidents over the last 5 years involving employees and members of the public, and the number of those accidents that were RIDDOR reportable. RIDDOR reportable accidents are the more serious accidents or those resulting in more than 7 days off work.
- 3.3 When compared to the previous year, there has been a slight increase in the number of accidents in 2021/22 to members of the public, the employee accident rate has remained the same and RIDDOR reportable accidents have increased. However, it should be noted that these levels are significantly lower than pre-pandemic levels. The accident trends are discussed in more detail below.

Figure 1 – Total Number of Accidents



- 3.4 There were eight RIDDOR reportable accidents in 2021/22 which is three more than the previous year. Last year three RIDDOR accidents occurred in waste collection, this has increased to seven with no changes in service delivery during 2021/22.

- 3.5 Out of the eight RIDDORS, six were reportable due to the accident resulting in 7+ days off work and two were reportable injuries (both fractures, one pre-existing).
- 3.6 Figure 2 shows the incidence of employee accidents over the last 5 years. The majority of accidents occur in the Public Places Directorate which is expected due to the number of employees within the Directorate and the high-risk operational services provided. The overall trend is downwards.

Figure 2 – Employee Accidents

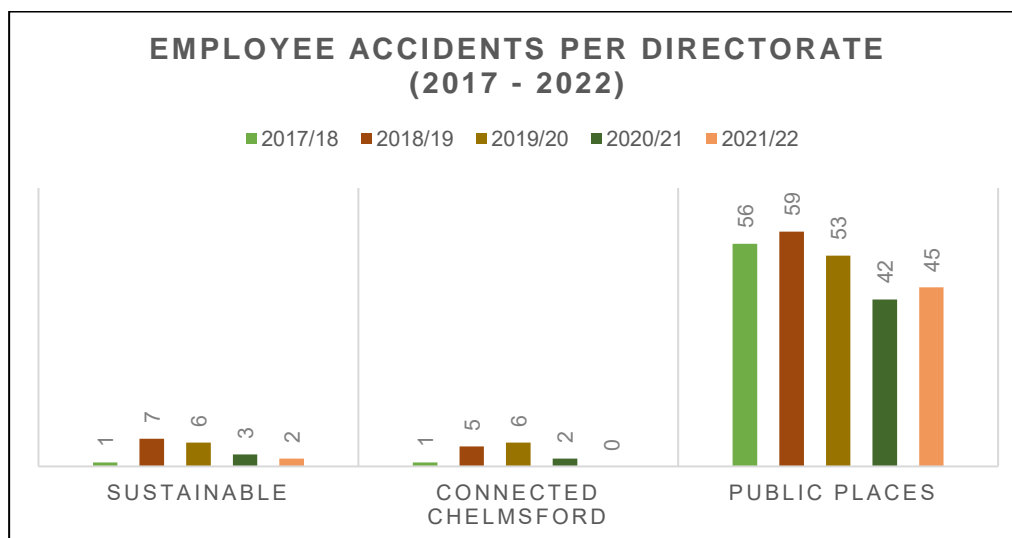


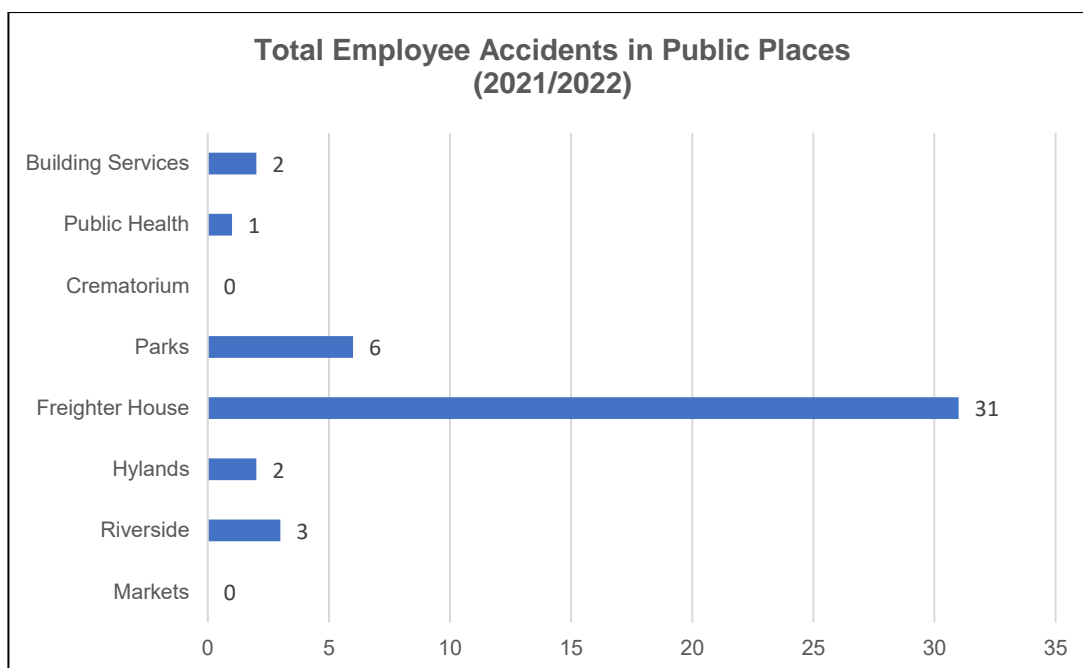
Table 2 - Employee Accident Categories for 2021/22.

Category	2021/22	
	No. of Accidents	% Of Overall Accidents
Slips/Trips	11	23.4
Impact	24	51.1
Manual Handling	6	12.8
Sharp Objects	3	6.4
Falls from Height	0	0
Needle Stick	1	2.1
Acts of Violence	2	4.3
Road Traffic Accident (Employee Injured)	0	0
Other	0	0

- 3.7 Due to the relatively small number of accidents, it is difficult to determine any specific trends with regards to accident causation. However, it is noted that the number of impact accidents have increase from 11 in 2020/21 to 24 in 2021/22, whereas manual handling and slip/trip accidents have reduced slightly.

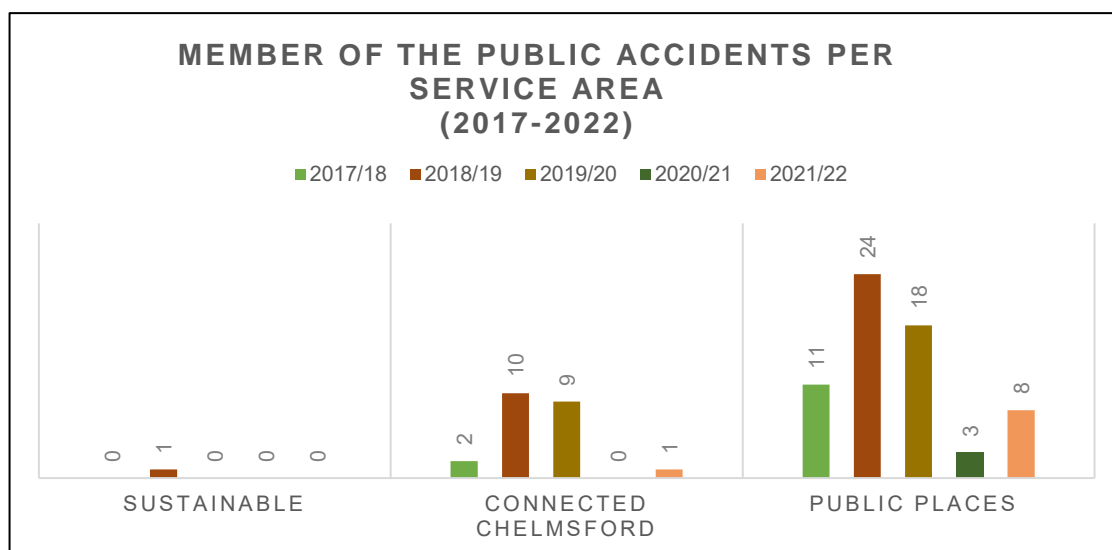
- 3.8 Of the 8 RIDDORS, four are relating to slip/trip injuries, three are relating to impact injuries and one was related to manual handling.
- 3.9 Figure 3 breaks down the accidents in Public Places to the respective service areas. As expected, the highest number of accidents occurred in services based at Freighter House, although the number of accidents is low considering the size and frequency of waste collection and street cleansing activities that take place. In 2021/22 there was a slight decrease in the number of accidents for employees based at Freighter House down from 32 in 2020/21 to 31. Accident rates for other services within Public Places remain low.

Figure 3 – Breakdown of Accidents in Public Places Directorate



- 3.10 Accidents to members of the public are shown in Figure 4. There has been a slight increase in accidents, however this is still significantly lower than pre pandemic levels.

Figure 4 – Accidents to Members of the Public



4. Performance Indicators

- 4.1 Table 3 gives details regarding keyperformance indicators. As discussed above the number of accidents to employees and members of the public remains low, with a slight increase when compared to last year's figures, however, this is still significantly lower than pre-pandemic levels. The number of accidents still remains at a very low level for the number of employees and scope of work activities carried out by the Council. The number of RIDDOR reportable accidents remains similar to previous years.

Table 3 – Performance Indicators

* This performance indicator relates to investigations carried out by Corporate Health & Safety, and this does not include investigations carried out by the service.

Performance Indicator	2017/18	2018/19	2019/20	2020/21	2021/22
Total Number of Accidents (Employees)	58	73	65	47	47
Total Number of Actual Accidents (Public)	13	35	27	3	9
Notifiable Employee Accidents (RIDDOR)	11	12	11	5	8
Number of lost time accidents	27	20	21	6	20
Fatal Accidents	1	0	0	0	0
Number of investigations carried out*	1	1	3	1	0
Audit investigations as per audit schedule	55%	50%	46%	55%	70%
H&S Policies Reviewed	100%	100%	100%	100%	100%
Dangerous occurrences	0	0	0	0	0

5. Audits

5.1 The following audits have been undertaken by Peninsula (external auditors) during 2021/22:

Service	Date of Audit
Hylands House	02/06/21
Sandford Mill	29/09/21
Theatres	27/10/21
Building Services	07/12/21
Freighter House (Workshop/MRF)	10/12/21
Parking Services	09/03/22
SWF Leisure Services	15/03/22

5.2 The following table shows the number of actions arising from the Peninsula audits:

Service	Number of Actions			Number of Actions Completed	Number of Actions Outstanding	
	Total	Medium Risk	High Risk		Medium Risk	High Risk
Hylands House	4	2	2	4	-	-
Sandford Mill	19	10	9	17	1	1
Theatres	21	13	8	10	9	2
Building Services	18	18	0	11	7	-
Freighter House (Workshop/MRF)	20	18	2	12	7	1
Parking Services	7	6	1	7	-	-
SWF Leisure Services	11	10	1	4	6	1
Total	100	61	39	65	30	5

5.3 Number of outstanding high-risk actions from Peninsula audits:

Service	Action	Service Area Comments
Sandford Mill	Maintenance & storage of handheld tools.	Work equipment no longer used. Electrical equipment in workshop to have plugs removed and "do not use" labels attached. Investigate a suitable disposal route for equipment and hand tools.
Theatres	Scaffolding structures not inspected.	Awaiting quotes to replace all structures.
	Could not confirm that the findings of the fire risk assessment had been resolved.	Paul Richards to work on once venue shuts down.
Freighter House	Safe system of work inadequate regarding the interaction between vehicles and pedestrians on site.	Traffic Management Plan has been completed. To be reviewed by Peninsula.
SWF	No occupational health checks for dermatitis.	Under review with HR.

5.4 Table of outstanding high-risk actions from other historic internal inspections:

Service	Action	Service Area Comments
Freighter House Streetcare	Noise monitoring of sweepers.	Initial readings did not give definitive answer. Staff advised to wear ear defenders whilst washing out until more in-depth readings can be undertaken. Staff & operator deficiencies have delayed completion.
Dovedales	Dovedale health and safety policies and operating procedures need review.	Working with Chelmsford College to update health and safety documents. Created a shared folder. Will update Dovedale folder to reflect this.

- 5.5 Currently the following Peninsula Audits have been undertaken or are proposed for 2022/23:

Service	Date of Audit
Freighter House (Waste Collection)	12/05/22
Parks	Aug 22
Riverside	Oct 22
Freighter House Depot	Dec 22
Theatres	Jan 23

6. Conclusion

- 6.1 The safety management systems at Chelmsford City Council continue to be effective in ensuring the safety of employees and members of the public. Where weaknesses have been identified, remedial action has been taken to ensure more robust measures are implemented. Overall, the accident levels remain very low for an organisation delivering a wide range of services daily to 170,000+ residents and visitors to Chelmsford.

List of appendices: N/A

Background papers: N/A

Corporate Implications

Legal/Constitutional: None

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: None

Equality and Diversity: N/A

Health and Safety: This report fulfil the HSE recommendation that Members are informed of health & safety matters.

Digital: None

Other: None

Consultees: Health & Safety Welfare Forum
Management Team

Relevant Policies and Strategies: None



Chelmsford City Council Audit and Risk Committee

21st September 2022

CIPFA's Financial Management Code (FM Code)

Report by:

Accountancy Services Manager (Section 151 Officer)

Officer Contact:

Phil Reeves, Accountancy Services Manager, Email:
phil.reeves@chelmsford.gov.uk, Tel: (01245) 606562

Purpose

To inform Members of the contents of the Financial Management (FM) Code and the Council's self-assessment.

Recommendations

1. Contents of this report be noted.
 2. Agree that actions identified should be undertaken.
-

1. Introduction

- 1.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) published The Financial Management Code (FM Code) in October 2019. The first full year of compliance was targeted by CIPFA as 2021/22. Due to the change of Section 151 officer and financial workloads in 2021/22, Members of the City

Council have not received a formal report on the FM code though the Section 151 officer has reported the code to Management Team in May 2022.

1.2. The Council's finances continue to be affected by the long-term consequences of Covid and now the Ukraine War. This does make it difficult to report explanations of finances and identify ongoing trends.

1.3. The FM code:

- provides guidance for good and sustainable financial management in local authorities, giving assurance that authorities are managing resources effectively.
- requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management, which is an essential part of ensuring that public sector finances are sustainable
- identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management.

1.4. Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

1.5. By following the essential aspects of the FM Code, local authorities are providing evidence to show they are meeting important legislative requirements.

2. The FM code

2.1. Sets out the principles by which authorities should be guided in managing their finances and the specific standards that they should, as a minimum, seek to achieve.

2.2. They seek simply to provide ideas and suggestions as to how authorities might comply with the FM Code and how they might demonstrate that compliance has been achieved.

2.3. By following the essential aspects of the FM Code, local authorities are providing evidence to show they are meeting important legislative requirements.

2.4. The six underlying principles that inform the FM Code have been developed in consultation with senior practitioners from local authorities, local policing bodies and associated stakeholders. The principles have been designed to focus on robust financial management as a way of achieving both short-term financial resilience and long-term financial sustainability.

The principles are as follows:

- Organisational leadership – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- Accountability – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with transparency at its core using consistent, meaningful and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
- Adherence to professional standards is promoted by the leadership team and is evidenced.
- Sources of assurance are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit, and inspection.
- The long-term sustainability of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

2.5.A financial management practice that conflicts with one or more of these principles will not be acceptable practice even if it is not ruled out explicitly by the FM Code itself.

2.6.The CIPFA Financial Management Code translates the principles of good financial management into a series of standards. These standards address the aspects of an authority's operations and activities that must function effectively if financial management is to be undertaken robustly and financial sustainability is to be achieved.

2.7.The areas covered by the standards are:

- the responsibilities of the chief financial officer and leadership team
- governance and financial management style
- long to medium-term financial management
- the annual budget
- stakeholder engagement and business plans
- monitoring financial performance
- external financial reporting

- 2.8. Appendix 1 assesses the current Council arrangements against each of the seven standards using the assessment criteria established by CIPFA in the FM code

3. Conclusion

3.1. The Council is materially compliant with the CIPFA FM code

3.2. There are number of actions arising from the assessment and the Section 151 will report back if these have not been completed in-line with the timings set out.

List of appendices:

Appendix 1 – CIPFA FM code assessment

Background papers:

Nil

Corporate Implications

Legal/Constitutional:

None

Financial:

As detailed

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

None

Personnel:

None

Risk Management:

None

Equality and Diversity:

None

Health and Safety:

None

Digital:

None

Other:

None

Consultees:

Management Team

Relevant Policies and Strategies: None

Standard	Assessment against CIPFA criteria	Areas for Improvement/Clarifications
<p>The responsibilities of the chief finance officer and leadership team the concept of the 'leadership team' will include executive committees, elected mayors, portfolio holders with delegated powers and other key committees of the authority and senior officers.</p>		
<p>a) The leadership team is able to demonstrate that the services provided by the authority provide value for money <i>(In order to achieve compliance with the FM Code, consideration of value for money should be an integral feature to the decisions made by the leadership team, especially those relating to the allocation of resources or to the delivery of services.)</i></p>	<p>Audit opinion clear on VFM. Our Chelmsford, Our Plan – we have developed within the Council's ERP (financial system) processes to monitor actions and to maintain focus. This assists in achieving VFM by not diverting beyond objectives unless necessary. The monitoring will be reported to Overview and Scrutiny Committee. Large capital scheme proposals require a business case before proceeding; options, costs and benefits are established. Digital Investment managed by DPO team to ensure effective development of IT/digital programmes at Council Procurement processes. The Council has in place and regularly reviews its procurement rules/procedures. Savings/efficiencies -We undertake an annual challenge to lower cost and not impact service levels as part of budget process. The delivery of the savings is monitored.</p>	<p>i)A review of financial rules has now taken place and been approved by Full Council. ii)The process of Post-Project Reviews for capital schemes to be included as part of review of Capital Bid Process. Summer 2023.</p>
<p>b) The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2016) The CIPFA Statement on the Role of the Chief Financial Officer in Local Government states that the Chief Financial Officer:</p> <ul style="list-style-type: none"> is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest 	<p>The Accountancy Services Manager (Chief Finance Officer / S151 Officer) is a fully qualified CIPFA member and reports to the Chief Executive. The S151 officer has advance access to the Management Team Agenda and can request attendance at the Management Team meetings, if he believes items have material financial implications. The S151 officer is part of the decision-making process on changes to the budget during the year (as consultee on delegations or Cabinet reports).</p>	<p>Counter fraud work. A review of the authority's Fraud risk is being undertaken. The work has recently transferred to Internal Audit Service.</p>

<ul style="list-style-type: none"> • must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's financial strategy • must lead the promotion and delivery by the whole authority of good financial management so that public money is always safeguarded and used appropriately, economically, efficiently, and effectively • must lead and direct a finance function that is resourced to be fit for purpose • must be professionally qualified and suitably experienced 	<p>The S151 attends Audit and Risk Committee.</p>	
<p>Governance and financial management style</p>		
<p>The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control</p> <p>Key questions</p> <ul style="list-style-type: none"> - Does the leadership team espouse the Nolan principles? - Does the authority have in place a clear framework for governance and internal control? - Has the leadership put in place effective arrangements for assurance, internal audit, and internal accountability? - Does the leadership team espouse high standards of governance and internal control? - Does the leadership team nurture a culture of effective governance and robust internal control across the authority? 	<p>Nolan principles: the Council's Annual Governance Statement identifies the codes of conduct that Council officers and members are expected to adhere. The codes align with Nolan principles.</p> <p>The Internal Audit Annual Report of the Chief Auditor, as required by the Accounts and Audit regulations and the Public Sector Internal Audit Standards, gives the Chief Auditor's opinion on the overall adequacy and effectiveness of the organisation's governance arrangements, risk management and internal control environment, drawing attention to any issues particularly relevant to the preparation of the Annual Governance Statement. It also sets out key themes arising from the work of the Audit Team during the financial year, and compares the audit work undertaken with that planned, summarising the performance of the Internal Audit function against its performance measures and targets.</p> <p>The annual report is made to the Council's Audit and Risk Committee. The report for 2021/22 identified appropriate arrangements for control, risk, and governance at the Council.</p>	

	Council officers have formed a Corporate Governance Group to support these actions and behaviours. The Governance group is made up of Service managers from across the organisation.	
<p>The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</p> <p><i>This CIPFA/SOLACE framework recommends that the review of the effectiveness of the system of internal control that local authorities in England, Wales, Scotland, and Northern Ireland are required to undertake by their respective accounts and audit regulations should be reported in an annual governance statement.</i></p>	<p>The Local Code of Corporate Governance sets out the framework of policies, procedures, behaviours, and values by which Chelmsford City Council is governed. It describes how the organisation complies with each of the core principles to deliver the best outcomes for the local communities it represents, and to ensure effective governance across the organisation.</p> <p>The Annual Governance Statement explains how the Council has complied with the Code and also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015. Once approved, the AGS will form part of the Statement of Accounts and will be signed by the Chief Executive and the Leader of the Council.</p> <p>In line with the CIPFA/SOLACE framework, the AGS is “an open and honest self-assessment” of the Council’s performance across all of its activities and:</p> <ul style="list-style-type: none"> • Describes the key elements of the Council's governance arrangements during 2021/22, covering all corporate systems and the range of activities for which the Council is responsible • Identifies the evidence available where improvements have been made and focusses on examples of good practice • Describes processes applied in reviewing their effectiveness • Lists actions proposed to provide more effective governance arrangements 	
<p>The financial management style of the authority supports financial sustainability</p> <p>CIPFA view this by: accountability the finance team ensures that their authorities spend less and so achieve economy.</p>	<p>The Council has across services a strong financial culture.</p> <p>Budgets :</p> <p>Emphasise the need to have robust reserves.</p> <p>Don't rely on material levels of one-off income to fund ongoing services.</p>	<p>In year-reporting; greater service involvement being developed via Financial Module of ERP.</p>

<i>performance, the finance team works with the authority to spend well by maximising the output from goods or services and so achieves efficiency. Enabling transformation, the finance team supports the effective use of public money.</i>	Include savings/efficiencies identified so the budget is set with a fully costed savings programme. Risk Management principal risks are identified/captured and managed (including financial aspects). Investment in ERP and improving data and financial management.	
Long to medium-term financial management CIPFA does not believe that the time horizon of local authority financial planning is determined by the time horizon of the financial support from central Government.		
The authority has carried out a credible and transparent financial resilience assessment.	A risk assessment is undertaken as part of the Medium-Term Financial Strategy and a strategic risk is recorded relating to delivery of the MTFS and financial sustainability. All risks have identified mitigations and are monitored regularly. The Council also holds a Risk Register of principal risks and to identify risks (including financial) in respect of major projects. MT Team identify major projects and strategic risks.	
The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.	5 Year strategy in MTFS Reserves forecasts. Capital & Investment strategies in place.	Financial long-term planning needs to increase its capture of information on the significant service investments that need to be made by the Council, i.e., corporate priority schemes where budgets have not yet been approved. Including addressing how these objectives can or will be financed in principle.
The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.	The Council has all the strategies/policies in place as required and recommended by the Code. (Capital, Investment and Treasury strategies)	
The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.	The 5-year rolling Medium Term Financial Strategy is refreshed mid-year and reported to Council. A further review is undertaken as part of the budget setting process. The MTFS is linked to Our Chelmsford, Our Plan, to ensure that key objectives and priorities are funded and resourced. An approved minimum General Fund/Contingency reserve is set to mitigate any in year financial risks	

The annual budget		
The authority complies with its statutory obligations in respect of the budget setting process.	The Council sets a balanced budget. The Councils has set a council tax increase within the council tax referendum limits and is aware of the rules regarding referendum. A properly recorded vote takes place at Council meetings. General fund contingency level remains around or above the level established by the S151 Officer. The Council is aware of the circumstances and the process for issuing a Section 114 notice, but S151 does not envisage this occur over the medium term.	
The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.	The S151 officer includes a statement within the annual budget report on the robustness of estimates and the appropriate level of reserves.	
Stakeholder engagement and business plans		
The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan, and annual budget.	Agendas and reports are shared in draft to opposition members in advance of publication dates, so comments can be made. Business Consultation meeting takes place annually. The MTFS is published in July and engagement on budget matters can therefore take place on social media in the period up to February Council meeting. Meetings where budget matters are discussed are all 'broadcast' on social media. Consultation on the next year's Budget now takes place in the Autumn and January.	
The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	The development of capital schemes and major digital investment requires the production of business cases. These identify expected outcomes (financial and non-financial). The business case also considers other available options.	The review of the process of requests (bids) for capital funds and post project reviews was due to be completed summer 2022. This has been delayed due to staff sickness and a new plan is being developed around workloads.
Monitoring financial performance		

The leadership team acts using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	Reports 4 times a year, with actions to leadership team. MTFS/forecast updated twice a year Investment in new ERP (including Financial System)	Continue to work with service managers to improve effectiveness of budget reporting and management. Improve accuracy of in year budget forecasting.
The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.	Key areas of risk identified <ul style="list-style-type: none"> Property charging commercial rents and their valuations are considered at Treasury Management and Investment Subcommittee (TMISC) 3 times a year. Investment/cashflow – are considered at the TMISC 3 times a year Business rate retention income and as a consequence provisions/risks reported in revenue monitoring. The Council currently has no external debt, but internalised borrowings are reported within the Capital strategy. Bad debts and debtors; the level of arrears has never been sufficient concern to require separate reporting. 	
External financial reporting		
The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local Authority Accounting in the United Kingdom.	The Statement of Accounts are prepared in compliance with The Code. The Statement of Accounts for 2019/20 received an unqualified audit opinion. The Council accounts 2021/22 were published in draft format in-line with statutory requirements.	
The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.	The Management Team, Cabinet Members and Audit & Risk Committee are provided with an outturn report detailing significant variations to budget. The report includes the request for carry forwards and identifies earmarked reserves.	



Chelmsford City Council Audit and Risk Committee

21st September 2022

External Audit Contract -Member Update

Report by:

Accountancy Services Manager (Section 151 officer)

Officer Contact:

Zuzana Clarke, Principal accountant, Email: zuzana.clarke@chelmsford.gov.uk, Tel: (01245) 606324

Purpose

Notify the members about the proposals consulted on by the Public sector audit appointments limited (PSAA), who procure the Council's external auditor. The proposals relate the setting the scale fees for their services, for setting the 2022/23 audit fee.

Recommendations

1. To note the proposed methodology for setting the 2022/23 audit fees
 2. To note the Council's response to the consultation
-

1. Background or Introduction

- 1.1. PSAA was specified by the Government as an appointing person for local government audit from 2018/19 and as part of this role are also responsible for setting the audit scale fees for each year.

- 1.2. Following a consultation and subsequent legislation change, the deadline for setting the 2022/23 and future years fees has moved from March to November. The fees for each year therefore need to be set before 1 December of the relevant financial year and PSAA are required to undertake consultation prior to setting the audit fees.
- 1.3. Once the fees are set, they cannot be subsequently amended and therefore any changes to the fees are dealt through local fee variations process, following a request by the auditor.
- 1.4. The PSAA is currently procuring external audit services for 2023/24 and later years. A report will be made to committee when there is clarity regarding the new arrangements.

2. Proposed methodology for the 2022/23 scaled audit fees

Adjustments to Basic scale fee

- 2.1. To set the scale fee, PSAA consider any ongoing additional work that the auditors need to complete either as a result of regulatory changes or local circumstances.
- 2.2. PSAA propose to use the 2021/22 scale fee as the baseline for setting the 2022/23 fees. When setting the 2021/22 fees, the PSAA took into account 2018/19 approved fee variations for ongoing work. The 2022/23 fees will therefore take into account any subsequent known fee changes due to ongoing work identified in 2019/20 and 2020/21.
- 2.3. The 2022/23 fees will not include the cost of the additional work resulting from the new Value for Money (VFM) commentary introduced from 2020/21 audit or any additional cost of work from new requirements set by the ISA (UK) 540 revised standard for Auditing Accounting Estimates, effective from 2020/21. Due to complexity of these two new requirements, PSAA will deal with these costs through the fee variation process before evaluating the longer-term additional fees required for consolidation into a future fee scale.
- 2.4. The additional work/requirements are intended to provide:
 - The VFM assessment requires auditors to ensure the Council “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”. The new requirements will be more in-depth and will allow auditors to better reflect local context and draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require.

- ISA 540 is the international standard on accounting that deals with the auditor's responsibilities relating to accounting estimates and related disclosure in an audit of financial statements. The revision to the standard requires auditors to perform more comprehensive assessment of each significant estimate and give separate consideration to methods and assumptions used in calculating the estimates.

2.5. The indicative minimum additional fee ranges published by the PSAA for the estimated additional costs for 2020/21 and 2021/22 audits for districts were

VFM commentary work	£6,000 –£11,000
ISA 540 work	£2,500

2.6. Anticipating increase in audit costs, the Government allocated £15m to redistribute to local authorities during 2021/22. Chelmsford City Council received £24,221 of this funding.

2.7. It is also expected that additional work will be required following introduction of the revised ISA (UK)315 with additional requirements for identifying and assessing the risk of material misstatements, effective from 2022/23 audit, but PSAA are not yet able to determine the additional cost for this work.

Inflation

2.8. The contract with audit suppliers provides for inflation increase based on each year's March CPI less 1%. Based on March 2022 CPI of 6.2%, the increase to fees for 2022/23 would be 5.2%.

2.9. It is proposed in the consultation for the inflationary increase to be funded by the PSAA surplus funds, which would otherwise be distributed to opted-in bodies.

2.10. If the local authorities do not agree with the use of surplus funds for this purpose, the inflationary increase will be added to the 2022/23 scale fee.

3. Chelmsford City Council response to the consultation

3.1. It is likely that the PSAA will continue with the previous methodology of setting the scale fees adjusting basic fee for any known on-going work costs.

3.2. It is the intention for the officers to express dissatisfaction at increasing costs of audit fees at times when we are experiencing unprecedented delays to audit. Audit firms are failing to keep to the prescribed deadlines and provide timely assurances about the key financial information to the members and the management.

3.3. Officers have contacted PSAA directly to enquire about options available to us under the contractual arrangements. PSAA confirmed that under the current arrangement there is no scope to levy any penalties on audit firms not meeting their obligations in timely manner. The PSAA are limited in their ability to include penalties for late audits as result of the Financial Reporting Council (FRC) being the only body legally able to determine penalties for poor audit work. Currently the FRC do not include a timely audit as key performance measure of audit quality.

3.4. The PSAA have confirmed other measures that will be put in place in the upcoming contracts for the next appointing period. The measures will include trigger points for the proportion of the fees to be payable, only at a point where a set stage of the audit is completed. For example, a proportion of the fee would be paid once the audit plan is presented to the authority by the auditor. Furthermore, the contracts will include monitoring of audit progress and quality against key performance indicators.

3.5. The response to the consultation will include, that the Financial Reporting Council should consider timeliness as a key factor in providing audit services and as such allow for penalty charges for excessive delays in audit delivery in the future contract arrangements.

4. Conclusion

4.1. Based on methodology consulted by PSAA, it is expected that the PSAA fees for 2022/23 will increase, although at this point, we are not able to estimate the exact increase as some of the new requirements will only come into effect during 2022/23.

List of appendices:

Background papers:

Corporate Implications

Legal/Constitutional:

None

Financial:

As set out, the cost increases are not yet known.

Potential impact on climate change and the environment:

None

Contribution toward achieving a net zero carbon position by 2030:

None

Personnel:

None

Risk Management:

None

Equality and Diversity:

(For new or revised policies or procedures has an equalities impact assessment been carried out? If not, explain why)

Health and Safety:

None

Digital:

None

Other:

None

Consultees:

None

Relevant Policies and Strategies:

None



Chelmsford City Council Audit and Risk Committee

21st September 2022

Audit and Risk Committee Work Programme

Report by:

Audit Services Manager

Officer Contact:

Elizabeth Brooks, Audit Services Manager, elizabeth.brooks@chelmsford.gov.uk

Purpose

This report updates the rolling programme of work for this Committee.

Recommendations

That the rolling programme of work for the Committee is agreed.

1. Introduction

- 1.1. The Audit & Risk Committee works to a standard programme of work to ensure that their work is spread evenly across meetings, as far as possible, and to ensure that core reports are produced at the appropriate time within the Council's reporting timetable.

2. Self-assessment and training

- 2.1. In line with CIPFA Guidance: Audit Committees 2018, a self-assessment was completed by ARC Members in April 2021. The results highlighted that additional general training and awareness for the Audit & Risk Committee would be beneficial. To this end, during 2021/22 several Committee Members attended the CIPFA: 'Introduction To The Knowledge And Skills Of The Audit Committee' in September 2021 and 'Effective Audit Committees' training provided by Braintree Council in February 2022.
- 2.2. It is noted that CIPFA are due to issue a new position statement on Audit Committees in September 2022. A review of the position statement against our

current Committee terms of reference and governance arrangements will be undertaken to ensure that we continue to be aligned to best practice. A new survey of Committee Members will also be undertaken in line with any new recommendations from the guidance.

3. Rolling Programme of Work

- 3.1. Many of the reports submitted to this Committee are presented on a cyclical basis and can be timetabled for particular meetings. However, from time to time additional reports are requested which are presented to future meetings. The proposed rolling programme of work for this Committee for the next series of meetings is shown below.

14th December 2022

Agenda Item	Report Owner
External Audit Update	BDO
Internal Audit Interim Report 2022/23	Audit Services Manager
Risk Management Report	Procurement and Risk Services Manager
Counter Fraud and Investigations Report 2022	Procurement and Risk Services Manager
Procurement Update	Procurement and Risk Services Manager
Audit & Risk Committee Work Programme	Audit Services Manager

15th March 2023

Agenda Item	Report Owner
External Audit Update	BDO
Internal Audit Plan 2023/24 + Internal Audit Charter 2023	Audit Services Manager
Accounting Policies	Accountancy Services Manager (S151)
Audit & Risk Committee Work Programme	Audit Services Manager

TBC June 2023

(Joint meeting with Governance Committee)

Agenda Item	Report Owner
Review of the Local Code of Corporate Governance	Legal and Democratic Services Manager
Annual Governance Statement	Legal and Democratic Services Manager

(Audit & Risk Committee)

Agenda Item	Report Owner
External Audit Update	BDO
Revenue (Outturn)	Accountancy Services Manager (S151)
Capital Monitoring (Outturn)	
Internal Audit Annual Report 2022/23	Audit Services Manager
Audit & Risk Committee Annual Report 2022/23	
Review of the Audit & Risk Committee's Terms of Reference	
Risk Management Report	Procurement and Risk Services Manager
Audit & Risk Committee Work Programme	Audit Services Manager

TBC September 2023

Agenda Item	Report Owner
External Audit Update	BDO
Health and Safety Annual Report	Public Health and Protection Services Manager
Modern Slavery Report	Procurement and Risk Services Manager/ Public Health and Protection Services Manager
Presentation on the Unaudited Accounts 2022/23	Accountancy Services Manager (S151)
CIPFA Financial Management Code Assessment	Accountancy Services Manager (S151)
Audit & Risk Committee Work Programme	Audit Services Manager

List of appendices: None

Background papers: None

Corporate Implications

Legal/Constitutional: The Council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Regulation 5 (Part 1) of the Accounts and Audit Regulations 2015). Numerous legislation also emphasises the importance of the audit committee, including:

- Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016)
- PSIAS
- the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).

Financial: None

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: The role of the Audit & Risk Committee in relation to risk management covers: assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks; keeping up to date with the risk profile and the effectiveness of risk management actions and; monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: None

Relevant Policies and Strategies: None
