

AUDIT AND STANDARDS COMMITTEE

Monday, 27th April, 2026
Time of Commencement: 7.00 pm

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Present:	Councillor Paul Waring (Chair)		
Councillors:	Burnett-Faulkner Whieldon	Stubbs Lewis	Reece
Apologies:	Councillor(s) Holland		
Officers:	Craig Turner Anthony Harold	Service Director - Finance / S151 Officer Service Director - Legal & Governance / Monitoring Officer	
Also in attendance:	Alex Canon Robert Fenton	Audit Manager – Staffordshire County Council External Auditor – KPMG	

1. **APOLOGIES**

Apologies were received as listed above.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF PREVIOUS MEETING**

Resolved: That the minutes of the meeting held on 2nd February 2026 be agreed as a true and accurate record.

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4. **INTERNAL AUDIT CHARTER 2026/27**

The Audit Manager (Staffordshire County Council) presented the report on the Internal Audit Charter, a formal statement defining how internal audit was positioned within the Council's governance framework as well as confirming its independence, professional standards and accountability to the Committee.

It was noted that the Charter remained largely unchanged from the previous year when it was comprehensively revised to align with the global internal audit standards in the UK public sector. As such this year's update was mainly about reapproval rather than any substantive changes.

Cllr Stubbs enquired about the specific safeguards held within the Charter to ensure full operational and reporting independence from both the host organization i.e. the County Council, who was delivering the audit service, and the Borough Council's

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senior management, particularly where audit findings may be uncomfortable or politically sensitive.

The Audit Manager responded that the audit team reported directly to the Committee and was accountable to them only with no involvement of the host organization being a county council.

Cllr Lewis referred to compliance with updated global internal audit standards and statutory requirements and asked how this revised Charter materially strengthened assurance, insight or foresight compared to its previous version rather than simply restating required standards, as well as what tangible improvements should be expected to see as a result.

The Audit Manager said that the Charter remained pretty much the same as it was the previous year. Assessments by external companies were done every five years in addition to the internal annual assessments reported to the Committee. Priorities in terms of foresight and insight included developing dashboards to provide further insights and foresights.

Cllr Reece wondered how the Charter would ensure that audit coverage would be sufficiently deep and flexible in terms of responding to emerging risks related to financial pressures, digital transformation and climate commitments, rather than being constrained by fixed resources and standardized templates.

The Audit Manager advised that this would likely come with the Audit Plan rather than the Charter. The Plan remained flexible and one of the purposes of the Committee was to assess whether resources were to be deployed in different areas in the events risk profiles were to change, which would be reported for approval.

Cllr Whieldon commented that a charter was almost legislative and cast in stone while a plan had to be flexible by its nature.

Resolved: That the Internal Audit Charter 2026 be endorsed and the Chair of the Audit and Standards Committee be authorised to sign the Charter in conjunction with the Chief Audit Executive and Senior Management.

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5. PROPOSED INTERNAL AUDIT STRATEGY & PLAN 2026/27

The Audit Manager (Staffordshire County Council) presented the proposed Audit Strategy and Plan for 2026-27.

Cllr Stubbs referred to the allocation of audit days to areas that were well established in previous audit cycles and wondered how this genuinely reflected current and emerging risks rather than historic comfort levels, as well as what specific audit work had been done to de-prioritize other areas along with the risks to be accepted as a result.

The Audit Manager said that there weren't any audits that had been de-prioritized. The Audit Plan had been produced in discussions with service directors towards understanding priorities and risks in their service areas. The Council's own risk register had also been considered.

Cllr Lewis referred to the scale and pace of change anticipated in relation to the local government reorganization and asked why the committee should believe that the proposed level and structure of audit coverage was sufficient as well as what explicit triggers or decision points would cause the plan to be re-prioritized midyear if the risks were to escalate faster than expected.

The Audit Manager advised that monthly meetings would be scheduled with the Service Director for Finance along with regular meetings with other service director to discuss work in their portfolio. Changes across the Council that might need to be reflected in the Audit Plan would be determined in the process.

Cllr Reece asked how internal audits would ensure that high value regeneration projects did not suffer from stalling or oversight gaps while the senior leadership would be focusing on the Local Government Reorganization.

The Audit Manager responded that it would be about appropriately scoping the audit and making sure that this covered those kinds of key risks so that there would still be oversight of those large regeneration programs.

Cllr Whieldon commented that risk management required looking at what had been done historically along with what happened in the past and putting structures in place to reflect these and reduce risks in the future.

- Resolved:**
1. That in accordance with the Committee's terms of reference, the Internal Audit Plan for 2026/27 be approved.
 2. That to receive quarterly reports on the delivery of the assignments within the plan and on the implementation of actions arising be agreed.

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6. **COUNTER FRAUD ARRANGEMENTS 2026-27**

The Service Director for Finance (Section 151 Officer) presented the report on the anti-fraud and anti-corruption arrangements proposed for 2026-27. The policies were reviewed annually unless new legislation or best practice guidance were introduced in which case they were reviewed sooner. It was noted that there had been no major changes since the policies were last brought before the committee the previous year.

Cllr Stubbs wondered how these arrangements were actively reducing fraud rather than simply meeting government expectations as well as if evidence of successful fraud detection, prevention, positive outcomes or financial recoveries arising directly from these policies could be provided.

The Service Director for Finance (S151 Officer) advised that frauds would typically be brought to members' attention along with quarterly internal audit reports and there had been no frauds relating to council employees or members in the previous year. Requests received usually related to discounts on the Council tax which the Counter Fraud Service would go out and investigate. Fines were applied as required when contraventions were demonstrated.

Cllr Lewis referred to the fact that the Borough Council relied on Staffordshire County Council's fraud hub investigation and detection services and asked how sufficient

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control, prioritization and local intelligence was retained to ensure that specific risks relating to Newcastle were not lost within countywide considerations.

The Service Director for Finance (S151 Officer) responded that the Audit Manager and himself were meeting monthly and there were a lot of assurance that the team was doing what the Borough Council expected them to do with an added layer of independence. If there was an Internal Audit and Counter Fraud Service within the Council itself, they would be reporting directly to him meaning this independence would be lost.

Cllr Whieldon wondered it was correct to say that there was a proactive aspect of the arrangements when things were put in place and a reactive one when the investigations carried out led to rethinking the framework in place.

The Service Director for Finance (S151 Officer) confirmed that it was never a standstill service with new types of frauds being attempted leading to doing more and more to address them.

Resolved: That the following policies which support the Counter fraud function be noted:

1. Anti-Fraud and Anti-Corruption Framework,
2. Fraud Response Plan
3. Whistleblowing Policy
4. Anti-Money Laundering Policy

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7. CORPORATE RISK MANAGEMENT REPORT

The Service Director for Legal and Governance (Monitoring Officer) presented the report on the reviewed Risk Management Policy Statement.

Cllr Stubbs asked what had materially changed in the Council's risk management approach since April 2025 and how this review represented a strengthening of risk management rather than a simple refresh.

The Service Director for Legal and Governance (Monitoring Officer) responded that it was in fact a refresh of the existing document and while there weren't huge changes in terms of the policy outline it penetrated into every area of work across the different directorates over at least the past two and a half years, being a standing agenda item in statutory officers meetings.

Cllr Lewis wondered how the Committee could be confident that the Strategy was realistically deliverable within the existing capacity and what early warning indicators were in place to alert members if resourcing constraints began to undermine the effective risk identification, escalation or mitigation.

The Service Director for Legal and Governance (Monitoring Officer) said that the internal and external audit mechanisms provided an element of triple lock and that the reports submitted to the Committee on a quarterly basis also contributed to that adherence and robustness of the process.

Cllr Whieldon wondered how the Risk Management Policy Statement and Strategy compared to recommendations from the Institute of Risk Management and how other institutions were doing theirs.

The Service Director for Finance (S151 Officer) advised that it was a basic level risk assessment for which risks were reviewed by directors and mitigation measures identified. As with all Council's services this was continuously benchmarked with what other councils were doing and when something better seemed to be done somewhere else their approach was being embraced.

- Resolved:**
1. That the reviewed Risk Management Policy and Strategy for the 2026/27 year be accepted subject to changes.
 2. That if approved by this Committee, the Chief Executive and Leader would sign the Policy Statement, be noted.
 3. That this Committee's own respective responsibility in risk management be noted.

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8. **EXTERNAL AUDIT PLAN - 2025/26 STATEMENT OF ACCOUNTS**

The External Auditor (KPMG) presented the Indicative Audit Plan and Strategy for the year ending 31st March 2026.

Cllr Stubbs wondered how to be confident that the proposed audit scope sufficiently reflected the borough's specific financial and governance risks rather than a largely standardized audit model applied across multiple authorities as well as what local pressures or emerging risks had most influenced the audit focus.

The External Auditor said that from a Financial Statement perspective the truth and fairness of the numbers in the accounts had to be considered. The Financial and Governance Risk was a value for money assessment which hadn't been finalised yet and needed to be disassociated from the risks relating to financial statements which was what the Plan was looking to draw out. In relation to using a standardized model there were inconsistencies across multiple entities in terms of categories of risks and these were refined as required depending on the specificity of the organization.

Cllr Lewis asked for assurance that issues cumulatively significant or indicative of weak controls would still be clearly reported to the Committee to be potentially challenged where needed.

The External Auditor responded that a threshold of performance materiality was set allowing for a gap around what was considered a prudent approach.

Cllr Whieldon outlined the benefits of using a template to compare with other institutions doing the same thing and suggested regular reporting may be the way to refining the audit.

The External Auditor added that there was a standardization system and similar risk profiles set across particular sectors with a greatest estimation uncertainty where there was potential for error. A lot of work was then done in the background and did not necessarily appear in the report such as how they tested income or expenditure.

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Resolved: That the External Audit Plan and Strategy in relation to the 2025/26 Statement of Accounts be received.

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9. **WORK PROGRAMME**

Resolved: That the work programme be noted.

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10. **URGENT BUSINESS**

There was no urgent business.

The Service Director for Finance (S151 Officer) thanked members for their participation, attendance and work over the years as well as the Chair for his service to the Committee in an incredibly fair and independent manner.

The Chair also expressed his gratitude to members noting the polite and friendly manner business had been conducted, as well as to officers for the high standards with which reports had been produced, together with their helpfulness, patience and politeness.

**Councillor Paul Waring
Chair**

Meeting concluded at 7.46 pm