

REVIEW OF THE FSA'S AUDIT SCHEME OF LOCAL AUTHORITY FOOD AND FEED LAW ENFORCEMENT ACTIVITIES: OPTIONS FOR CHANGE

A presentation, by the Director of Enforcement, will precede discussion of this paper, to outline key issues and highlight some of the significant points for consideration

Executive Summary

1. At its meeting in February 2006, the Board agreed to a review of the Agency's arrangements for audit of Local Authority (LA) feed and food law enforcement as part of a wider review of the 'Framework Agreement on Local Authority Food Law Enforcement'. The review of LA audit arrangements forms one of four concurrent LA enforcement reviews within the 'Changes to LA Enforcement' (CLAE) project, to develop the Agency's new vision for enforcement.
2. After 6 years of operation and the recent emergence of new drivers for change, it is now timely for review in order to consider whether the existing LA audit process remains an appropriate model to provide the Board with necessary levels of assurance in LA implementation of Official Controls. In addition, the process should accord with new EC audit requirements and be compatible with the developing post-Hampton cross-government agenda for local government performance monitoring.
3. This paper sets out the context of the current review and identifies 2 broad options for the future strategic direction of the Agency's LA audit scheme.
4. The Board is invited to:
 - **comment** on the broad options for LA audit and provide a strategic steer for future work;
 - **agree** an audit approach for further development, and
 - **note** progress on the wider CLAE project.

ENFORCEMENT DIVISION**Contacts:**

David Statham	Tel: 020 7276 8300 (GTN 276 8300) Email: david.statham@foodstandards.gsi.gov.uk
Julie Monk	Tel: 020 7276 8439 (GTN 276 8436) Email: julie.monk@foodstandards.gsi.gov.uk

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Issue

1. The Agency's Strategic Plan 2005/2010 sets out a commitment *'to monitor and review the Framework Agreement on Local Authority (LA) Food Law Enforcement'*. The LA audit scheme has now been in operation for 6 years and it is therefore timely to consider whether the existing model remains the most effective process to provide the Board with appropriate levels of assurance in local authority (LA) implementation of feed and food law controls. Further drivers for review have arisen due to:
 - The introduction of new EC Guidelines¹ (October 2006) for audit of official controls for food and feed law;
 - The need to ensure that Agency audit arrangements take account of the emerging national cross-government post-Hampton agenda relating to better regulation and LA performance monitoring.

Strategic Aim

2. The strategic aim of the Agency's audit of LA delivery of official feed and food controls is the protection of public health. Within this over-arching aim, the current objectives of the audit process are set out in the Framework Agreement² (annex D).

Background

3. This paper follows the February 2006 Board Paper (FSA 06/02/05) setting out the existing LA audit arrangements and proposing their review as part of a wider review of the Framework Agreement. The review of audit forms part of the 'Changes to LA Enforcement (CLAE) project, as outlined in the October 2006 Board Paper (PRO 06/10/02). An update on the progress of the CLAE reviews and projected timescales for implementing the review of LA audit are included at annex G.
4. The review of audit is being carried out in the context of recently issued EC Guidelines laying down criteria for the conduct of audits and an emerging UK government agenda to implement the Hampton principles, for better regulation and the development of a new LA performance monitoring framework (annex E).

¹ Commission Decision: *'Guidelines laying down criteria for the conduct of audits under Regulation (EC) No. 882/2004 of the European Parliament and of the Council on official controls to verify compliance with feed and food law, animal health and animal welfare rules'*.

² <http://www.food.gov.uk/enforcement/foodlaw/frameagree/>

However, whilst national drivers need to be taken into account, it should be recognised that, for legal reasons, EC requirements for ensuring the effective delivery of official feed and food controls take precedence.

EC Guidelines on Audit

5. Key provisions of the new EC Guidelines on the conduct of audits of competent authorities are summarised at annex C. They do not prescribe detailed methods but instead seek to set *'principles to observe with a view to facilitating their application to the diversity of Member State control systems'*, recognising that the methods selected by individual Member States *'may vary depending on the size, nature, number and complexity of the competent authorities responsible for official controls'*. Where there is *'a combination of audit systems . . . mechanisms should be put in place to ensure that the audit systems cover all control activities under [the Regulation] at all stages of the feed and food production chain, and including the activities of all agencies or control bodies involved'*.
6. 'Audit' is defined in Article 4(6) of Regulation (EC) No 882/2004 as:
 - *'a systematic and independent examination to determine whether activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives'.*
7. The Regulation also states with reference to audit, that:
 - *'verification of **compliance with planned arrangements**. . . may largely be addressed by document review, but will also require on-site verification', and,*
 - *'verification of the **effective implementation of planned arrangements** . . . should include an assessment of the quality and consistency of the controls and involve on-site audit activities'.*
8. It is important to bear in mind that audit is not itself a 'control' that can remove risk, and that there are limitations on the level of assurance that can be provided by this means, particularly where there are a multiplicity of enforcement delivery bodies as in the UK. Audit is essentially an assessment of compliance, and a prediction of future performance based on sampled retrospective and snap-shot views of relevant systems, processes and activities. The procedures for agreeing audit action plans and carrying out follow-up monitoring of their implementation are crucial to minimising future risks.

UK Government Requirements

9. The Department for Communities and Local Government (DCLG) White Paper, issued in October 2006³, set out a new framework for LA performance monitoring in England. This Paper outlined a shift toward a reduction in the burden of centralised audit, with greater responsibility for performance monitoring devolved to LAs. Local performance monitoring is to be supported by better joining up of the remainder of central government audit functions, operating at a strategic level across LA services. However, at present this approach has not been agreed for the whole of the UK and details of the operational arrangements have yet to be developed.

FSA Requirements

10. The Food Standards Act 1999 provides the Agency with statutory powers to monitor and audit LAs to ensure that national priorities and objectives will be delivered. In addition, the audit process must support the FSA Strategic Plan and uphold its core values of transparency and openness, whilst delivering partnership benefits where these can be encouraged and achieved.

Discussion

11. The Agency's LA audit process and programmes to date (detailed at annex D) have been carried out in accordance with arrangements codified in the Framework Agreement. The process was developed primarily to meet the Agency's statutory duty to audit LA enforcement under the Food Standards Act 1999, and prior to the enactment and implementation of the EC Regulation and audit guidelines, most of which came into effect from January 1 2006.
12. The Framework Agreement operates on a UK basis and all auditors work to the same audit protocols, however, the existing audit framework allows for flexibility in the planning and management of devolved programmes. With significantly fewer LAs in Scotland, Wales and Northern Ireland relative to England, the national administrations have the capability to carry out at least one audit of all their LAs within a 5 year period, whereas in England this could not be achieved without a substantial increase in audit resources.
13. Feedback from audited LAs has indicated high levels of satisfaction with the existing audit arrangements. In addition to providing thorough and professional audits of LA food law controls and management systems, the process has been seen to encourage and build good relationships with the Agency, maintain and improve LA

³*Strong and Prosperous Communities – The Local Government White Paper' 26 October 2006*
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resourcing and provide the Agency with information and intelligence on local enforcement, which is fed into policy making (summary of LA feedback at Annex F).

14. Audits to date have been largely successful in meeting the Agency's original audit remit under the Food Standards Act, in terms of identifying unsatisfactory performance and in ensuring that effective remedial action is taken, when necessary, by LAs selected for audit. However, the limitations in geographical coverage in England and variations in the approach to audit programming across the UK need to be reconsidered. It is essential that a common audit policy is in place across all devolved administrations in the single UK Member State.
15. There is also a need to re-assess, in the light of experience, whether the Agency processes are fully effective in pointing LAs toward the key enforcement areas and in enabling any significant gaps to be identified. Furthermore, each new audit programme has generated a year-on-year growth in the volume of follow-up audits, which are essential in order to monitor and verify LAs' progress in completing their audit action plans, and this increase in follow-up action has diminished the Agency's capacity to maintain the levels of new audits.

What new elements are introduced by the EC audit Guidelines?

16. The EC Guidelines largely reflect and build upon the UK audit model, which predates much of the audit development work now being undertaken across many other Member States. The Agency's audit scheme was itself 'audited' at an early stage of its implementation by an EC Food and Veterinary Office (FVO) information seeking Mission and has received further scrutiny and endorsement during subsequent FVO Missions, most recently during the November 2006 Mission to evaluate import controls.
17. Requirements that are not already part of the Agency's audit arrangements, or which require further development, are essentially those included in the Guidelines' criteria for a 'systematic approach':
 - *'an audit programme that ensures adequate coverage of all relevant areas of activity and all relevant competent authorities . . . at an appropriate risk-based frequency over a period not exceeding five years':*
 - *'a transparent planning process identifying risk-based priorities'.*
18. These two criteria taken together are understood to mean that whilst assurance may be gained from activities other than central audit, all relevant areas and locations of activity must be considered in planning each audit programme. Furthermore, audit

programmes should identify and prioritise areas for audit on a risk basis and be reviewed at a maximum frequency of five years.

19. The Guidelines also set out principles to safeguard the independence of the audit function: *'audit bodies should be free from any commercial, financial, hierarchical, political or other pressures that might affect their judgement or the outcome of the audit process'*. The audit process should be scrutinised *'by an independent person or body . . . in order to check that it is achieving its objectives'*. Further consideration may need to be given to audit governance issues to confirm whether the criteria introduced by the EC Guidelines are met and to ensure that scrutiny of all Agency audit activity (LA and MHS) is appropriate and consistent.
20. In addition, the specific requirement in the Regulation that verification of the implementation of Official Controls should include on-site visits dictates that Agency audits will need to build in 'reality checks' at the point of implementation as a routine part of all future audit programmes. It is also necessary to reconsider the criteria for selection and prioritisation of LAs and issues for audit, as this process has not been sufficiently flexible to easily and quickly respond to new high-risk concerns and conform to the relevant EC requirements.

What changes are needed?

21. The strategic issues to be considered include:

- What elements of the process need to be developed or changed in order to satisfy the range of drivers for change and deliver acceptable levels of assurance?
- Can additional and/or alternative reliable sources of assurance be identified or established?

Options for Change

22. Annex A sets out 2 broad options for future LA audit, with details of the main benefits and risks to be managed. Annex B outlines a proposal to develop a 'risk-matrix' to assist in the determination of audit priorities – this process needs to be introduced whichever process is implemented. In outline, these options are:

- a. **An expansion and scaling up of the existing centralised Agency audit process in England** to meet all audit and follow-up demands, incorporating a new risk matrix mechanism that enables risk issues and poor performing LAs to be better identified and prioritised within the 5 year audit cycle. It would be dependent on recruiting/deploying sufficient suitably experienced auditors

necessary to implement the range of audit programmes and to meet the EC auditor training and experience requirements.

- b. **A 'balanced partnership' approach that encourages, supports and builds upon existing LA mechanisms for audit, self-assessment and peer review** as a means of gaining assurance of routine 'base-line' enforcement from local performance monitoring. The central Agency audit function would monitor, test and verify the assurance provided by LA self/peer-monitoring. Additionally however, this arrangement would 'free-up' Agency auditors to implement a more strategic, flexible and responsive central role in carrying out issue focused and risk-based external audits in priority areas based on the new 'risk matrix'.

23. The 'balanced partnership' approach offers a means of meeting national and European requirements for LA audit with a more self-regulating and sustainable model for qualitative performance monitoring within a consistent UK audit policy. It is envisaged that assurance could be gained by building on existing LA Inter-Authority Audit (IAA)/peer review and local performance monitoring mechanisms where these are found to be reliable, allowing the Agency to deploy and maximise its own audit resources in the most efficient and effective manner.

24. This approach appears to be wholly consistent with the DCLG's new LA performance monitoring proposals currently being developed across government, which proposes a shift to a more robust local self-monitoring/regulating regime. This should provide a strengthened source from which the Agency can draw assurance. This option might also allow for the nomination of 'accountable officers' at senior LA management level with responsibility for ensuring that the relevant controls are being properly implemented and monitored. This would parallel recent introduction of this concept in connection with LAs' statistical monitoring returns to the Agency, where senior LA managers are now required to vouch for their accuracy and to 'sign-off' the returns in confirmation that they have been properly checked.

25. Devolving some responsibility to local assessment and peer review schemes entails a risk of reduced levels of assurance, although this would be mitigated by central Agency verification checks and the DCLG's intention to drive improved and reliable LA performance data.

Board Action Required

26. The Board is invited to:

- **comment** on the broad options for LA audit and provide a strategic steer for future work;
- **agree** an audit approach for further development, and
- **note** progress on the wider CLAE project.

TABLE OUTLINING THE RELATIVE BENEFITS AND RISKS IMPLIED BY THE 2 BROAD OPTIONS

OPTION	BENEFITS	RISKS TO BE MANAGED
<p>a. An expansion and scaling up of the existing centralised Agency audit process in England to meet all audit and follow-up demands, incorporating a new risk matrix mechanism that enables risk issues and poor performing LAs to be better identified and prioritised within the 5 year audit cycle.</p>	<ul style="list-style-type: none"> ➤ High level of assurance provided if scaled up to achieve higher levels of audit sampling ➤ Retain a uniform audit process across the UK ➤ Tried and tested ➤ No change in basic approach to manage ➤ LA acceptance – very positive feedback to date ➤ Audits considered to be generally robust and thorough 	<ul style="list-style-type: none"> ➤ Requires major increase in staff and resource – additional resource implications arising from year-on-year expansion in follow-up audit activity ➤ Out of step with new UK Govt LA performance monitoring framework and devolved audit/monitoring responsibilities in England ➤ High performing LAs audited as well as potentially failing LAs ➤ 100% centralised audit increases burdens on LAs and audit fatigue ➤ Not sufficiently risk-based to meet EC audit requirement ➤ Difficult to recruit auditors with necessary skill mix and experience under current arrangements ➤ Low flexibility for addressing reactive auditing
<p>b. 'Balanced partnership' that encourages, supports and builds upon LA mechanisms for self-assessment and peer review to provide 'base-line' assurance. Agency audit to monitor and verify and carry out issue focused and risk-based audits in priority areas based on a new 'risk matrix'.</p>	<ul style="list-style-type: none"> ➤ As proposed, would meet EC audit requirements and FSA audit objectives ➤ Sufficiently flexible to provide assurance to FVO that the FSA audit system accommodates emerging risks ➤ Risk-based – satisfies EU and in line with UK Govt LA performance monitoring framework ➤ Reduces central audit burden on compliant LAs and encourages LAs to take responsibility for monitoring own Services ➤ Permits devolved FSA administrations to address local issues within single consistent audit policy – accommodates regional variations based on need and risk ➤ Consistent with work being developed by other agencies to extend and enhance peer monitoring/audit eg LACORS; Health & Safety Executive and DTI Trading Standards peer review schemes – presents opportunities for shared approaches, availability of shared information and cross-assurance ➤ Consistent with Agency's revised MHS audit approach ➤ Facilitates the use of LA officers to support Agency audits, with potential benefits of strengthening LA peer review, achieving LA acceptance of the audit process and raising LA awareness of the 'bigger picture'. 	<ul style="list-style-type: none"> ➤ FSA audit priorities need to be established and fine tuned over time – initial risk ➤ Lack of LA resources and willingness ➤ Need to ensure LA audit activity accords with EC Guidelines' independence criteria ie IAA/peer review based on exchanges of auditors within regional groups.

PROVISIONAL OUTLINE OF PROPOSED AUDIT RISK MATRIX

1. Future decisions on audit programmes and LA selection could be informed by an audit risk-matrix, populated over time with data from a range of sources. In principle, it is envisaged that the risk-matrix would be a 'living' and dynamic tool, continuously updated to reflect new and changing food law enforcement risks and priorities with weighted risk scores, related to each local enforcement authority. The calculated risk priority scores would provide evidence and risk based determinants for both the issues on which to focus audits and LA selection within each audit programme. Further work would be required to develop the detail of this concept and the means by which relevant data flows would be identified, captured, weighted and represented.

LOCAL AUTHORITY	RISK FACTOR 1	RISK FACTOR 2	RISK FACTOR 3	RISK FACTOR 4	Etc.	<u>WEIGHTED RISK PRIORITY SCORE</u>
A						
B						
C						
D						
E						
F						
G						
H						
I						
etc						

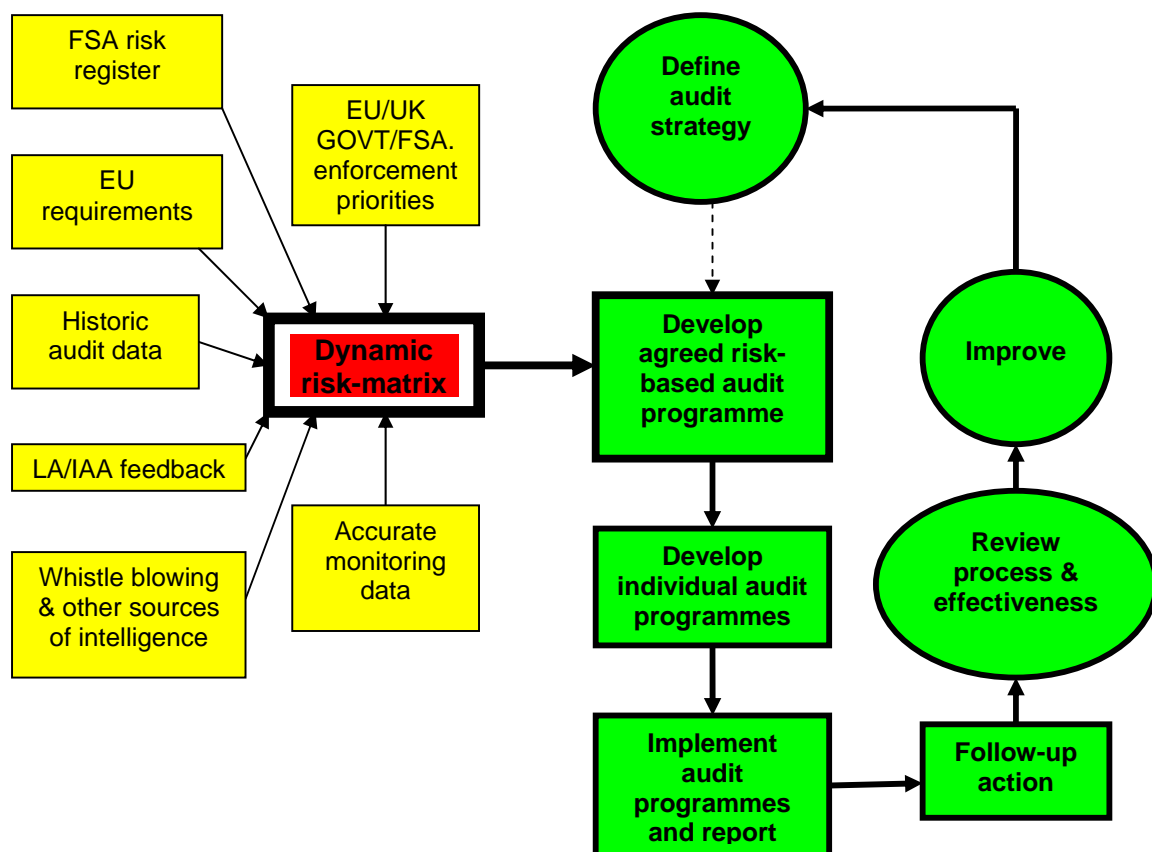
2. The relevant risk issues and identified LAs derived from the risk matrix could be entered into an annual/quarterly audit programme template, similar to the format shown below. This template would ascribe pre-determined audit/assessment methods on a sliding scale, according to the level of risk and the available resource. For example, some issues or LAs identified as highest risk may be reserved for FSA audit, whereas assurance on more routine enforcement practice may be largely covered by LA Inter-Authority Audit/peer review arrangements, subject to sample verification checks.

Example audit programme template:

Audit/ assessment method eg	Risk factor	Level of Risk eg	LAs	Resource	Audit/ assessment dates eg
Method 1 eg FSA audit	X	High	A	x auditor days	1 st quarter 2008/09
Method 2	Y	Medium	B		
Method 3 eg LA peer review	Z	Low	C	LA auditors	2008/09

Key Principles of FSA Audit of LA Food and Feed Law Enforcement

The schematic diagram below illustrates how the proposed risk matrix would drive the revised audit system.



SUMMARY OF EC AUDIT REQUIREMENTS

1. To comply with the requirements of **Article 4(6) of Regulation (EC) No. 882/2004**, the audit system should cover the following 3 points set out in Article 2(6):
 - a. Verification of **compliance with planned arrangements** in order to provide assurances that official controls are carried out as intended and that any instructions or guidelines given to staff carrying out the controls are followed.
 - b. Verification of the **effective implementation of planned arrangements**. In order to assess effectiveness, that is the extent to which planned results are achieved, on-site operational implementation must be included.
 - c. The audit system should also seek to assess whether the **planned arrangements are suitable to achieve the objectives** of Regulation (EC) No. 882/2004, and in particular the single integrated multi-annual national control plan.
2. The **EC AUDIT GUIDELINES** include the following key principles:

Systematic Approach

- The audit process should be the result of a transparent planning process identifying risk-based priorities;
- Form part of an audit programme that ensures adequate coverage of all relevant areas of activity and all relevant competent authorities, at an appropriate risk-based frequency over a period not exceeding 5 years;
- Identify system-wide strengths and weaknesses in the control system, disseminate good practice and ensure the monitoring of corrective and preventive actions;
- Where more than 1 audit programme is envisaged within a Member State, such programmes should be effectively coordinated.

Transparency

- eg access to documentation/procedures/published audit programmes and reports.

Independence

- Audit bodies should be free from any pressures that might affect their judgement or the outcome of the audit process. The audit system, audit body and auditors should be independent of the activity being audited and free from bias and conflicts of interest.

Resources

- Member States should ensure that competent authorities have sufficient implementing powers, and resources, with the appropriate authority, to establish, implement and maintain an effective audit system.

Auditor Competence

- Knowledge and skills relating to audit principles, procedures and techniques;
- Management/organisational skills;
- Specific technical knowledge and skills;
- Personal attributes/education/work experience;
- Auditor training and experience.

BACKGROUND TO THE CURRENT AGENCY LA AUDIT ARRANGEMENTS

Framework Agreement on Local Authority Food Law Enforcement

1. The Food Standards Act 1999 gives the Agency statutory powers to monitor and audit local authorities, and to ensure national priorities and objectives will be delivered. It gives the Agency powers to carry out the following duties:
 - set standards of performance in relation to enforcement of food law;
 - monitor the performance of enforcement authorities;
 - require information from local authorities relating to food law enforcement and inspect any records;
 - enter authority premises, to inspect records and take samples;
 - publish information on the performance of enforcement authorities;
 - make reports to individual authorities, including guidance on improving performance;
 - require local authorities to publish these reports, and state what action they propose in response.

2. The Framework Agreement was developed through the Agency's Local Authority Enforcement Liaison Group (now the Enforcement Liaison Group), which includes stakeholders from the enforcement community, and became fully operational from 1 April 2001. The detailed content of the Agreement was drafted in conjunction with the Local Authorities Coordinators of Regulatory Services (LACORS) and representatives from local authorities across the UK. The Framework Agreement is the mechanism by which the Agency puts into effect the powers contained in the Food Standards Act 1999. It has provided for the following:
 - published local service plans to increase transparency of local enforcement services;
 - clear agreed standards for local authority food law enforcement;
 - local authority monitoring data used to select authorities for audit where there are concerns over enforcement performance;
 - an audit scheme aimed at securing improvements and sharing good practice.

Operation of the Existing LA Audit Scheme

3. The Agency's audits are conducted against the requirements of the Standard in the Framework Agreement. The Standard sets out the minimum levels of performance expected in relation to the full range of a local authority's feed and food law enforcement activity. The audit programme forms part of the Food Standards Agency's arrangements to:

- help to protect public health by promoting effective local enforcement of food law;
 - maintain and improve consumer confidence;
 - assist in the identification and dissemination of good practice to aid consistency;
 - provide information to aid the formulation of Agency policy;
 - promote conformance with the 'Food Law Enforcement – Standard' and any relevant central guidance or Codes of Practice;
 - provide a means to identify under performance in local authority food law enforcement;
 - promote self regulation and Peer Review such as Inter Authority Auditing (IAA); and
 - identify continuous improvement.
4. The auditors are generally Environmental Health or Trading Standards officers with many years' experience of local authority food law enforcement and management. Consistent feedback from audited authorities has highlighted the Agency's use of professionally qualified and experienced food law enforcement specialists as a key strength in the Agency's current approach to audit.
 5. The audits require authorities to respond to a pre-visit questionnaire by the submission of a range of relevant documentation, such as their service plan, policies and procedures, together with various database reports to enable the auditors to select specific enforcement records when on site. The site visit is carried out by a team of at least 2 auditors, typically over a 2 day visit, although this may increase to 2 teams of 2 auditors over 3-4 days depending on the type of authority and the scope of the audit.
 6. Draft audit reports and the authorities' action plans are typically finalised and agreed within 40 working days, combined and published electronically on the Agency's website. Hard copies are provided to the audited authority and various libraries, including the British Library, Houses of Parliament Library and the Copyright Library.
 7. A range of examples of good practice have been identified and these are detailed on the Agency's website, together with relevant local authority contacts for further information.
 8. The audit process has provided local authorities with an opportunity to raise the profile of their food law enforcement service, both within the Authority and with other stakeholders. The Agency is aware of a number of examples where the Agency's audit reports have been used to support claims for additional resources, to ensure no reduction in the current level of resourcing or to highlight with Members the good work being carried out. There is also evidence to suggest that the Agency audit scheme has helped to promote greater sharing of food law enforcement documentation and working practices between authorities.

Follow Up Action on Agency Audits

9. Follow-up assessments of local authority progress in implementing their audit action plans are normally undertaken six months after the publication of the final report. This may include a follow-up audit, depending on the nature of the recommendations in the original report. Once implementation of the authority's action plan has been reviewed an updated action plan is published on the Agency's website, revised to reflect the progress made, and further follow-up action continues as necessary until the action plan is completed.

Review Arrangements for the Framework Agreement and Audit

10. Since coming into effect, the operation and scope of the Framework Agreement and audit arrangements were reviewed in the first year, and on an on-going basis thereafter, by a Sub-Group of the Local Authority Enforcement Liaison Group. The Agency's audit process and programmes have been further developed over this period in the light of stakeholder feedback.

UK Approaches to Audit

11. The Agency has local authority audit teams based in England, Scotland, Wales and Northern Ireland. These teams, particularly in the devolved administrations, conduct audits alongside a wide range of other enforcement-related activities. The Framework Agreement operates on a UK basis and all auditors work to the same audit protocols, however, the existing audit framework allows for flexibility in the planning and management of devolved programmes.

England

12. During the first year of the audit scheme the Agency carried out 40 audits of local authorities in England across the full range of food law enforcement activity. While the Agency has continued to carry out a number of full audits, it was decided in 2002 that programmes of audits focusing on specific areas of activity should also be undertaken. It was felt that these focused audit programmes would enable the auditors to carry out a more in-depth examination of specific areas of activity on a more strategic level.
13. In addition to the individual audit reports on local authority performance, summary reports of each focused audit programme are produced. These reports give an overview of the programme findings, discuss any trends in performance and recommend possible solutions to any issues identified. The summary reports also detail any examples of good practice identified during the audits.
14. Local authorities may be selected for audit because of particular issues of concern arising from their monitoring returns or on the basis of information received from other sources. The quarterly audit programmes for full and focused audits also

include authorities that represent a range of levels of activity. This enables qualitative assessments of authorities reporting low levels of activity and the opportunity to identify and disseminate examples of good practice demonstrated by authorities achieving a high level of performance in particular areas. Authorities are also selected to represent a cross section of local authority types, for example by county, district and geographical location.

Scotland

15. FSA Scotland's first audit programme commenced in June 2001. The aim was to ensure that all 32 authorities were audited each year over three years against specific areas of the Standard. By the end of the programme, (March 2004), each Authority had been audited against all areas of the Standard.
16. This audit programme played a part in assisting many authorities to make significant improvements and also acknowledged the service delivery strengths in each Authority. However, although the Scottish programme covered all authorities against all areas of the Standard it was recognised that the partial audits were not able to take a cross-sectional view of services in order to get a full appreciation of the integration of service delivery and management systems.
17. The nature of each separate audit plan meant that comment on the issues reported were restricted to the areas specified in the scope of the audit. This frequently led to difficulty where issues have been found during specific audits that were not covered in the audit scope.
18. FSA Scotland's subsequent audit programme, which commenced in April 2004, addressed this as it was extended to include assessment of a wide range of each authority's core enforcement activities. All local authorities will have received an audit on core enforcement activities by the end of March 2008.
19. In addition to the above, FSA Scotland has also conducted a focused audit on statistical monitoring returns and on imported food.

Northern Ireland

20. FSA Northern Ireland's audit programme commenced in June 2001 and in the first year 5 audits of district councils were carried out across the full range of food law enforcement activity. In the first year a district council from each of the statutory environmental health groups and the one stand-alone district council in Northern Ireland were audited. This approach enabled the Agency to assess the level of compliance with the Standard within each group area and facilitated improvements within all councils in each group area through the liaison and monitoring arrangements that exist across the group structure.

21. In subsequent years, further full audits were carried out of 2 district councils who had reported low levels of activity, and 9 district councils have been the subject of an appropriate selection of audits focusing on specific areas of activity similar to the focused audit programmes in England. Where appropriate, the findings of these individual focused audits have been included in the summary reports produced on each programme in England.
22. During the second half of 2006 a programme of 5 focused audits were carried out on the re-approval of standalone coldstores by district councils arising from the introduction of the new EU Hygiene Regulations, on 1 January 2006, and the Food Hygiene Regulations (NI) 2006. A composite summary report will be produced following the publication of all individual reports.

Wales

23. The Agency has completed its programme of full audits of all 22 unitary authorities in Wales. Each authority underwent a full audit to assess the complete range of food law enforcement activities. Given the lack of information when the Agency was established on how local authorities were performing and any areas of difficulty, it was seen as important to carry out full audits of all authorities in Wales before moving to partial or focused audits. FSA Wales is now following up on all full audits and assessing measures implemented to address audit recommendations.
24. The Agency is currently undertaking a focused audit of all 22 unitary authorities on the Control and Investigation of Outbreaks of Food Related Infectious Disease.
25. A meeting with Welsh local authorities has been arranged for March when the completed programme of full audits will be reviewed and the future programme discussed. This will take account of the UK wide review of the Agency's audit arrangements.

FSA Local Authority Audit Activity: April 2001 - March 2007

England

Audit Type:	No. of audits carried out / No. in programme	No. of reports published	No. of LAs contacted for 6 month and subsequent reviews of action plan	Number of updated action plans published	Number of action plans fully implemented
Full Audit (April 01 – present)	72	71	70	70	65
Focused Audits:					
Food Sampling (Oct-Dec 02)	15/15	15	9 (+ 6 already fully implemented)	9/9	15
Formal Enforcement (Jan-Mar 03)	15/15	15	14 (+ 1 already fully implemented)	14/14	13
Imported Foods					
Major Ports (Sept 03-Mar 04)	22*/22	20 [#]	21 (+1 with no recommendations)	19/19	16
Minor Ports (Jan-Jun 05)	6/6	6	6	5	2
Internal Monitoring & IAA/ peer review (Feb 04-Jan 05)	15/15	15	12 (+2 already fully implemented and 1 with no recommendations)	12/12	14 (+ 1 with no recommendations)
Statistical Monitoring (April–Sept 04)	20/20	20	20	20/20	14
Home Authority Principle/advice to business/ food safety promotional work (July 05-March 06)	30/30	30	15 (+12 with no recommendations)	12/18	10
Off-site audits of data management & inspection and sampling programmes (April – June 06)	9/9	N/A	N/A	N/A	N/A
Audit of LA controls of SRM removal at butchers (February 07 - present)	10 +6 planned/25				

* includes 2 pilot audits and 1 full audit of an inland LA with a large number of ERTS

[#] does not include the reports for the 2 pilot audits which have been sent to the LAs but not published

Scotland

Audit Type:	No. of audits carried Out	No. of reports published	No. of authorities contacted re: follow up action plan	No. of audit files closed
Partial Audits Year 1 (June 01 – March 02)	32	32	32	31
Partial Audits Year 2 (April 02 – March 03)	32	32	32	31
Partial Audits Year 3 (April 03 - March 04)	32	32	32	31
Imported Foods Audit (2003/04)	1	1	1	0
Statistical Audit on Monitoring Returns (Sept 04 – Oct 04)	6	6	6	6
Core Audits Feb 2005 – present	17	15	10	3
	6 follow-up audits 1 follow-up audit revisit	6 follow -up audit reports		

Northern Ireland

Audit Type:	No of audits carried out/ No in programme	No of reports published	No of District Councils contacted for 6 month review of action plan	No of updated action plans published	No of action plans fully implemented
Full Audit	7	7	7	7	6
Formal Enforcement (Sep-Nov 03)	3/3	3	3	1	1
Imported Foods (2003/04)	1/1	1	1	1	1
Statistical Monitoring (Jun-Dec 04)	5/5	5	5	5	3
Re-approval of Standalone Coldstores (Sept-Dec 06)	5/5	3	N/A	N/A	N/A

Wales

Audit Type:	No. of authorities in programme	No. of audits completed	No. of audit reports	No. of local authorities contacted regarding follow-up
Full audit	22	22	22	22 FSA Wales is currently following up on all full audits and assessing measures implemented to address recommendations*
Focused audit: Control and investigation of outbreaks of food related infectious disease.	22	In progress		

*A meeting with local authorities has been arranged for March 2007 when FSA Wales' completed programme of full audits will be reviewed and the future programme discussed. This will take account of the current UK wide review of the Agency's audit arrangements.

OUTLINE OF HIGH LEVEL DRIVERS

Hampton Principles

1. In the 2004 Budget, the Chancellor asked Philip Hampton to consider the scope for reducing administrative burdens by promoting more efficient approaches to regulatory inspection and enforcement, without compromising regulatory standards or outcomes. The key messages from the Hampton Review, published in March 2005, were for:
 - Greater co-ordination and accountability;
 - Better assessment of administrative burdens;
 - Streaming of regulatory structures.

Local Better Regulation Office

2. In the Pre-Budget Report of December 2005, the Chancellor announced the creation of a local better regulation office (LBRO). The LBRO's central mission is to reduce burdens on business without compromising regulatory outcomes and working in partnership with LAs, national regulators and central government departments to help drive up the quality of LA regulatory services.
3. In November 2006, the Chancellor published 'Implementing Hampton: from enforcement to compliance', detailing progress made on delivering the Hampton agenda. The Cabinet Office is to take responsibility for helping LAs with the implementation of a consistent risk-based approach at the local level.
4. Key measures to date are:
 - the Cabinet office to be responsible for establishing LBRO, maximising synergies with the Government's Better Regulation agenda. The date for establishing LBRO has been moved forward from 2009 to 2007;
 - LBRO will be put on a statutory footing with an independent board established by the end of 2007. The board will include representatives of business and LA professionals with experience of the regulatory services. It will have powers to issue guidance to which LAs will have regard;
 - Proposals to legislate to place the principle of home and lead authority on a statutory footing for multi-site businesses;
 - LBRO will tackle inconsistencies in LA enforcement and arbitrate in disputes;
 - Engagement with devolved administrations on how these proposals should apply across the UK;
 - LA services, including trading standards and environmental health are to be included within the Hampton Code of Practice;

- The Retail Enforcement Project (which includes catering premises), is being rolled out to 70 more LAs;
- A new measure of compliance with Hampton at a local level is to be developed with businesses in keeping with the new local area performance framework outlined in the Local Government White Paper;
- The Rogers Review has subsequently been launched.

Rogers Review of LA Regulatory Priorities

5. In November 2006, the Government appointed the Chief Executive of Westminster City Council to lead an independent review of LA Regulatory priorities. The review will examine more than 60 policy areas that LAs' regulatory services currently enforce, and recommend by Spring 2007 5 high-risk national priorities. It is intended that this prioritisation process will assist LAs, supported through the Budget, to provide improved enforcement activity in the key areas, and to review their practices in areas deemed to be low priority.
6. Taking forward the conclusions of the Rogers Review in Spring 2007, LBRO will work with national regulators to ensure a single coordinated set of priorities for LA regulatory services covering trading standards and environmental health. It will aim to secure improved consistency and coordination for all businesses, particularly those that operate across LA boundaries, building on the Home Authority principle.
7. To speed up progress at the national level, the National Audit Office is to work with regulators and the Better Regulation Executive (BRE) to assess regulators' performance against the Hampton principles.

Local Government White Paper: 'Strong and Prosperous Communities'

8. The Department for Communities and Local Government White Paper, issued in October 2006, set out a new framework for LA performance monitoring in England. The paper's core aim was to reduce the bureaucratic burden on LAs, whilst at the same time continuing to improve service delivery and raising public accountability. The proposals aimed to achieve this by promoting the use of best practice, and the further development of key strategic partnerships both within LAs and between other public bodies.
9. The paper acknowledged the essential role that external audits play in driving up standards and providing assurance regarding service delivery by LAs. It outlined a number of key principles considered essential to any future monitoring system. Amongst these was the need for new proportionate, risk based inspection regimes, based on accurate, real time information, allowing speedy, targeted interventions where necessary.

10. The paper also acknowledges the importance of peer review and internal monitoring, devolving responsibility, where possible, from central to local government and any associated strategic partners.

11. The proposed new performance framework includes the following key principles:

- Importance of robust peer review and cross-sectorial service review to drive up standards;
- Relevant Government inspectorates will determine the need for inspection/audit primarily on the basis of risk judgements, and will carry it out individually or jointly as appropriate;
- The Audit Commission will be the gatekeeper for all inspection affecting local authorities. There will be fewer programmes of automatic rolling inspection in future. Any such programme that is agreed will incorporate proportionality in individual inspections;
- The relevant public services inspectorates will each have a statutory duty to co-operate with each other and to manage the burden of inspection on individual organisations within their sector;
- Improvement of the arrangements for external assessment and inspection so that they are better co-ordinated between the various inspectorates.

12. The DCLG subsequently published an 'Implementation Plan' in January 2007 setting out workstream arrangements for fast-tracking the White Paper proposals.

Sustainability Principles

13. The Government's Sustainable development Strategy commits all Government Departments to integrate sustainability development principles into all of their activities and policies, and for their Executive Agencies to produce and publish sustainable development action plans.

14. The Agency's approach to sustainable development is linked to its remit of protecting the interests of consumers in relation to food. The Strategic Plan 2005/2010 confirms the Agency's commitment to contribute to the Government wide policy by taking sustainable development into account in all our activities, including in the full range of our policy and decision making, and in advising consumers.

Summary of Written Feedback from Audited LAs to Date

1. All audited authorities are provided with customer satisfaction questionnaires. Written feedback received from local authorities audited in England indicated that:
 - **98%** were satisfied with the way the audit was carried out;
 - **38%** totally agreed with the audit findings while **59%** mostly agreed;
 - **61%** felt the audit was very useful to their local authority while **36%** felt it was fairly useful;
 - **71%** felt the audit improved consistency of food law enforcement;
 - **70%** felt that the audit improved the quality of food law enforcement;
 - **45%** felt that the audit had helped the authority make improvements in the level of food law enforcement;
 - **7%** felt that the audit process resulted in additional resources being allocated to the food law enforcement service.
2. Similarly high levels of satisfaction were also expressed by audited local authorities in Scotland, Wales and Northern Ireland.

THE NEW VISION FOR FOOD LAW ENFORCEMENT BY LOCAL AUTHORITIES

PROGRESS REPORT

1. This annex gives a report on progress in developing the New Vision for food law enforcement by Local Authorities (LAs). This is the new approach to enable LAs to focus resources into high risk areas, to help to achieve the objective of driving up levels of compliance with food law by food businesses, thereby helping to protect public health.
2. The Board received a first report on this programme in October last year, paper PRO/06/10/02, which described the four reviews being undertaken, of:
 - enforcement policy, to introduce a suite of interventions;
 - the monitoring system;
 - the audit arrangements; and
 - the Framework Agreement.

The structure of the various workstreams, within the Changes to Local Authority Enforcement (CLAE) structure, is given at appendix 1.

3. Since last October, the two main developments have been:
 - (a) the announcement of Parliamentary or Assembly elections in Scotland, Wales and Northern Ireland, which prevent any new consultation exercises until these elections are completed, in May; and
 - (b) the conclusion of the 2006 consultation exercise on the monitoring system proposals.
4. As a result of these developments, the target date for the implementation of the new enforcement policy and the new monitoring system has been put back to 1 April 2008. However, the target date for completion of the programme by the Agency remains at the end of December 2007.

The Review of Enforcement Policy

5. Internal discussions have continued, and a formal working party including colleagues from FSA in Scotland, Wales and Northern Ireland, has been created. This will continue work through the spring, aiming to develop proposals for a consultation of all LAs by June, so that the consultation may be issued after the election purdah in Scotland, Wales and Northern Ireland has finished.

The Review of the Monitoring System

6. The 2006 consultation on the proposals for a new monitoring system closed on 20 October. Around 330 out of 468 LAs were represented in the responses (whether individually or in regional groups). There was general support for the new proposals. However, 87% of the LAs represented in replies said that they could not implement the planned changes part way through a financial year, as had been suggested. Accepting this advice, the Agency has now agreed that the target date for implementation of the new monitoring system will be 1 April 2008.
7. It is now planned that both the review of the enforcement policy and the detailed development of the new monitoring system (including the development of new IT applications by the software companies used by the LAs) should be completed by end December 2007. That will give a three month window during which training will be provided to colleagues in the LAs on both the new policy and the new monitoring system.

The Review of Audit Arrangements

8. The Board is being asked to give a decision on the way forward for this review in the main paper to which this Progress Report is annexed. This review remains on course for a consultation of all LAs in autumn 2007, and for completion by end December.

The Review of the Framework Agreement

9. The proposals for handling this review were agreed by the Enforcement Liaison Group on 22 November. Detailed work is now in progress, and remains on course to be reported to the ELG in its next meetings, in May and November/December, and for completion by end December.

Primary Production Controls

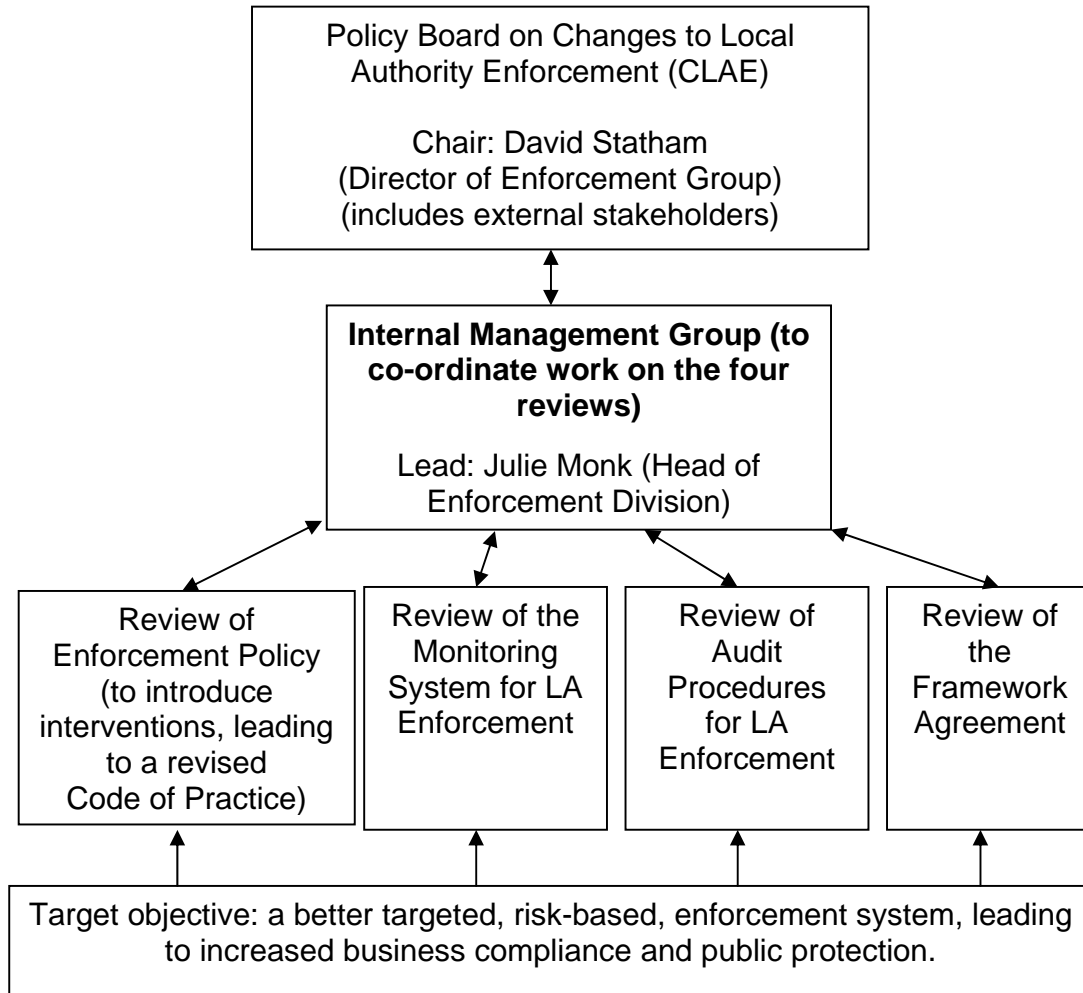
10. The CLAE structure also links into the introduction of the new controls, by LAs, on food hygiene on-farm, which took effect from 1 December 2006, and which will be covered in the revised Code of Practice.

Meetings

11. The CLAE Policy Board, with external stakeholders and colleagues from FSA in Scotland, Wales and Northern Ireland, met on October 24, and is to meet again on 6 March. The internal CLAE Project Management Group (including colleagues from FSA in Scotland, Wales and Northern Ireland) is meeting monthly.

THE NEW VISION FOR FOOD LAW ENFORCEMENT

Diagram of the four reviews and their co-ordination



FSA 06/02/05

AGENDA ITEM 7, 9 FEBRUARY 2006

REVIEW OF THE FRAMEWORK AGREEMENT AND THE AGENCY'S AUDIT SCHEME OF LOCAL AUTHORITY FOOD AND FEED LAW ENFORCEMENT ACTIVITIES**Executive Summary**

1. At its meeting of October 2005, in discussion of the recent *E. coli* outbreak in Wales, the Board noted that the Framework Agreement on Local Authority Food Law Enforcement had been introduced 5 years ago and agreed that it was an appropriate time to establish a high level review of the audit process, in conjunction with local authorities.
2. This paper seeks to agree the approach to a parallel review of the Framework Agreement and the Agency's arrangements for audit of local authority food law enforcement services. It is proposed, in the context of a number of wider key high level drivers for change, that the review would consider and identify:
 - i. The level of assurance in local authority food law enforcement required by the Agency;
 - ii. The limits to the level of assurance that can be delivered by audit;
 - iii. The effectiveness of the existing Framework Agreement and audit scheme during its 5 years of operation. This should include areas of best practice;
 - iv. Any gaps between the achievements of the existing arrangements and the level of assurance sought;
 - v. Any further development required of the Framework Agreement and the audit process. This may include additional mechanisms needed to deliver the relevant Agency objectives, and to ensure that the arrangements are aligned with current 'better regulation' initiatives and other high level drivers.

Board Action Required

3. The Board is invited to:

- **note** the context and background to the decision to review the Framework Agreement and the audit scheme;
- **agree** the approach, scope and proposed timeline of the proposed review process.

Local Authority Enforcement Division

Contact:

Ms Julie Monk Tel: 020 7276 8439 (GTN 276 8439)

 Email: julie.monk@foodstandards.gsi.gov.uk

Mr John Questier Tel: 020 7276 8429

 Email: john.questier@foodstandards.gsi.gov.uk

REVIEW OF THE FRAMEWORK AGREEMENT AND THE AGENCY'S AUDIT SCHEME OF LOCAL AUTHORITY FOOD AND FEED LAW ENFORCEMENT ACTIVITIES

Issue

1. To agree the approach and scope to a parallel review of the Framework Agreement and the Agency's arrangements for audit of local authority food law enforcement services.
2. Local authority food law enforcement is currently subject to the wider Government review of the delivery of 'better regulation' and other high level drivers. These include EC guidelines concerning the criteria for the conduct of audits to verify compliance with food law¹.
3. The Framework Agreement and audit scheme have been in operation for 5 years. The decision for review was taken by the Board at its meeting in October 2005 following discussion of the recent E Coli outbreak in Wales, and recognises that the Framework Agreement and audit scheme are key mechanisms for providing the Agency with assurance of the standard of local authority food law enforcement.

Strategic Aims

4. The proposed review fulfils the Agency's commitment, in its Strategic Plan 2005-2010, '*to monitor and review the Framework Agreement on Local Authority Food Law Enforcement*'.
5. The Strategic Plan also notes the Agency's close working with local authorities, their representative and professional bodies, to develop a shared agenda. It commits the Agency to playing its part in wider initiatives to streamline

¹Commission Decision: '*Guidelines laying down criteria for the conduct of audits under Regulation (EC) No. 882/2004 of the European Parliament and of the Council on official controls to verify compliance with feed and food law, animal health and animal welfare rules*'.

enforcement and inspection regimes, whilst maintaining excellent public protection outcomes.

Background

6. The Food Standards Act 1999 gives the Agency statutory powers to monitor and audit local authorities, and to ensure national priorities and objectives will be delivered. The Framework Agreement, which became fully operational from 1 April 2001, is the mechanism by which the Agency puts into effect the powers contained in the Food Standards Act 1999.
7. The Agency's audits of local authority food law enforcement are conducted against the requirements of the Standard in the Framework Agreement. The Standard sets out the minimum levels of performance expected in relation to the full range of local authorities' food and feed law enforcement activity.

Approach to Review

8. It is proposed that the review incorporates the following elements:
 - To examine the original objectives and purpose of the audit scheme (see Annex 1), and whether they remain relevant 5 years after the Framework Agreement was originally introduced;
 - To consider different approaches to audit in the 4 countries, to learn lessons and to ensure that levels of assurance provided by the audit arrangements are comparable across the UK;
 - In light of these findings, to consider whether changes need to be made to the purpose and objectives or adequacy of the scheme;
 - To identify the extent to which the scheme needs to be amended to reflect a number of key high level drivers for change (these are summarised in Annexes 2 and 3).

How the Review will be Undertaken

9. It is proposed that a Project Board is set up, Chaired at Director level and including representatives of SWaNI, managed under formal project management systems and underpinned by a project initiation document. The Project Board should be established in line with the existing Framework Agreement review arrangements and include representatives of the Audit Commission, local authorities, consumers and professional bodies. The review process will also involve consultation with other stakeholders.
10. Outputs from the project will be presented to the Agency Board and should include an interim report to advise on the progress and direction of the review.
11. The review will also take into account the way that other regulators across government approach audit, the findings of the Hampton Review, and the approach taken by other Member States to deliver the Official Food and Feed Control requirements.

Timescale

12. The aim would be to complete the project by early 2007 (Annex 4).

Impact and Risks

13. The Food Standards Act 1999 gives the Agency the function of monitoring, setting standards for and auditing the performance of enforcement authorities in carrying out food law enforcement. Local authority enforcement activity is the key means by which consumer protection and confidence are delivered.
14. There are clear benefits from a review that clearly defines and provides assurance in the Agency's mechanisms to monitor and secure local authority food law enforcement standards. The risks arising from the proposed review are that:
 - the review is not finalised within the proposed timescale due to external 'moving targets' eg 'better regulation' initiatives;
 - the review is overtaken by other external events.

Conclusion

15. The Board is invited to:

- **note** the context and background to the decision to review the Framework Agreement and the audit scheme;
- **agree** the approach, scope and proposed timeline of the proposed review process.

The Framework Agreement, Current Local Authority Audit Schemes and Aims and Objectives,

Background to the Framework Agreement

1. The Food Standards Act 1999 gives the Agency statutory powers to monitor and audit local authorities, and to ensure national priorities and objectives will be delivered. It gives the Agency powers to carry out the following duties:
 - set standards of performance in relation to enforcement of food law;
 - monitor the performance of enforcement authorities;
 - require information from local authorities relating to food law enforcement and inspect any records;
 - enter authority premises, to inspect records and take samples;
 - publish information on the performance of enforcement authorities;
 - make reports to individual authorities, including guidance on improving performance; and
 - require local authorities to publish these reports, and state what action they propose in response.

2. The Framework Agreement was developed through the Agency's Local Authority Enforcement Liaison Group (now the Enforcement Liaison Group), which includes stakeholders from the enforcement community, and became fully operational from 1 April 2001. The detailed content of the Agreement was drafted in conjunction with the Local Authorities Coordinators of Regulatory Services (LACORS) and representatives from local authorities across the UK. The Framework Agreement is the mechanism by which the Agency puts into effect the powers contained in the Food Standards Act 1999. It has provided for the following:
 - published local service plans to increase transparency of local enforcement services;
 - clear agreed standards for local authority food law enforcement;
 - local authority monitoring data used to select authorities for audit where there are concerns over enforcement performance; and
 - an audit scheme aimed at securing improvements and sharing good practice.

Agency Audits – Operation of the Scheme

3. The Agency's audits are conducted against the requirements of the Standard in the Framework Agreement. The Standard sets out the minimum levels of performance expected in relation to the full range of a local authority's food and feed law enforcement activity. The audit programme forms part of the Food Standards Agency's arrangements to:
 - raise national food safety standards;
 - improve the effectiveness of local authority enforcement;
 - ensure proportionate and more consistent enforcement;
 - identify and disseminate good practice, and
 - improve the transparency of enforcement arrangements for stakeholders.
4. The majority of the auditors are Environmental Health or Trading Standards officers with many years' experience of local authority food law enforcement management. Consistent feedback from audited authorities has highlighted the Agency's use of professionally qualified and experienced food law enforcement specialists as a key strength in the Agency's approach to audit.
5. The audits require authorities to respond to a pre-visit questionnaire by submitting a range of relevant documentation, such as their service plan, policies and procedures, together with various database reports to enable the auditors to select specific enforcement records when on site. The site visit is carried out by a team of at least 2 auditors, typically over a 2 day visit, although this may increase to 2 teams of 2 auditors over 3-4 days depending on the type of authority and the scope of the audit.
6. Draft audit reports and the authorities' action plans are typically finalised and agreed within 40 working days and these are combined in the published report. The reports are published electronically on the Agency's website and hard copies are provided to the audited authority and various libraries, including the British Library, Houses of Parliament Library and the Copyright Library.
7. A range of examples of good practice have been identified and these are detailed on the Agency's website, together with relevant local authority contacts for further information.

8. The audit process has provided local authorities with an opportunity to raise the profile of their food law enforcement service, both in the Authority and with other stakeholders. The Agency is aware of a number of examples where the Agency's audit reports have been used to support claims for additional resources, to ensure no reduction in the current level of resourcing or to highlight with Members the good work being carried out. There is also anecdotal evidence to suggest that the Agency audit process has helped to promote greater sharing of food law enforcement documentation and working practices between authorities.

Follow Up Action on Agency Audits

9. Follow-up assessments of local authority progress in implementing their audit action plans are normally undertaken six months after the publication of the final report. This may include a follow-up audit, depending on the nature of the recommendations in the original report. Once implementation of the authority's action plan has been reviewed an updated action plan is published on the Agency's website, revised to reflect the progress made, and further follow-up action continues as necessary until the action plan is completed.

Review Arrangements for the Framework Agreement and Audit

10. Since coming into effect, the operation and scope of the Framework Agreement and audit arrangements were reviewed in the first year, and on an on-going basis thereafter, by a Sub-Group of the Local Authority Enforcement Liaison Group. The Agency's audit process and programmes have been further developed over this period in the light of stakeholder feedback.

UK Approaches to Audit

11. The Framework Agreement operates on a UK basis, and within this the Agency has a responsibility to carry out audits of local authorities across the whole of the UK. However, in recognition of the different audit needs and capabilities of the countries that make up the UK, the audit framework described above allows for flexibility in how the scheme is operated and managed. Decisions on the audit programme, and the priority of the programme within available resources, are taken by the relevant Director in each country of the UK. The Agency has local authority audit teams based in England, Scotland, Wales and Northern Ireland.

These teams, particularly in the devolved administrations, conduct audits alongside a wide range of other enforcement-related activities.

England

12. During the first year of the audit scheme the Agency carried out 40 audits of local authorities in England across the full range of food law enforcement activity. While the Agency has continued to carry out a number of full audits (71 to date), it was decided in 2002 that programmes of audits focusing on specific areas of activity should also be undertaken. It was felt that these focused audit programmes would enable the auditors to carry out a more in-depth examination of specific areas of activity on a more strategic level.
13. In addition to the individual audit reports on local authority performance, summary reports of each focused audit programme are produced. These summary reports give an overview of the programme findings, discuss any trends in performance and recommend possible solutions to any issues identified. The summary reports also detail any examples of good practice identified during the audits.
14. Local authorities may be selected for audit because of particular issues of concern arising from their monitoring returns or on the basis of information received from other sources. The quarterly audit programmes for full and focused audits also include authorities that represent a range of levels of activity. This enables qualitative assessments of authorities reporting low levels of activity and the opportunity to identify and disseminate examples of good practice demonstrated by authorities achieving a high level of performance in particular areas. Authorities are also selected to represent a cross section of local authority types, for example by county, district and geographical location.

Scotland

15. FSA Scotland's first audit programme commenced in June 2001. The aim of this audit was to ensure that all 32 Authorities were audited each year over three years against specific areas of the Standard. By the end of the programme (March 2004) each Authority had been audited against all areas of the Standard.

16. This audit programme played a part in assisting many Authorities to make significant improvements and also acknowledged the service delivery strengths in each Authority. However, although the Scottish programme covered all Authorities against all areas of the Standard it was recognised that the partial audits were not able to take a cross-sectional view of services in order to get a full appreciation of the integration of service delivery and management systems. The nature of each separate audit plan meant that comment on the issues reported were restricted to the areas specified in the scope of the audit. This frequently led to difficulty where issues have been found during specific audits that were not covered in the audit scope.
17. FSA Scotland's current audit programme, which commenced in April 2004, addresses this as it has been extended to include assessment of a wide range of each Authority's core enforcement activities. All Local Authorities are due to receive an audit on core enforcement activities by the end of March 2008.
18. In addition to the above, FSA Scotland has also conducted a focused audit on statistical monitoring returns.

Northern Ireland

19. FSA Northern Ireland's audit programme commenced in June 2001 and in the first year 5 audits of district councils were carried out across the full range of food law enforcement activity. In the first year a district council from each of the statutory environmental health groups and the one stand-alone district council in Northern Ireland were audited. This approach enabled the Agency to assess the level of compliance with the Standard within each group area and facilitated improvements within all councils in each group area through the liaison and monitoring arrangements that exist across the group structure.
20. In subsequent years, further full audits were carried out of 2 district councils who had reported low levels of activity, and 9 district councils have been the subject of an appropriate selection of audits focusing on specific areas of activity similar to the focused audit programmes in England. Where appropriate, the findings of these individual focused audits have been included in the summary reports produced on each programme in England.

Wales

21. The Agency carried out audits of all 22 unitary authorities in Wales between July 2001 and February 2005. Each authority underwent a full audit to assess the complete range of food law enforcement activities. Given the lack of information when the Agency was established on how local authorities were performing and any areas of difficulty, it was seen as important to carry out full audits of all authorities in Wales before moving to partial or themed audits.

22. All 22 reports have been published on the Agency's website, but no follow-up activity has yet been possible. A commitment has been given that a future, progressive audit programme will be discussed with Welsh local authorities prior to any further audits taking place.

FSA Audit Activity to End January 2006

ENGLAND [388 local authorities – excluding Port Health Authorities]

	No. of audits carried out / No. in programme	No. of reports published	No. of LAs contacted for 6 mth review of action plan	Number of updated action plans published	Number of action plans fully implemented
Full Audit	70	70	70	70	57 ¹
Focused Audit					
Food Sampling (Oct-Dec 02)	15/15	15	9 (6 already fully implemented)	9/9	15
Formal Enforcement (Jan-Mar 03)	15/15	15	14 (1 already fully implemented)	14/14	9
Imported Foods					
Major Ports (Sept 03-Mar 04)	22*/22	20 [#]	21 (1 had no action plan)	17/19	7
Minor Ports (Jan-Jun 05)	6/6	6	n/a	n/a	n/a
Internal Monitoring & IAA/peer review (Feb 04-Jan 05)	15/15	15	11 (2 already fully implemented and 1 with no recommendations)	7/12	5 (plus 1 with no recommendations)

Statistical Monitoring (April–Sept 04)	20/20	20	20	10/20	5
Home Authority Principle (July 05-March 06)	26/30	12	n/a (7 had no action plan)	n/a	n/a

* includes 2 pilot audits and 1 full audit of an inland LA with a large number of ERTS

does not include the reports for the 2 pilot audits which have been sent to the LAs but will not be published

¹ includes 6 local authorities where only 1 action remains outstanding. These should be completed by 28/02/06

SCOTLAND [32 Unitary Authorities]

Audit Type	No. of Audits Carried Out	No. of Reports published	No. of LAs contacted re: Follow Up Action Plan	Number of Audit Files Closed
Partial Audits Year 1 (June 201 – March 02)	32	32	32	31
Partial Audits Year 2 (April 02 – March 03)	32	32	32	29
Partial Audits Year 3 (April 03 - March 04)	32	32	32	28

Imported Foods Audit	1	1	1	N/A
Statistical Audit on Monitoring Returns (September 04 – October 05)	6	6	6	2
Core Audits	7	2	N/A	N/A

NORTHERN IRELAND [26 District Authorities]

Audit Type	No. of audits carried out/ No. in programme	No. of reports published	No. of LAs contacted for 6 mth review of action plan	No. of updated action plans published	No. of action plans fully implemented
Full Audit	7	7	7	7	5
Formal Enforcement (Sep-Nov 03)	3	3	3	1	1
Imported Foods	1	1	1	1	1
Statistical Monitoring (Jun-Dec 04)	5	5	5	0	0

WALES [22 Unitary local authorities]

Audit Type	No. of audits carried out/ No. in programme	No. of reports published	No. of LAs contacted for 6 mth review of action plan	No. of updated action plans published	No. of action plans fully implemented
Full Audit	22	22	0	0	Information being gathered

Outline of High Level Drivers**Hampton Principles:**

1. In the 2004 Budget, the Chancellor asked Philip Hampton to consider the scope for reducing administrative burdens by promoting more efficient approaches to regulatory inspection and enforcement, without compromising regulatory standards or outcomes. The key messages from the Hampton Review, published in March 2005, were for:
 - Greater co-ordination and accountability;
 - Better assessment of administrative burdens;
 - Streaming of regulatory structures.

2. Hampton also recommended the establishment of a National Regulatory Forum (subsequently the Local Authority Regulation Group, LABREG), chaired by the Better Regulation Executive (BRE) within the Cabinet Office. This new forum has lead a programme, which included work to improve the co-ordination of local and national regulatory services. The key aims of LABREG were to:
 - Remove outmoded bureaucratic burdens;
 - Identify and share best practice in local government;
 - Challenge central government to set clearer priorities and frameworks.

3. The Chancellor's mid-year Budget statement of November 2005, set out radical reforms to reduce regulatory burden on business and signalled the replacement of LABREG and a proposed Consumer and Trading Standards Agency (CTSA) with a new Local Better Regulation Office (LBRO) from 2009. The aim of LBRO is to:
 - implement the recommendations of the Hampton Review of regulatory inspection and enforcement;
 - implement the recommendations of the Better Regulation Task Force report on controlling the stock and flow of regulations;
 - apply the principles of better regulation for Europe.

The Treasury has said that *'The LBRO will not be a new regulator. It will have a clear central mission to minimise burdens on business and work in partnership with local authorities and the national regulators to deliver a risk-based approach to business inspection and enforcement.'*

Local Services Inspectorate Forum

4. The ODPM is responsible for promoting the effective co-ordination of inspection activity across local government in line with Government policy, to deliver inspection that is proportionate to risk and directed where it is most needed.
5. This work is being taken forward in collaboration with the local government inspectorates and their sponsor departments through the Local Services Inspectorate Forum (LSIF). The Agency has been participating in meetings of this Forum to contribute to current discussions concerning the co-ordination of the work of various inspection and audit agencies and to explore ways of joined up working.

New European Legislation:

6. Regulation 882/2004 on official controls for feed and food law, and animal health and welfare sets out the approach that competent authorities of Member States must adopt for official controls. It also sets out how the Commission will check that national control systems comply with the requirements of the Regulation. The provisions generally apply from 1 January 2006.
7. The underpinning aim of the EU Regulation, which includes guidance on the audit requirement, is to ensure that the functions of the competent authorities are being discharged effectively and to provide safeguards to consumers. The requirement for competent authorities to be audited is at Article 4(6) of Regulation 882/2004 and Article 43(1) provides the basis for the Commission to draw up guidelines on audit criteria that Member States must take account of. The guidelines will take the form of an EC Decision rather than an EC Recommendation, and include the following key issues:
 - **Systematic approach** - Audits should measure compliance with planned arrangements. They should also assess the effectiveness of implementation

of planned arrangements and whether the arrangements are suitable to achieve stated objectives.

- **Risk based approach/five year audit cycle** - A risk based approach is proposed but it is also recommended that all competent authorities be audited across all their activities within a five year period.
- **On-site audit activities** – It is recommended that assessments of the quality and consistency of official controls should include on-site audit activities i.e. checks at feed and food premises etc ('reality checks').
- **Transparency** – In order to demonstrate transparency of the audit process, it is recommended that documented procedures should be followed. Management and implementation of the audit process should be transparent to all relevant stakeholders. It is recommended that final audit reports, action plans and follow up reports are published.

Sustainability Principles:

8. The Government's Sustainable development Strategy commits all Government Departments to integrate sustainability development principles into all of their activities and policies, and for their Executive Agencies to produce and publish sustainable development action plans.
9. The Agency's approach to sustainable development is linked to its remit of protecting the interests of consumers in relation to food. The Strategic Plan 2005 – 2010 confirms the Agency's commitment to contribute to the Government wide policy by taking sustainable development into account in all our activities, including in the full range of our policy and decision making, and in advising consumers.

Enforcement Group Vision and Top 5 Priorities

FUNCTION OF THE FSA:

'To protect public health from risks which may arise in connection with the consumption of food (including risks caused by the way in which it is produced or supplied) and otherwise to protect the interests of consumers in relation to food.' (S.2 Food Standards Act 1999).

OUR VISION FOR FOOD LAW ENFORCEMENT:

'Within a sound regulatory framework maximise industry compliance which, with informed and empowered consumers, will achieve improved public health and better consumer confidence'.

TOP FIVE PRIORITIES

1. *'To pro-actively provide support and take targeted, proportionate risk based enforcement action, including inspections, to protect food safety and prevent food borne disease'.*

Evidence Base: Foodborne disease costs the country around £1.5 billion a year. Example cases include *Botulinum* in infant formula and the recent *E. coli* outbreak in South Wales. Targeted support includes the Step Change Programme for imported food in response to a Cabinet Office Report in 2002, the Illegal Meat Task force for supporting Local Authority Investigations and Enforcement and the Welsh Food Fraud Coordination Unit which provide a co-ordinated approach to tackling food fraud.

Link to FSA Strategic Plan 2010: To continue to reduce food borne illness and chemical contamination of food.

Link to the Central Local Partnership Framework: Promoting healthier communities and narrowing health inequalities. Improving the quality of life for children, fewer infant deaths and longer life expectancy.

2. *'Through reactive, intelligence-led enforcement, tackle rogue businesses and take appropriate measures to safeguard the food supply from adulteration, contamination, fraud and misdescription'.*

Evidence Base: Example cases – Konjac gel sweets (death), Kava kava (liver failure), Methanol in Vodka (Blindness), 'Operation Aberdeen' (unfit meat used for human consumption).

Link to FSA Strategic Plan 2010: To reduce food borne illness and chemical contamination in food.

Link to the Central Local Partnership Framework: Promoting healthier communities and narrowing health inequalities. Improved health and longer life expectancy.

3. *'To provide appropriate, targeted, specific, transparent and robust advice, support and incentives to businesses to maximise compliance with EU risk-based Food Hygiene Regulations and General Food Law'.*

Evidence Base: King's College London research commissioned by the FSA where the face to face contact with the enforcement officer and business was identified as key to driving up compliance. Over 75% of SMEs thought that Hygiene award schemes were a good idea.

Example cases – production of Safer Food Better Business Packs for SME's in the Catering Sector and Food Hygiene Award Schemes including Eat Safe.

Link to FSA Strategic Plan 2010: To continue to reduce food borne illness.

Link to the Central Local Partnership Framework: Promoting the economic vitality of localities by supporting business improvement including improving adult skills.

4. *'In line with the Government's Sustainable Development agenda in particular that relating to Healthy Communities, to provide help, advice and support to consumers to protect public health and promote healthier lifestyles and consumer choice'.*

Evidence Base: The Governments White Paper: 'Choosing Health' and reducing obesity in children. Food Hygiene Award Schemes including Eat Safe.

Link to FSA Strategic Plan 2010: Enable consumers to make informed choices through accurate labelling. Make it easier for consumers to choose a healthy lifestyle. To take sustainable development into account of all the Agency's activities and policy decisions.

Link to the Central Local Partnership Framework: Promoting healthier communities and narrowing health inequalities. Improving the quality of life for children and longer life expectancy.

5. *'To provide transparent, robust and consistent approaches to investigating and resolving consumer complaints about food and food businesses, in particular through a properly resourced Home Authority Principle.*

Evidence Base: Example cases - consumer driven complaints - Listeria in butter and malicious tampering of bread.

Link to FSA Strategic Plan 2010: How we will deliver. Working with industry (to improve compliance).

Link to the Central Local Partnership Framework: Promoting the economic vitality of localities by supporting business improvement including improving adult skills.

PROPOSED TIMESCALE FOR REVIEW

2006 (by end of month)		Key activity
1.	May	Initial consultation with key stakeholders and establishment of review group;
2.	June	Examination of original objectives and purpose of audit scheme, and whether they remain relevant
3.	August	Consider whether changes need to be made to the purpose and objectives Examine the extent to which the scheme needs to be amended to reflect the key high level drivers for change
4.	September	Interim report to the Agency Board
5.	December	Conclude findings and draft recommendations. Consult on proposals. Review and finalise recommendations
6.	February 2007	Report to Board.