

## **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Audit and Governance Committee**  
held on Tuesday, 25th January, 2011 at Committee Suite 1, 2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

### **PRESENT**

Councillor M J Simon (Chairman)  
Councillor A Kolker (Vice-Chairman)

Councillors S Conquest, B H Dykes, J Hammond, M Lloyd, J Narraway and  
M J Weatherill

### **APOLOGIES**

Councillors E Alcock and M Hardy

### **OFFICERS**

Joanne Butler, Risk and Business Continuity Officer  
Vivienne Quayle, Head of Policy and Performance  
Lisa Quinn, Borough Treasurer and Head of Assets  
Jon Robinson, Internal Audit Manager  
Neil Taylor, Internal Audit Manager  
Joanne Wilcox, Corporate Finance Lead  
Nia Wolley, Legal Services  
Julie Zientek, Democratic Services Officer

### **ALSO IN ATTENDANCE**

Andrea Castling, Audit Commission  
Ivan Parkhill, Audit Commission

### **29 DECLARATIONS OF INTEREST**

No declarations of interest were made.

### **30 PUBLIC SPEAKING TIME/OPEN SESSION**

In accordance with Procedure Rules Nos. 11 and 35, a total period of 10 minutes was allocated for members of the public to address the Committee on any matter relevant to its work, or to ask questions.

There were no questions from members of the public and the Committee proceeded to its next business.

### **31 MINUTES OF PREVIOUS MEETING**

#### **RESOLVED:**

That the Minutes of the Meeting held on 17 November 2010 be approved as a correct record and signed by the Chairman, subject to the following amendments:

1. That Councillor J Narraway be included in the list of Members who had sent apologies for absence owing to Council Business.
2. That the second sentence of the third paragraph of Minute 23 be amended to read: 'These had been identified by the Corporate Management Team at a workshop held on *19 October 2010*.'

### **32 ANNUAL AUDIT LETTER**

The Committee considered a report summarising the Audit Commission findings from the 2009-10 audit, which comprised two elements: the audit of the Council's financial statements and an assessment of the Council's arrangements to achieve value for money in the use of resources. The report also identified current and future challenges, and future audit arrangements.

Andrea Castling and Ivan Parkhill (Audit Commission) were in attendance and spoke to the report, highlighting key issues.

The Committee noted that the report was a retrospective look at 2009-10, and that there had subsequently been significant improvements. In addition, the section outlining current and future challenges was now out of date, following the Local Government Finance settlement.

#### **RESOLVED:**

That the Annual Audit Letter for 2009-10 be received.

### **33 AUDIT PLAN 2010-11**

The Committee considered a report regarding the Audit Plan, which set out the work that the Audit Commission proposed to undertake for the audit of financial statements and the value for money conclusion 2010-11. The Audit Plan also specified the level of audit fees.

Andrea Castling and Ivan Parkhill (Audit Commission) were in attendance and spoke to the report.

In response to a question regarding the voluntary redundancy scheme and whether it could be demonstrated that it had delivered value for money, the Head of Policy and Performance confirmed that a review of the scheme could be added to the Internal Audit Plan for 2011-2012.

**RESOLVED:**

That the Audit Plan for 2010-11, as set out in Appendix A of the report, be received.

**34 2010 -11 OPINION AUDIT CHANGES**

The Committee considered a report regarding changes in the delivery of the audit of the Council's 2010-11 financial statements following the completion of a comprehensive project to improve the clarity of all the International Standards on Auditing.

Andrea Castling and Ivan Parkhill (Audit Commission) were in attendance and spoke to the report.

**RESOLVED:**

That the main changes to the International Standards on Auditing and their impact on the 2010 -11 Opinion Audit be noted.

**35 IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) - PROGRESS UPDATE**

The Committee considered a report which provided an update on the International Financial Reporting Standards (IFRS) Project Plan and detailed the progress the Council had made in implementing International Financial Reporting Standards.

**RESOLVED:**

That progress to date on the IFRS Project Plan be noted.

**36 COMPLIANCE WITH INTERNATIONAL AUDITING STANDARDS**

The Committee considered a report setting out a response to a request from the Council's External Auditors, the Audit Commission, for information regarding management arrangements for identifying and reporting the risk of fraud and complying with relevant laws and regulations.

**RESOLVED:**

That it be noted that Appendix A of the report will form the basis of the written response to the Council's External Auditors by the Chairman of the Audit and Governance Committee and the Borough Treasurer and Head of Assets.

### **37 RISK MANAGEMENT UPDATE**

The Committee considered a report regarding the key corporate risks, and how they are identified, evaluated, managed and reviewed.

The Committee noted that the Corporate Risk Management Group reviewed all matters concerning the development, maintenance and implementation of the Council's risk management framework, and that it submitted a quarterly report to the Audit and Governance Committee.

#### **RESOLVED:**

1. That the key corporate risks and the approach taken to identify the actions in place to mitigate the risks be noted;
2. That in future only a Key Corporate Risks Summary (including the direction of travel of risks together with an explanation), as set out in Appendix A of the report, be submitted to the Committee for consideration.
3. That the Committee receive a presentation on reputational risk management at its next meeting.

### **38 COMPLIANCE WITH DATA PROTECTION ACT (1998), FREEDOM OF INFORMATION ACT (2000) AND ENVIRONMENTAL INFORMATION REGULATIONS (2004)**

The Committee considered a report which detailed how the Council fulfilled its obligations under the Data Protection Act 1998, Freedom of Information Act (2000) and the Environmental Information Regulations (2004). The report also highlighted volumes of requests, trends, and current and future issues.

#### **RESOLVED:**

That the processes in place to ensure that the Council complies with the relevant legislation and is sufficiently well-informed and well-positioned to effectively handle any future demands, changes and/or developments to the legislation be noted.

### **39 INTERNAL AUDIT PLAN 2010/11 AND UPDATE REPORT**

The Committee considered a report which detailed progress against the Internal Audit Plan 2010/11, revisions to the plan and work undertaken during the period September – December 2010.

#### **RESOLVED:**

That the issues identified be noted and the approach to achieving adequate audit coverage in the remainder of 2010/11 be endorsed.

#### **40 ANNUAL GOVERNANCE STATEMENT 2009/10 ACTION PLAN UPDATE**

The Committee considered a report regarding progress against the Annual Governance Statement 2009/10 Action Plan.

##### **RESOLVED:**

That the progress against the Action Plan, as set out in Appendix 1 of the report, be noted.

#### **41 ANTI-FRAUD AND CORRUPTION STRATEGY**

The Committee considered a report regarding proposed amendments to the Council's Anti-Fraud and Corruption Strategy, which had been reviewed against best practice in order to ensure that the Council had in place robust arrangements to counter the threat of loss through fraud and corruption.

##### **RESOLVED:**

- 1 That the proposed changes to the Council's Anti-Fraud and Corruption Strategy, as set out in Appendix B of the report, be endorsed in principle;
- 2 That, in view of the implications for staff, the Strategy be subject to consultation with the unions before finalising the proposed amendments; and
- 3 That, following the consultation process, the amended Strategy be re-submitted to the Committee for consideration.

#### **42 WORK PLAN**

The Committee considered the Work Plan for 2010/11, which had been amended since its last meeting, on 17 November 2010.

##### **RESOLVED:**

- 1 That the changes made to the Work Plan since it was last discussed in November 2010 be noted;
- 2 That the Work Plan be submitted to the Committee periodically, for development and approval.

The meeting commenced at 2.00 pm and concluded at 3.47 pm

Councillor M J Simon (Chairman)