

Governance & Constitution Committee

Agenda

Date: Thursday, 21st January, 2010

Time: 2.00 pm

Venue: The Capesthorne Room - Town Hall, Macclesfield SK10 1DX

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the meeting. Individual members of the public may speak for up to 5 minutes but the Chairman will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide three clear working days' notice, in writing, in order for an informed answer to be given.

4. **Minutes of Previous meeting** (Pages 1 - 8)

To approve the minutes of the meeting held on 19th November 2009.

Contact: Paul Mountford, Legal and Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

5. **Crewe Community Governance Review** (Pages 9 - 16)

To consider the recommendation from the meeting of the Community Governance Review Member Group held on 19th January 2010, to be reported at the meeting.

6. **Calendar of Meetings for 2010-2011** (Pages 17 - 42)

To consider the draft Calendar of Meetings for Cheshire East Council for 2010-2011.

7. **Council Procedure Rules – Definition of “Clear Working Days”** (Pages 43 - 46)

To consider a report confirming the legal definition of “Clear Working Days” for the purpose of use, as appropriate, in conjunction with timescales and deadlines in the Constitution.

8. **Member Access to Part II and Confidential Reports** (Pages 47 - 50)

To consider a report on rights of access for Members to Part II and confidential reports.

9. **Annual Audit Letters for the Demised Authorities of Cheshire East Council**
(Pages 51 - 64)

To receive a report on the Annual Audit Letters for the Demised Authorities of Cheshire East Council.

10. **2009/10 Audit Plan** (Pages 65 - 98)

To receive a report on the Audit Plan for 2009/10 and the Protocol for Joint Working with Internal Audit.

11. **Update on Annual Governance Statement** (Pages 99 - 110)

To consider a report summarising the situation on Annual Governance Statements for 2008/09 and 2009/10 and recommending a process for completion of the AGS for 2009/10.

12. **Internal Audit Plan 2009/10 and Update Report** (Pages 111 - 134)

To consider a report updating the Governance and Constitution Committee on internal audit issues arising, progress against the Audit Plan 2009/10, revisions to the Plan and a summary of work during the period and in the remainder of the year.

13. **Managing Risks** (Pages 135 - 150)

To provide an update on the management of the Strategic Risks for the Council.

(There are no Part 2 items)

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Governance & Constitution Committee**
held on Thursday, 19th November, 2009 at Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor H Davenport (Chairman)
Councillor A Kolker (Vice-Chairman)

Councillors C Andrew (substitute for Councillor Asquith), D Cannon,
R Cartlidge, S Jones, W Livesley, R Menlove, G Merry, A Moran, L Smetham
(substitute for Councillor Parker), D Topping, R West and P Whiteley

Apologies

Councillors M Asquith and R Parker

Officers present

Brian Reed, Democratic Services Manager
Andrew Leadbetter, Legal Services Manager
Paul Mountford, Democratic Services
Vivienne Quayle, Internal Audit Manager
Joanne Wilcox, Corporate Finance

Mr Tim Lesley of the Standards Board for England attended as an
observer and was welcomed to the meeting.

144 DECLARATIONS OF INTEREST

Councillors Rod Menlove and Lesley Smetham declared a personal, non-
prejudicial interest in Item 7 as Cabinet Support Members (Minute 149
below).

145 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present wishing to speak or ask a
question.

146 MINUTES OF PREVIOUS MEETING**RESOLVED**

That subject to the recording of Councillor Davenport's attendance as a
substitute member, the minutes of the meeting held on 15 October 2009
be approved as a correct record.

147

APPOINTMENTS TO OUTSIDE ORGANISATIONS

Members considered an appointment to an outside organisation, a change in the membership of the Task Group (Outside Organisations) and a progress report on the work of the Task Group.

Councillor W Livesley had resigned as the Council's representative on the Governing Body of the King's School, Macclesfield. In accordance with the protocol for dealing with casual vacancies on outside organisations, the Conservative Group Whip had nominated Councillor Chris Beard as Councillor Livesley's replacement.

Councillor A Ranfield, having resigned from the Governance and Constitution Committee, was in consequence no longer a member of the Task Group (Outside Bodies) and it was therefore proposed that Councillor H Davenport be appointed to fill the vacancy.

Members noted that in the coming months, the Task Group would be considering a means of monitoring the effectiveness of the Council's representation on outside organisations with the aim of recommending a method of evaluation to ensure that such representation remained appropriate.

RESOLVED

That

- (1) Councillor C Beard be appointed to the King's School, Macclesfield, to replace Councillor W Livesley;
- (2) Councillor H Davenport be appointed to the Task Group (Outside Organisations) to fill the vacancy arising from the resignation of Councillor A Ranfield; and
- (3) the progress with the work of the Task Group (Outside Organisations) be noted.

148

POLICE AUTHORITY REPRESENTATION ON THE SUSTAINABLE COMMUNITIES SCRUTINY COMMITTEE

Members considered proposals for Police Authority representation on the Sustainable Communities Scrutiny Committee.

The Council had designated the Sustainable Communities Scrutiny Committee as the committee to discharge the Council's responsibilities for crime and disorder functions in accordance with Section 19 of the Police and Justice Act 2006. The Home Office had issued guidance in connection with Sections 19 and 20 of the Act which stated that 'Local Authorities should, in all cases, presume that the Police Authority should play an

active part at committee when community safety matters are being discussed – and particularly when the police are to be present’.

The guidance contained three options for ensuring Police Authority involvement in community safety matters. Members considered the merits of each in relation to the circumstances of Cheshire East Council and its representation on the Police Authority. Option 2, which involved issuing the Police Authority with a standing invitation to attend the Sustainable Communities Scrutiny Committee as an ‘expert adviser’, appeared to give the Police Authority flexibility to send different representatives to individual meetings of the Scrutiny Committee depending on the subject matter before the Committee.

The guidance also recommended developing a protocol between partners.

RESOLVED

That Council be recommended that

- (1) Cheshire Police Authority be informed that the Council supports the appointment of a Police Authority representative to the Sustainable Communities Scrutiny Committee in accordance with option 2 as contained in the Home Office Guidance on Sections 19 and 20 of the Police and Justice Act 2006;
- (2) the Borough Solicitor be authorised to make such changes to the Council’s Constitution as he considers necessary to give effect to the wishes of Council to recognise that Cheshire Police Authority receives a standing invitation to attend meetings of the Sustainable Communities Scrutiny Committee, in order for the Police Authority representative to act as an ‘expert adviser’ in respect of Community Safety matters; and
- (3) the Sustainable Communities Scrutiny Committee be requested to develop a Protocol which sets out the mutual expectations of Scrutiny Members and partners in connection with the involvement of the Committee in the Community Safety Scrutiny Process.

149 CABINET SUPPORT MEMBERS

The Committee considered proposed changes to the arrangements for Cabinet Support Members in relation to scrutiny committees.

All four Cabinet Support Members had been appointed as members of overview and scrutiny committees.

It was felt, for reasons set out in the report, that there was potential for conflict between the role of the four Cabinet Support Members and their membership of overview and scrutiny committees, due to the executive

nature of their role, albeit without direct responsibility for executive decision-making.

RESOLVED

That

- (1) Council be recommended to agree that Cabinet Support Members should not be permitted to be members of overview and scrutiny committees and accordingly, the following Members should not take their place(s) on overview and scrutiny committees:

Children and Families	- Councillors Rhoda Bailey, Olivia Hunter, Lesley Smetham
Health and Adult Social Care	- Councillor Olivia Hunter
Environment and Prosperity	- Councillors Rod Menlove, Lesley Smetham

- (2) nominations be sought from the Conservative Group to fill the vacancies on each of the above overview and scrutiny committees; and
- (3) Council be recommended to authorise the Borough Solicitor to make such changes to the Constitution as he considers necessary to give effect to the wishes of Council.

150 **ELECTION OF MAYOR AND DEPUTY MAYOR**

The Committee considered a report outlining a number of alternative approaches to the election of the Mayor and Deputy Mayor, and the development of a Mayoral Protocol.

The Council was required to elect a Mayor and Deputy Mayor each year. There were clear benefits in having an agreed mechanism to assist in this task. A number of approaches employed by local authorities in the North-West and the former Cheshire authorities were outlined in the report. Members felt that a sub-committee should be established to consider the approaches in greater detail with a view to recommending a suitable mechanism for adoption by Cheshire East Council.

Members also considered a draft Mayoral Code of Practice which could inform the work of the proposed sub-committee.

The sub-committee would report back to the Governance and Constitution Committee in due course with a view to recommendations being submitted to Council.

RESOLVED

That

(1) a Mayoral Sub-Committee be appointed with powers to:

- decide upon and adopt an approach to be used in respect of the election of the Mayor and Deputy Mayor
- utilise the adopted approach in order to present recommendations in respect of the proposed election of a Mayor and Deputy Mayor for the municipal year 2010/2011
- make recommendations upon the adoption of a Mayoral Code of Practice

(2) the Sub-Committee comprise eight Members (5C:1LD:1L:1I).

151 **QUESTIONS AT COUNCIL**

At the Chairman's request, the Committee reviewed the current arrangements with regard to questions by Members at Council meetings.

After nearly eight months of operation of the Council Procedure Rules relating to Members' questions at Council meetings, and three meetings of Council during which these Rules had been put into practice, there was an opportunity for the Committee to consider whether the Rules were working effectively or were in need of change.

The current Rules provided for Members to ask questions at Council of the Mayor, the appropriate Cabinet Member, or the Chairman of a Committee, about a matter for which the Council, the Cabinet or the Committee had powers, duties or responsibilities (Council Procedure Rule 11.1). Questions must be provided in writing at least three clear working days before the meeting (Council Procedure Rule 11.3).

The Rules provided for the questioner to ask a supplementary question which related to the initial answer.

RESOLVED

That Council be recommended to agree that the provision giving Members the right to ask supplementary questions at Council meetings be removed from the Constitution.

Note: in accordance with Paragraph 31.4 of the Committee Procedure Rules, Councillors R Cartlidge and S Jones asked that the minutes of the meeting record their having voted against the motion.

152 **IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

Members considered a report advising on the implications of implementing International Financial Reporting Standards (IFRS).

Local Authorities were required to adopt International Financial Reporting Standards (IFRS) by 2010-11. This would require a transition from current financial reporting standards and would have a significant impact on the Authority.

The report set out the timetable and implications of adopting the Standards, and identified a number of key issues relating to lease arrangements, employee benefits, the reclassification and revaluation of assets, and changes to accounting policies and disclosures.

A Project Team had been set up within the Finance Service to manage the transition to IFRS. A proposed project plan was set out in Appendix 1 to the report. Members would receive regular updates on progress against the project plan. Appropriate training would also be arranged for Members.

RESOLVED

That

- (1) the potential implications of the introduction of International Financial Reporting Standards for Local Government be noted; and
- (2) the proposed project plan, set out in Appendix 1 to the report, be approved.

153 **CODE OF CORPORATE GOVERNANCE**

Members considered a report setting out a proposed Code of Corporate Governance for Cheshire East.

Each local authority operated through a governance framework. This was an interrelated system that brought together an underlying set of legislative requirements, governance principles and management processes.

In 2007, CIPFA/SOLACE had produced a framework document "Delivering Good Governance in Local Authorities". This was intended to be used as best practice for developing and maintaining a locally-adopted code of governance.

The report set out a suggested Code of Corporate Governance for Cheshire East which had been developed by the Corporate Governance Group and was based on the six principles of Good Governance.

RESOLVED

That the Code of Corporate Governance attached to the report be adopted by the authority and used as a basis for self-assessment, continuous improvement and as a contributor to producing the Annual Corporate Governance Statement.

154 UPDATE ON RISK MANAGEMENT

Members received an update on the implementation of the Risk Management Strategy which had been approved by Cabinet on 14 July, 2009.

The main points of progress were:

- The Corporate Risk Management Group had met on two occasions since July 2009 and had developed an initial Strategic Risk Register, which was set out in Appendix 2 to the report. The risks included in the register had been prioritised using a scoring mechanism. Discussions were currently taking place to develop the current Risk Register further, and to ensure that all Strategic Risks were captured and mitigating actions identified.
- A Risk Manager had recently been appointed within Internal Audit, and was working in conjunction with the two Audit Managers to support Services in the development of their Service Risk Registers. Discussions were also underway with the Audit Commission to assist in the embedding of risk and ensure that the process was robust and effective.
- As part of the Council's commitment to risk management, all audit staff had recently been on a risk-based auditing course.
- A great deal of work had been put into assisting services to establish their risks, include risks in their service delivery plans and link their performance measures and targets to their risk management plans.
- Over the past few months, significant effort had been made in all services to develop business continuity plans to ensure that critical functions could continue to be delivered in an emergency.
- In order to embed risk management, a series of training sessions were currently being planned, and further work to link the risk management process to the performance management system was being developed, as the business planning framework was being reviewed and enhanced.

RESOLVED

That the progress towards the implementation of the Risk Management Framework be noted.

The meeting commenced at 2.00 pm and concluded at 3.30 pm.

Councillor H Davenport (Chairman)

CHESHIRE EAST COUNCIL

Community Governance Review Member Group

Date of Meeting: 19th January 2010
Report of: Borough Solicitor
Subject/Title: Crewe Community Governance Review

1.0 Report Summary

- 1.1 This report provides the background in relation to the Crewe Community Governance Review under the provisions of the Local Government and Public Involvement in Health Act 2007, following receipt of a valid petition from electors in Crewe on 30th March 2009. The report provides details of the outcome of stage two of the public consultation on the Council's draft recommendation for the review, as made by the Council on 15th October 2009.

2.0 Recommendation

- 2.1 To consider the responses from the Stage 2 consultation and to recommend to the Governance and Constitution Committee on 21st January 2010 that it make an appropriate recommendation to Council, having regard to the results of consultation on the draft proposal formulated by Council on 15th October 2009.

3.0 Reasons for Recommendations

- 3.1 The second stage of Consultation for the Crewe Community Governance review took place from 30 November 2009 to 8 January 2010 and following this meeting the results will be considered by the Governance and Constitution Committee on 21st January 2010. The recommendation of the Governance and Constitution Committee for the final outcome of the Review will then be reported to the Special Council meeting for approval on 25th January 2010.

4.0 Wards Affected

- 4.1 All the Wards in the unparished areas of Crewe

5.0 Local Ward Members

- 5.1 As above

6.0 Policy Implications including - Climate change - Health

- 6.1 None

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 A bid has been made to the Borough Treasurer for transitional funding to meet the costs of the conduct of the review.

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 In the event that a Town Council was established there would be costs associated with the administration of elections which would fall to the Council when these were held at the same time as elections for Cheshire East Councillors. The cost of any by-elections would be met by the Town Council.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 With effect from April 2008 the power to take decisions about matters such as the creation of parishes and their electoral arrangements was devolved from the Secretary of State and the Electoral Commission under the Local Government and Rating Act 1997 to local authorities under Chapter 3 of the Local Government and Public Involvement in Health Act 2007.

10.0 Risk Management

- 10.1 The Council has followed the Guidance on Community Governance Reviews published by the Electoral Commission and the Department of Communities and Local Government. There are no other risk management issues.

11.0 Background

- 11.1 The Local Government and Public Involvement in Health Act 2007 permits the Council to undertake a community governance review of the whole or part of the Borough Council area.

11.2 The Review

Cheshire East Council in accordance with Section 83(2) of the Act has undertaken a community governance review following receipt of a valid petition on 30 March 2009 which called for a community governance review and identified three recommendations arising from a Review:

- 1) That a new parish be constituted under section 87 of the Local Government and Public Involvement in Health Act 2007.
- 2) That the new parish should have a Council to be known as Crewe Town Council.
- 3) That the area to which the review is to relate is the whole of the Electoral wards of Coppenhall, Delamere, Grosvenor, Maw Green, St Johns, Valley and Waldron; and those parts of the following Electoral wards which do not already fall into an

existing parish: Alexandra, Leighton, St Barnabas, Wistaston Green.

In conducting the Review, the Council has responded to the proposal contained in the petition, but in accordance with the guidance, has also considered other viable options for other forms of community governance including Area committees, Neighbourhood Management, Tenant Management organisations, Area/ Community forums, Residents and Tenants Associations, Community Associations and whether people would prefer four Parish councils to be created.

An explanatory leaflet about the community governance review was prepared and used as a basis for the first phase of consultation which ran from 1 - 30 September 2009.

This community governance review has provided the Council with an opportunity to examine and review existing community governance arrangements and to consider whether or not new arrangements were required to best meet the needs of local people.

The first stage of consultation sought views from all electors by way of a voting paper delivered to each elector with an explanatory leaflet. A questionnaire and similar explanatory leaflet about the review was sent to various stakeholders including local public and voluntary organisations, schools, health bodies and resident and community groups. Two public meetings were held on 1 September 2009. The website was also used to allow people to record their views online.

Consideration was given to the comments and representations received from the first phase of consultation and on the basis of those representations the Council's draft recommendation was published on 30th November 2009.

11.3 Criteria and aim of the Review

Section 93 of the Local Government and Public Involvement in Health Act 2007 requires councils to ensure that community governance in the area under review will be reflective of the identities and interests of the community in that area and is effective and convenient. In considering this criteria the Council is required to take account of a number of influential factors including the impact of community governance arrangements on community cohesion.

The Guidance on community governance reviews published by the Department of Communities and Local Government in April 2008 sets out in detail the factors for consideration to help inform the Council's judgement against the statutory criteria.

11.4 Previously Unparished Areas

The Council is required by law to consider other forms of community governance as alternatives or as stages towards establishing parish councils. The Council has noted the existing arrangements in place in the area for community representation and community engagement, including the Crewe Local Area Partnership, Neighbourhood Management, Tenant Management organisations, Area/ Community forums, Residents and Tenants Associations and Community Associations and the extent to which they are already creating opportunities for engagement, empowerment and co-ordination in local communities. The Crewe Local Area Partnership was formed following the creation of the new Cheshire East Council on 1 April 2009 and these arrangements are still in their infancy and continually developing; further time being required to see these arrangements develop to their full potential.

11.5 Consultation

The Council, in reaching its draft recommendation in this review on 15th October 2009, took into account of the representations received from the Stage 1 of consultation, having regard to the criteria in the Local Government and Public Improvement in Health Act 2007.

11.6 Result of Stage 1 consultation with electors

Just under 35,000 voting papers were issued and 8056 were returned (23%). Electors were invited to respond to two questions on the voting paper and the results were as follows:-

Question 1
1. I want a parish council for my area
2. I want no change to the current arrangements (no parish council)
Question 2: You can still vote for your preference even if you have voted above for no change
A. A single Town Council for the whole of the unparished area of Crewe
B. Four parish councils for the unparished area of Crewe

In relation to Question 1 – the results were:

3655 electors indicated that they wanted a parish council.
4059 electors indicated that they wanted no change to the current arrangements (no parish council).

In relation to Question 2 – the results were:

5617 electors expressed a view for a single town council for the whole of the unparished area of Crewe

1475 electors expressed a view for four parish councils for the unparished area of Crewe.

11.7 Submissions received to Stage 1 consultation

The Council received 41 representations in total. These comprised:

Form of Representation	Number received	Views expressed
Questionnaires Returned	20	17 preferred a single town council 2 preferred more than one local council 1 preferred area/ community/ neighbourhood forums with real powers
Letters/ emails	21	11 were in favour of a single town council 4 expressed no clear view (1 felt that the form was poorly written) 4 supported no change (1 felt that the voting paper was ambiguous and bias towards setting up a Town or Parish Council) 1 was in favour of 4 parish councils 1 was in favour of local representation, but no view expressed as to whether 1 single town council or 4 Parish councils should be created.
Form of Representation	Number received	Views expressed
Charter Trustees (where not included in results above)	6	3 supported a Single Town Council 1 supported no change 1 supported the outcome of the consultation exercise 1 supported whatever the people of Crewe wanted

11.8 Stage 2 consultation

The Second Stage of Consultation ran from 30th November 2009 to 8 January 2010 and sought views on the Council's draft recommendation "To accept the vote from the people of Crewe and to reject the notion of a town council for Crewe at this time." Representations were invited from all interested persons,

organisations, stakeholders and the public. Interested parties were encouraged to submit their views, together with any relevant supporting evidence, in writing, by email or via a feedback form on the Council's website.

11.9 Summary of Submissions received to Stage 2 consultation

Those who agree with the Council's Draft Recommendation "To accept the vote from the people of Crewe and to reject the notion of a town council for Crewe at this time"	
Councillors	5 (+ 1 spouse)
Individuals	8
Total	14
Those who disagree with the Council's Draft Recommendation "To accept the vote from the people of Crewe and to reject the notion of a town council for Crewe at this time"	
Councillors	8
Individuals	25
Organisations	13
Total	46
Those who have made other representations	
Edward Timpson MP	1
Northern Pensioners Association	1

Copies of all responses received to the Second Stage of consultation are attached as an Appendix to this report.

11.10 Key Issues

In making its final decision on the outcome of the Community Governance Review for Crewe, the Council must take into account representations received. The Council is also required to have regard to the need to ensure that community governance within the area reflects the identities and interests of the community and is effective and convenient.

As soon as practical after the Council has decided to what extent it will give effect to the recommendation made in the review, it must publish the decision and the reasons for making that decision. The Council must also take steps to ensure that people who are interested in the review are informed.

12.0 **Overview of Year One and Term One Issues**

- 12.1 Should the decision be taken to establish a Town Council for Crewe, electoral arrangements would need be put in place and a formal Order made to give effect to the new arrangements which would then enable elections to take place in May 2011.

13.0 Background Documents

The background papers relating to this report are listed below and can be inspected by contacting the report writer:

Name: Lindsey Parton

Designation: Elections and Registration Team Manager

Tel No: 01270 686477

Email: lindsey.parton@cheshireeast.gov.uk

- Guidance on Community Governance Reviews published by the Electoral Commission and the DCLG
- Explanatory Leaflet and Notice of Publication for the first stage of consultation
- Notice of Publication of Draft Recommendations arising from the first stage of consultation

Appendices

Representations received from the Stage 2 consultation ending on 8 January 2010.

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting:	21 st January 2010
Report of:	Democratic Services Manager
Subject/Title:	Calendar of Meetings for 2010-2011

1.0 Report Summary

- 1.1 The report includes a draft Calendar of Meetings for Cheshire East Council for 2010-2011, together with an appendix of explanatory notes. The Committee is invited to approve the draft calendar for consultation purposes.

2.0 Recommendations

- 2.1 The Committee is asked to resolve that
- (1) the draft Calendar of Meetings for Cheshire East Council 2010-2011 be approved for consultation with the Leader, Cabinet Members, Group Leaders and Committee Chairmen; and
 - (2) following consultation, the amended draft calendar be submitted to the March meeting of the Committee for recommendation to Council.

3.0 Reasons for Recommendation

- 3.1 The Council is required to give public notice of its meetings in order to fulfil its legal obligations under the Access to Information rules set out in the Local Government Act 1972. The timetable will assist the Council in meeting this requirement.

4.0 Wards Affected

- 4.1 All wards are affected.

5.0 Local Ward Members

- 5.1 All local ward members are affected.

6.0 Policy Implications

- 6.1 None identified.

7.0 Financial Implications for Transition Costs

7.1 None identified.

8.0 Financial Implications 2009/10 and beyond

8.1 None identified.

9.0 Legal Implications

9.1 There are no specific legal implications other than those identified in the main body of this report.

10.0 Risk Management

10.1 A published calendar of meetings enables effective business planning and decision-making procedures.

11.0 Background and Options

11.1 As set out in its Constitution, (Part 4 – Procedure Rule 1), the Borough Council is required to decide when its meetings will take place and these will be contained in a calendar of meetings.

It is for full Council to approve the calendar.

11.2 Under Part 3 of the Constitution, the Governance and Constitution Committee is responsible for:

“overseeing, monitoring, co-ordinating and implementing the Council’s administrative and political business, including administrative arrangements for the Council and other meetings;”

11.3 Calendar

A summary timetable is attached as Appendix 1. This is a one-page A4 sheet which gives the dates of all meetings for 2010-2011. This schedule also indicates the dates of Police Authority and Fire Authority meetings. There is cross membership between both the Police Authority and Fire Authority with the Strategic Planning Board, Northern Planning Committee and Southern Planning Committee. There are only two Members affected in each case.

A more detailed, month-by-month schedule is attached as Appendix 2.

Explanatory notes have been provided (Appendix 3) which indicate the assumptions made in drawing up the calendar; further details in respect of each of the Committees are also given.

The format of the appendices is for ease of reference. However, a more succinct version will be prepared for publication, once agreed.

11.4 Frequency/Scheduling of Meetings

The frequency of meetings has followed the practice adopted in 2009-2010, except where there has been a request by a Committee for a change in frequency. Details of changes made are given in the explanatory notes at Appendix 3.

11.5 Main Variations from 2009-2010

As far as possible, only one Committee per day has been scheduled. However, there are only 202 available days during 2010-2011 to provide for the total of 204 meetings which are required to be scheduled during the available period.

Fridays have been avoided for Committee meetings; these will be used for Member Development sessions as and when required.

Cabinet Meetings: At the request of the Cabinet, these meetings have moved from Tuesday afternoons to Monday afternoons.

Cabinet Member Decision Meetings: During 2009-2010 Cabinet Member meetings were arranged as and when required. Individual decision-making has increased and to accommodate this, each Monday morning has been reserved for Cabinet Member Decision meetings.

Scrutiny Committees: The Corporate Committee and the Environment and Prosperity Committee have changed from morning to afternoon meetings. The principal reason for this change is to try to balance the work commitments of Councillors with their Council duties. This is particularly relevant in respect of morning meetings which can sometimes extend beyond lunchtime.

11.6 Consultation:

The Corporate Management Team has been consulted.

- 11.7 Subject to any recommendations which Members may wish to make, the Committee is asked to approve the calendar for consultation purposes. The calendar, together with any amendments made following consultation, will be re-submitted in March when the Committee will be asked to recommend to Council that the calendar be adopted. The agreed meeting dates will then be incorporated in a diary similar to that which has been in use for the past year.

12.0 Overview of Year One and Term One Issues

- 12.1 None identified.

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer.

Name: Carol Jones
Designation: Democratic Services Officer
Tel No: 01270 686471
E-mail: carol.jones@cheshireeast.gov.uk

MAY		JUNE		JULY		AUGUST		SEPTEMBER	
13	Annual Council & Mayor-Making	1	Environment & Prosperity Scrutiny	1	Children & Families Scrutiny	4	Southern Planning Committee	1	Northern Planning Committee
17	Licensing Committee	2	Fire Authority Meeting	5	Licensing Committee	11	Northern Planning Committee	2	Sustainable Communities Scrutiny
18	Cabinet	2	Southern Planning Committee	6	Environment & Prosperity Scrutiny	16	Cabinet	7	Corporate Scrutiny
19	Northern Planning Committee	3	Sustainable Communities Scrutiny	7	Strategic Planning Board	18	Strategic Planning Board	8	Strategic Planning Board
20	Children & Families Scrutiny Comm.	8	Children & Families Scrutiny Comm.	12	CEC/CWAC/Wirral Joint Health Scrutiny	25	Southern Planning Committee	9	Health & Adult Social Care Scrutiny
24	Standards Committee	9	Northern Planning Committee	13	Police Authority Meeting	26	Appeals Committee	13	Licensing Committee
25	Health & Adult Social Care Scrutiny	10	Public Rights of Way Committee	13	Corporate Scrutiny Committee			14	Environment & Prosperity Scrutiny
26	Strategic Planning Board	14	Cabinet	14	Southern Planning Committee			15	Fire Authority meeting
27	Governance & Constitution Comm.	15	Corporate Scrutiny Committee	15	Sustainable Communities Scrutiny			15	Southern Planning Committee
28	Shared Services Joint Committee	16	Strategic Planning Board	19	Cabinet			16	Children & Families Scrutiny Comm.
		17	Appeals Committee	20	Staffing Committee			20	Cabinet
		23	Southern Planning Committee	21	Northern Planning Committee			21	Public Rights of Way Committee
		24	Governance & Constitution Comm.	22	Council (6 pm)			22	Northern Planning Committee
		29	Health & Adult Social Care Scrutiny	26	Standards Committee			23	Appeals Committee
		30	Northern Planning Committee	27	Health & Adult Social Care Scrutiny			24	Shared Services Joint Committee
				28	Strategic Planning Board			27	Standards Committee
				29	Appeals Committee			28	Police Authority meeting
				30	Shared Services Joint Committee			29	Strategic Planning Board
								30	Governance & Constitution Committee
OCTOBER		NOVEMBER		DECEMBER		JANUARY 2011		FEBRUARY	
4	CEC/CWAC/Wirral Joint Health Scrutiny	2	Corporate Scrutiny Committee	1	Strategic Planning Board	5	Southern Planning Committee	1	Corporate Scrutiny
5	Health & Adult Social Care Scrutiny	3	Northern Planning Committee	2	Sustainable Communities Scrutiny	7	Shared Services Joint Committee	2	Northern Planning Committee
6	Southern Planning Committee	4	Sustainable Communities Scrutiny	7	Health & Adult Social Care Scrutiny	10	Licensing Committee	3	Sustainable Communities Scrutiny
7	Sustainable Communities Scrutiny	8	Licensing Committee	8	Southern Planning Committee	10	Special Budget Cabinet (provisional)	8	Environment & Prosperity Scrutiny
11	Children & Families Scrutiny	9	Health & Adult Social Care Scrutiny	9	Children & Families Scrutiny	10	CEC/CWAC/Wirral Joint Health Scrutiny	9	Fire Authority meeting
12	Corporate Scrutiny Committee	10	Strategic Planning Board	13	Public Rights of Way Committee	11	Corporate Scrutiny Committee	9	Strategic Planning Board
13	Northern Planning Committee	11	Children & Families Scrutiny Comm.	14	Corporate Scrutiny Committee	12	Northern Planning Committee	10	Children & Families Scrutiny Comm.
14	Council (6 pm)	15	Cabinet	14	Police Authority meeting	13	Appeals Committee	14	Cabinet
18	Cabinet	16	Budget Consultation event	15	Fire Authority meeting	13	Budget Consultation event	15	Health & Adult Social Care Scrutiny
19	Children & Families Scrutiny	17	Budget Consultation event	15	Northern Planning Committee	17	Cabinet	16	Southern Planning Committee
20	Strategic Planning Board	18	Governance & Constitution Comm.	16	Council (2 pm)	18	Health & Adult Social Care Scrutiny	17	Appeals Committee
21	Staffing Committee	18	Budget Consultation event	20	Cabinet	18	Budget Consultation event	22	Police Authority meeting
26	Environment & Prosperity Scrutiny	19	Budget Consultation event	21	Environment & Prosperity Scrutiny	19	Budget Consultation event	23	Northern Planning Committee
27	Southern Planning Committee	22	Standards Committee	22	Strategic Planning Board	19	Strategic Planning Board	24	Budget Council (2 pm)
28	Appeals Committee	23	Environment & Prosperity Scrutiny			20	Children & Families Scrutiny Comm.		
		24	Northern Planning Committee			20	Budget Consultation event		
		25	Appeals Committee			21	Staffing Committee		
		26	Shared Services Joint Committee			24	Standards Committee		
						25	Environment & Prosperity Scrutiny		
						26	Southern Planning Committee		
						27	Governance & Constitution Committee		
						31	Corporate Scrutiny Committee		
MARCH		APRIL		MAY		NOTES			
2	Strategic Planning Board	5	Staffing Committee	4	Strategic Planning Board	TIME	COMMITTEE	VENUE	
3	Sustainable Communities Scrutiny	6	Northern Planning Committee	9	Licensing Committee	varies	Council (Summer 6.00 pm: Winter 2.00 pm)	Rotates around the borough	
7	Licensing Committee	7	Sustainable Communities Scrutiny	10	Health & Adult Social Care Scrutiny	2.00 pm	Cabinet	Rotates around the borough	
8	Corporate Scrutiny Committee	11	Cabinet	11	Southern Planning Committee	2.00 pm	Governance & Constitution Committee	Sandbach	
9	Southern Planning Committee	12	Police Authority annual meeting	13	Shared Services Joint Committee	10.00 am	Health & Adult Social Care Scrutiny	Sandbach	
10	Children & Families Scrutiny Comm.	12	Health & Adult Social Care Scrutiny	19	Annual Council	10.30 am	Children & Families Scrutiny Comm.	Sandbach	
14	Cabinet	13	Fire Authority Meeting			2.00 pm	Corporate Scrutiny Committee	Sandbach	
15	Health & Adult Social Care Scrutiny	13	Strategic Planning Board			2.00 pm	Environment & Prosperity Scrutiny	Sandbach	
16	Northern Planning Committee	14	Children & Families Scrutiny Comm.			2.00 pm	Standards Committee	Sandbach	
17	Public Rights of Way Committee	19	Corporate Scrutiny Committee			2.00 pm	Appeals Committee	Sandbach	
18	Shared Services Joint Committee	20	Southern Planning Committee			2.00 pm	Public Rights of Way Committee	Sandbach	
22	Environment & Prosperity Scrutiny	21	Council (6 pm)			2.00 pm	Strategic Planning Board	Macclesfield	
23	Strategic Planning Board	26	Environment & Prosperity Scrutiny			2.00 pm	Northern Planning Committee	Macclesfield	
24	Governance & Constitution Comm.	27	Northern Planning Committee			2.00 pm	Southern Planning Committee	Crewe	
28	Standards Committee	28	Appeals Committee			2.00 pm	Licensing Committee	Sandbach	
30	Southern Planning Committee					2.00 pm	Shared Services Joint Committee	Crewe	
31	Appeals Committee								

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DRAFT TIMETABLE OF PUBLIC MEETINGS – APRIL 2010 – MAY 2011

May 2010						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
						1
2	3 BANK HOLIDAY	4 CABINET BRIEFING	5 Strategic Planning	6 PARLIAMENTARY ELECTION?	7	8
9	10	11	12 Southern Planning	13 ANNUAL COUNCIL?	14 ANNUAL COUNCIL?	15
16	17 Cabinet Member Licensing	18 CABINET	19 Northern Planning	20 Children and Families Scrutiny	21 Member Training	22
23	24 Cabinet Member Standards Committee	25 Health & Adults Scrutiny	26 Strategic Planning Board	27 G & C COMM	28 Shared Services	29
30	31 BANK HOLIDAY					

June 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 CABINET BRIEFING Env & Prosperity Scrutiny	2 FIRE AUTHORITY (ANNUAL) 10.30 am Southern Planning <i>Half-term</i>	3 ? Parl Election Sustainable Communities Scrutiny <i>Half-term</i>	4 <i>Half-term</i>	5
6	7 Cabinet Member	8 Children and Families Scrutiny	9 Northern Planning	10 Public Rights of Way Comm	11	12
13	14 Cabinet Member CABINET	15 Corporate Scrutiny	16 Strategic Planning	17 APPEALS COMM	18 Member Training	19
20	21 Cabinet Member	22	23 Southern Planning	24 G & C COMM #	25	26
27	28 Cabinet Member	29 Health & Adults Scrutiny	30 Northern Planning	Notes: (1) 3 rd June is last date for Parliamentary election (2) There is cross membership between Southern Planning Committee and the Fire Authority. (3) # = financial report to be submitted to G & C Comm.		

July 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Notes: (1) Cabinet to set revenue targets and capital affordability limits (2) Cabinet meeting arranged to avoid Police Authority meeting. (3) # = financial and performance reporting				1 Children and Families Scrutiny	2	3
4	5 Cabinet Member CABINET BRIEFING Licensing	6 Env & Prosperity Scrutiny LGA CONF.	7 Strategic Planning Board LGA GENERAL ASSEMBLY/ ANNUAL CONF	8 LGA GENERAL ASSEMBLY/ ANNUAL CONF	9 M/C Airport Comm	10
11	12 Cabinet Member CEC/CWAC/Wirral Health Scrutiny	13 Corporate Scrutiny # POLICE AUTHORITY 9.30 am	14 Southern Planning	15 Sustainable Communities Scrutiny	16 Member Training	17
18	19 CABINET #	20 Staffing Committee	21 Northern Planning <i>Summer Term</i>	22 COUNCIL 6 pm <i>Summer Term</i>	23 Members Financial Briefing <i>Summer Term</i>	24
25	26 Cabinet Member Standards Committee	27 Health & Adult Social Care Scr. <i>Summer Term</i>	28 Strategic Planning Board <i>Summer Term</i>	29 APPEALS COMM <i>Summer Term</i>	30 Shared Services <i>Summer Term</i>	31

August 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 Cabinet Member CABINET BRIEFING <i>Summer Term</i>	3 <i>Summer Term</i>	4 Southern Planning <i>Summer Term</i>	5 <i>Summer Term</i>	6 <i>Summer Term</i>	7
8	9 Cabinet Member <i>Summer Term</i>	10 <i>Summer Term</i>	11 Northern Planning <i>Summer Term</i>	12 <i>Summer Term</i>	13 <i>Summer Term</i>	14
15	16 Cabinet Member CABINET # <i>Summer Term</i>	17 <i>Summer Term</i>	18 Strategic Planning Board <i>Summer Term</i>	19 <i>Summer Term</i>	20 <i>Summer Term</i>	21
22	23 Cabinet Member <i>Summer Term</i>	24 <i>Summer Term</i>	25 Southern Planning <i>Summer Term</i>	26 APPEALS COMM <i>Summer Term</i>	27 <i>Summer Term</i>	28
29	30 BANK HOLIDAY	31 <i>Summer Term</i>	# = financial reporting			

September 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Notes: (1) Corporate Scrutiny to report to Cabinet on 20.September on performance monitoring and financial reporting (2) There is cross membership between Southern Planning and the Fire Authority. (3) Audit and final accounts to be presented to G & C			1 Northern Planning	2 Sustainable Communities Scrutiny	3	4
5	6 Cabinet Member CABINET BRIEFING	7 Corporate Scrutiny	8 Strategic Planning Board	9 Health & Adult Social Care Scr.	10	11
12	13 Cabinet Member Licensing	14 Env & Prosperity Scrutiny	15 FIRE AUTHORITY 10.30 am Southern Planning	16 Children and Families Scrutiny	17 Member Training	18
19	20 Cabinet Member CABINET	21 Public Rights of Way	22 Northern Planning	23 APPEALS COMM	24 Shared Services	25
26	27 Cabinet Member Standards Committee	28 POLICE AUTHORITY 9.30 am	29 Strategic Planning Board	30 G & C COMM	Lib Dem Conf. 18-22 September Labour Party Conf. 27-30 September	

October 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Notes: (1) Local Democracy week dates have not yet been notified, but if the practice for 2009-2010 is followed, it is likely that it will be week commencing 11 th October, which may impact on scheduled meetings. (2) The Conservative Party Conference is 4-7 October and this may impact on Cabinet meetings.					1	2
3	4 Cabinet Member CABINET BRIEFING CEC/CWAC/Wirral J Health Scrutiny	5 Health & Adult Social Care Scr.	6 Southern Planning	7 Sustainable Communities Scrutiny	8 Member Training	9
10	11 Cabinet Member Children and Families Scrutiny	12 Corporate Scrutiny	13 Northern Planning	14 COUNCIL 6 pm	15	16
17	18 Cabinet Member CABINET	19 Children and Families Scrutiny	20 Strategic Planning Board	21 Staffing Committee	22 M/C Airport Comm	23
24	25 Cabinet Member <i>Half-term</i>	26 Env & Prosperity Scrutiny <i>Half-term</i>	27 Southern Planning	28 APPEALS COMM <i>Half-term</i>	29 Members Financial Briefing <i>Half-term</i>	30
31						

November 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
	1 Cabinet Member CABINET BRIEFING	2 Corporate Scrutiny	3 Northern Planning	4 Sustainable Communities Scrutiny	5	6
7	8 Cabinet Member Licensing	9 Health & Adult Social Care Scr.	10 Strategic Planning Board	11 Children and Families Scrutiny	12 Member Training	13
14	15 Cabinet Member CABINET	16 BCE pm	17 Southern Planning BCE evening	18 BCE am G & C COMM	19 BCE pm	20
21	22 Cabinet Member Standards Committee	23 Env & Prosperity Scrutiny	24 Northern Planning	25 APPEALS COMM	26 Shared Services	27
28	29 Cabinet Member	30	Note: Corporate Scrutiny Committee to report to Cabinet on 15 th in respect of performance monitoring BCE = Budget Consultation Event			

December 2010

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Notes: (1) There is cross membership between Northern Planning Committee and the Fire Authority (2) There is cross Membership between the Corporate Scrutiny Committee and the Police Authority. (3) Special Cabinet meeting included for budget consultation			1 Strategic Planning Board	2 Sustainable Communities Scrutiny	3	4
5	6 Cabinet Member CABINET BRIEFING Special CABINET	7 Health & Adult Social Care Scr.	8 Southern Planning	9 Children and Families Scrutiny	10 Member Training	11
12	13 Cabinet Member Public Rights of Way Comm	14 Corporate Scrutiny POLICE AUTH 9.30 am	15 FIRE AUTHORITY 10.30 am	16 COUNCIL 2 pm	17	18
19	20 Cabinet Member CABINET	21 Env & Prosperity Scrutiny	22 Strategic Planning Board	23 <i>Half-term</i>	24 <i>Half-term</i>	25
26	27 BANK HOLIDAY	28 BANK HOLIDAY	29 <i>Half-term</i>	30 <i>Half-term</i>	31 <i>Half-term</i>	

January 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
<p>Note: Two Corporate Scrutiny Committee meetings scheduled: 11th to enable comments to be submitted to Cabinet on budget and performance monitoring; the 31st is for ordinary business.</p> <p>BCE = Budget Consultation Event</p>						1
2	3 BANK HOLIDAY	4 CABINET BRIEFING <i>Half-term</i>	5 Southern Planning	6	7 Shared Services Member Training	8
9	10 Cabinet Member Licensing CEC/CWAC/Wirral J Health Scrutiny	11 Corporate Scrutiny	12 Northern Planning	13 APPEALS COMM <i>BCE evening</i>	14 M/C Airport Comm	15
16	17 Cabinet Member CABINET #	18 Health & Adult Social Care Scr. <i>BCE evening</i>	19 <i>BCE am</i> Strategic Planning Board	20 Children and Families Scrutiny <i>BCE pm</i>	21 Staffing Committee (including BCE)	22
23	24 Cabinet Member Standards Committee	25 Env & Prosperity Scrutiny	26 Southern Planning	27 G & C COMM	28 <i>Members Financial Briefing</i>	29
30	31 Cabinet Member CABINET BRIEFING Corporate Scrutiny					

February 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 Corporate Scrutiny	2 Northern Planning	3 Sustainable Communities Scrutiny	4 Member Training	5
6	7 Cabinet Member	8 Env & Prosperity Scrutiny	9 FIRE AUTH 10.30 am Strategic Planning Board	10 Children and Families Scrutiny	11	12
13	14 Cabinet Member CABINET	15 Health & Adult Social Care Scr.	16 Southern Planning	17 APPEALS COMM LGA URBAN COMM	18 Members Financial Briefing	19
20	21 Cabinet Member <i>Half-term</i>	22 POLICE AUTHORITY (Budget) – 9.30 am	23 Northern Planning <i>Half-term</i>	24 BUDGET COUNCIL 2 pm <i>Half-term</i>	25 <i>Half-term</i>	26
27	28 Cabinet Member CABINET BRIEFING	Notes: (1) Cabinet scheduled third week to take account of financial and performance reporting (2) There is cross membership between the Fire Authority and the Strategic Planning Board.				

March 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		1 CABINET BRIEFING	2 Strategic Planning Board	3 Sustainable Communities Scrutiny	4 Member Training	5
6	7 Cabinet Member Licensing	8 Corporate Scrutiny	9 Southern Planning	10 Children and Families Scrutiny	11	12
13	14 Cabinet Member CABINET	15 Health & Adult Social Care Scr.	16 Northern Planning	17 Public Rights of Way Comm	18 Shared Services	19
20	21 Cabinet Member	22 Env & Prosperity Scrutiny	23 Strategic Planning Board	24 G & C COMM LGA RURAL COMM	25	26
27	28 Cabinet Member CABINET BRIEFING Standards Committee	29	30 Southern Planning	31 APPEALS COMM		

April 2011

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Notes: (1) Corporate Scrutiny scheduled to be able to report to Cabinet on 17 th May on performance monitoring. (2) There is cross-membership between the Strategic Planning Board and the Fire Authority					1	2
3	4 Cabinet Member	5 Staffing Committee	6 Northern Planning	7 Sustainable Communities Scrutiny	8 Member Training	9
10	11 Cabinet Member CABINET	12 POLICE AUTHORITY (ANNUAL) 9.30 am Health & Adult	13 FIRE AUTH 10.30 am Strategic Planning Board	14 Children and Families Scrutiny	15 M/C Airport Comm	16
17	18 Cabinet Member <i>Half-term</i>	19 Corporate Scrutiny <i>Half-term</i>	20 Southern Planning <i>Half term</i>	21 COUNCIL 6 pm <i>Half term</i>	22 GOOD FRIDAY	23
24	25 EASTER MONDAY	26 Env & Prosperity Scrutiny <i>Half-term</i>	27 Northern Planning <i>Half-term</i>	28 APPEALS COMM <i>Half-term</i>	29 <i>Half-term</i>	30

May 2011						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
1	2 BANK HOLIDAY	3 CABINET BRIEFING	4 Strategic Planning Board	5 LOCAL ELECTIONS	6	7
8	9 Cabinet Member Licensing	10 Health & Adult Social Care Scr.	11 Southern Planning	12	13 Shared Services	14
15	16	17	18	19 ANNUAL COUNCIL?	20	21
22	23	24	25	26	27	28
29	30	31				

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EXPLANATORY NOTES : TIMETABLE OF PUBLIC MEETINGS 2010/2011**INTRODUCTION**

The timetable has been drawn up on the following basis –

- Annual Council has been scheduled provisionally for 13th/14th May 2010. In accordance with the Constitution, the annual meeting must be held in May.
- Cabinet meetings have been moved from Tuesdays to Mondays.
- In view of the inclusion of Cabinet Member Decision Meetings on Monday mornings, Standards Committee meetings have moved from morning to afternoon.
- Council meetings and Cabinet meetings rotate around the borough.
- The frequency of Licensing Committee meetings has increased to bi-monthly.
- An assumption has been made that there will be a Parliamentary election on Thursday, 6th May 2010, but the latest date for such an election is 3rd June 2010.
- Meetings are usually held at Westfields, Sandbach.
- Scheduling of meetings has taken into account the business planning/performance reporting cycles and specific budget consultation events and financial briefings have been included.
- Meetings of the Corporate Scrutiny Committee and the Environment and Prosperity Scrutiny Committee commence at 2.00 pm. The remaining Scrutiny Committees start at 10.00 am or 10.30 am. Each Committee has been scheduled on a monthly basis, with August being retained as a recess. A request has been made that Scrutiny Committee meetings are not held on the same day as other Committee meetings.
- Strategic Planning Board is held in Macclesfield.
- Northern Planning Committee meetings are held in Macclesfield.
- Southern Planning Committee meetings are held in Crewe.
- Where possible, meetings have been scheduled on a set day.
- Police Authority, Fire Authority and Manchester Airport Consultative Committee meetings have been included.
- Dates of the LGA General Assembly and Annual Conference have been included.
- Political Party Conference dates have been included.
- School term times are indicated.
- Local Democracy Week may need to be factored into the proposals for the October meetings.
- Provisional Member Development sessions have been included on a Friday each month.

Note 1

Council: Held quarterly. In addition to Annual Council there are 4 ordinary meetings and 1 budget meeting

Meetings: July (6.00 pm); October (6.00 pm); December (2.00 pm); February 2011 (Budget meeting – 2.00 pm); April 2011 (6.00 pm) – Annual Council commences at 11.15 am

(Note – The current Municipal Year (2009-2010) commenced on 1st April 2009, but no date was set for Annual Council in 2010. The date for Annual Council has, provisionally, been included as 13th and 14th May. A consequence of this is that the Municipal Year will be 13 months.

There are local elections on 5th May 2011, and the date of Annual Council in 2011 (19th/20th May) has been scheduled taking this into account.)

Venue: Annual Council/Mayor-Making will be held at Tatton Park, Knutsford. Other meetings of Council will rotate around the borough, to include (a) Municipal Buildings, Crewe (b) Civic Hall, Nantwich (c) Macclesfield Town Hall.

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Note 2

Cabinet: Held every four weeks as far as possible.

Exceptions: There are some 5-week gaps where it has been necessary to allow for performance monitoring and financial reporting information to be submitted.

Meetings: 12 meetings: Mondays - 2.00 pm. (The change of day from Tuesday to Monday is at the request of the Cabinet,)

Briefing Meetings: Held two weeks before meeting - 2.00 pm

(Note – Briefing meetings have been included on this timetable to allow Cabinet Members to schedule dates into their diaries. These will not be included on the published timetable as they are not public meetings.)

Venue: Cabinet meetings rotate around the borough. Meetings are held in Macclesfield, Sandbach and Crewe.

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Note 3

Governance and Constitution Committee: The pattern for 2009-2010 has been followed for 2010-2011.

Meetings: 6 meetings: held in May, June, September, November, January 2011 and March.

Meetings: Thursdays, commencing 2.00 pm.

Venue: Committee Suite 1, 2 and 3, Westfields, Sandbach

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Note 4

Scrutiny Committees General

Meetings: There is a requirement that Scrutiny Committee meetings are not held on the same day as other Committee meetings. This request has been accommodated as far as possible. See appropriate Committees for further details.

Frequency: Meetings to be held monthly with an August recess.

(Note: See specific notes against appropriate Scrutiny Committee.)

Venue: Westfields, Sandbach

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Note 5

Health and Adult Social Care Scrutiny Committee: Monthly – recess in August.

Meetings: 12 meetings, starting at 10.00 am.

The meetings in 2009-2010 were held on Wednesdays. In view of the requirement not to schedule meetings which coincide with other meetings, these have been transferred to **Tuesdays**. This is because there is a meeting on every Wednesday (ie. Strategic Planning Board, Northern Planning Committee or Southern Planning Committee).

Exception: The September meeting is to be held on a Thursday.

Dates for these meetings will need to be agreed with the Primary Care Trust (PCT).

Venue: Westfields, Sandbach.

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Note 6

CEC/CWAC/Wirral Joint Scrutiny Committee

There are four meetings each year.

Dates have been scheduled, but need to be agreed by Cheshire West and Chester Council and Wirral Metropolitan Borough Council.

=====

Note 7

Corporate Scrutiny: Monthly meetings – recess in August.

Meetings: Scheduled to take into account the performance and financial reporting procedures. 10 meetings: held on Tuesdays – 2.00 pm start.

Note: There are two meetings scheduled in January 2011: 11th to enable the Committee to comment on budget proposals and performance management; and **Monday**, 31st for ordinary business.

Venue: Westfields, Sandbach

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Note 8

Children and Families Scrutiny: Monthly meetings – recess in August.
Meetings: 11 meetings: held on **Thursdays** – 10.30 am start.
Exceptions: The June and October meetings are to be held on a Tuesday.
Venue: Westfields, Sandbach

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Note 9

Environment and Prosperity Scrutiny: Monthly meetings – recess in August
Meetings: 10 meetings held on Tuesdays: 2.00 pm
The meetings in 2009-2010 were held on Wednesdays. In view of the requirement not to schedule meetings which coincide with other meetings, these have been transferred to **Tuesdays**. See Note 5 for reasons.
Venue: Westfields, Sandbach

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Note 10

Sustainable Communities Scrutiny: Monthly meetings – recess in August
Meetings: 9 meetings: Thursdays – 10.30 am
Note: There is no meeting in January 2011.
Venue: Westfields, Sandbach

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Note 11

Standards Committee: Meetings have been scheduled bi-monthly.
Meetings: 6 meetings: Mondays at 2.30 pm
The meetings in 2009/2010 were held on Monday mornings. However, as Monday mornings have now been reserved for Cabinet Member Decision meetings, it has been necessary to hold the Committee meetings in the **afternoon**.
Sub-Committee meetings: There are three standing Sub-Committees and these will meet as and when required.

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Note 12

Staffing Committee: Meetings scheduled in July (Tues), October (Thurs) January 2011 (Fri) and July (Tues).
It has not been possible to schedule meetings of this Committee on a set day.
Meetings: 4 meetings: 2.00 pm. These meetings are preceded by a briefing meeting starting at 1.00 pm.

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Note 13

Appeals Committee: Meetings have been scheduled monthly.

Exception: No meeting in December.

Meetings: 10 meetings: Thursdays. If there are more than four appeals, meetings will start at 10.00 am. If there are fewer than four appeals, meetings will start at 2.00 pm.

Venue: Committee Suite 1/2, Westfields, Sandbach (Meeting held in No. 1 with No. 2 used as waiting area for appellants.)

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Note 14

Public Rights of Way Committee: Meetings scheduled in June (Thurs), September (Tues), December (Mon) and March (Thurs).
It has not been possible to schedule meetings of this Committee on a set day.

Meetings: 2.00 pm – preceded by a briefing meeting at 1.00 pm.

Venue: Westfields, Sandbach

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Note 15

Strategic Planning Board: Scheduled on 3-week cycle.

Meetings: 18 meetings: Wednesdays - 2.00 pm

The current calendar does not provide for meetings to be held in April 2010. For this reason, April 2010 has been added to take into account the need for the three Planning Committee/Board meetings, ie Northern Planning Committee, Southern Planning Committee and the Strategic Planning Board.

Venue: Capesthorne Room, Macclesfield Town Hall.

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Note 16

Northern Planning Committee: 3-week cycle

Meetings: 20 meetings: 2.00 pm

The current calendar does not provide for meetings to be held in April 2010. See Note 15 above.

Venue: Capesthorne Room, Town Hall, Macclesfield

Southern Planning Committee: 3-week cycle

Meetings: 19 meetings: 2.00 pm

The current calendar does not provide for meetings to be held in April 2010. See Note 15 above.

Venue: Council Chamber, Municipal Buildings, Crewe

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Note 17

Licensing: Scheduled bi-monthly

Meetings: Mondays: 2.00 pm

Venue: Westfields, Sandbach

Sub-Committees will meet as and when required.

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Note 18

Shared Services Joint Committee: Scheduled bi-monthly

Meetings: Fridays: 2.00 pm

Venue: Municipal Buildings, Crewe

Dates have been scheduled, but need to be agreed by Cheshire West and Chester Council.

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Note 19

Budget Consultation Meetings

Budget consultation meetings are an essential part of the budget-setting process and events have been added into the calendar for November 2011 and January 2011. These events will involve all Members. There are four sessions in November 2010 and four sessions in January 2011.

In addition, the Staffing Committee scheduled for 21st January 2011 would also be part of the consultation process.

A special meeting of Cabinet has been arranged for 6th January 2011 for budget consultation.

There are some "Financial Briefing" sessions which have been arranged on Fridays in July and October 2010 and January and February 2011; these are for all Members.

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Note 20

Meetings of Outside Organisations/Other Bodies

Meetings of the **Police Authority, Cheshire Fire Authority** and **Manchester Airport Consultative Committee** have been included.

The dates for the **Local Government Association General Assembly and Annual Conference** have been included.

Political Party conference dates have been included.

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 21 January 2010
Report of: Democratic Services Manager
Subject/Title: Council Procedure Rules – Definition of “Clear Working Days”

1.0 Report Summary

- 1.1 Following recent debate at Council, this report confirms the legal definition of Clear Working Days for the purpose of use, as appropriate, in conjunction with timescales and deadlines in the Constitution.

2.0 Recommendations

- 2.1 Governance and Constitution Committee is invited to
- (1) reaffirm the advice given by the Monitoring Officer to Members following the meeting of Council held on 17th December 2009, that a clear working day is defined as a complete period of 24 hours (excluding weekends and Bank Holidays), beginning and ending at midnight on the day in question; and
 - (2) request the Monitoring Officer to use his delegated powers to reaffirm this position in the Constitution accordingly.

3.0 Reasons for Recommendations

- 3.1 To inform Members of the deadline for the submission of questions and motions from Councillors under the Council Procedure Rules.

4.0 Wards Affected

- 4.1 None

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 Changes to the Constitution govern the way in which Council business is conducted. In this case, the proposal aligns with legal precedent and

there is therefore no change of policy. Instead, the existing position is being affirmed.

7.0 Financial Implications

- 7.1 None

8.0 Legal Implications

- 8.1 The definition of a clear working day was formed in the ruling in R v Hereford Justices 1820 approved in R v Swansea City Council ex parte Elitestone Limited 1993.

9.0 Risk Management

- 9.1 Explanation of the definition of a clear working day will result in the right of Councillors under the Constitution being be safeguarded.

10.0 Background

- 10.1 At the December meeting of Council, following a request from a Member, the Mayor stated that every member would receive a written explanation of the phrase "clear working days". An email repeating previous practice was subsequently circulated to all members. This explained the position as follows.
- 10.2 Council Procedure Rule 11 requires members to give three clear working notice in writing to the Monitoring Officer of questions for Council. This requires three complete periods of 24 hours (excluding weekends and Bank Holidays) to have elapsed excluding the day the notice is received and the day on which the meeting is held. This follows the ruling in R v Hereford Justices 1820 approved in R v Swansea City Council ex parte Elitestone Limited 1993.
- 10.3 For a meeting of the Council held on a Thursday in a week in which no Bank Holidays fall, notice must be received before midnight on the preceding Sunday. Emails sent after this time would not be accepted. In all cases it is of course helpful for the officers who brief the member concerned to receive as much notice as reasonably possible, since they often have to carry out research from a number of sources and this has to be fitted into the normal working schedule. Members' continuing help in this regard is appreciated.
- 10.4 This ruling is helpful in stating the position in respect of Questions at Council, but also assists in respect of other deadlines in the Constitution eg the requirement to submit Notices of Motion 7 clear working days before the meeting in question.

11.0 Access to Information

There are no background papers relating to this report.

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Designation:	Democratic Services Manager
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Email:	brian.reed@cheshireeast.gov.uk

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 21st January 2010
Report of: Democratic Services Manager
Subject/Title: Member Access to Part II and Confidential Reports

1.0 Report Summary

- 1.1 This report provides information upon existing rights of access for Members to Part II and confidential reports and makes recommendations as to how the Council's approach should be reflected in the Constitution.

2.0 Recommendations

- 2.1 Council be recommended to agree that the following categories of members of the Council will generally be entitled to receive copies of Part II and confidential reports:

- Members of the body in question and those Members who can demonstrate to the Borough Solicitor that they "need to know" in order to properly carry out their duties as a Councillor
- Ward Members, where there is specific relevance of a report to issues to the Ward in question
- The Chairman of the relevant scrutiny committee
- Members visiting the meeting in question (who would receive the papers when they arrive at the meeting).

Provided that: where a report contains specific information on an officer, only Members of the body in question will receive copies of the report

- 2.2 Council be recommended to authorise the Borough Solicitor to make such changes and additions to the Constitution as he considers are necessary in order to give effect to the wishes of Council.

3.0 Reasons for Recommendations

- 3.1 In order for Members and officers to clearly understand the Council's approach to the availability to Members of Part II and confidential reports.

4.0 Wards Affected

- 4.1 All Wards are affected.

5.0 Local Ward Members

- 5.1 All local Ward Members are affected.

6.0 Policy Implications

- 6.1 The Council's agreed arrangements should be reflected in the Constitution which clearly sets these out.

7.0 Financial Implications for Transition Costs

- 7.1 There are no such implications.

8.0 Financial Implications 2009/10 and beyond

- 8.1 There are no such implications.

9.0 Legal Implications

- 9.1 The legal implications are contained within the main body of this report.

10.0 Risk Management

- 10.1 By clearly setting out in the Constitution the way in which the Council deals with Member rights of access to Part II and confidential reports, risk is minimised. Members will be clear as to their own rights and officers will be clear upon how the Council's arrangements should apply to Members.

11.0 Background

- 11.1 Most reports which are presented to the Council's decision-making and other bodies are freely available to inspection by Members and members of the public. However certain reports, which officers believe contain "exempt information" or confidential information may be held back from public circulation because the contents appear to meet certain statutory criteria eg they contain information about the financial or business affairs of an individual, or information about a proposed prosecution. A number of these statutory exempt categories of information are set out in the Constitution, in the Access to Information Procedure Rules, page 236. The effect of these rules, introduced to reflect the provisions of legislation, has been to substantially reduce the amount of exempt business.
- 11.2 The final decision upon whether such reports will be dealt with by the decision-making body in private is made by the body itself when it considers the standard agenda item: "Exclusion of the Public and Press". If this is moved,

seconded and agreed by the body in question, the report will be dealt with in private and the report will remain unavailable to the public and press.

- 11.3 The situation in respect of access to such report by Members of the Council is, however, different. Over many years, court cases have established clear principles relating to the rights of Members to Part II and confidential reports. These principles are summarised in the following paragraphs.
- 11.4 Members of the body in question are generally entitled to receive copies of Part II or confidential reports. However, where a Member is not a member of that body, there is no automatic right of access. Where this is the case, the Member must demonstrate a “need to know” such information in order to properly carry out duties as a Councillor.
- 11.5 A judgement has, therefore, to be made in each case of a request being made by a non-member of the decision-making body in question: does the Member requesting access to the report have a need to know, in order to properly carry out their duties as a Councillor? The decision on whether there is a need to know is for the Council to make and the courts are reluctant to interfere. The Constitution delegates that decision to the Borough Solicitor to avoid having a Member meeting every time a request is received.
- 11.6 Even membership of the relevant body or committee does not entitle Members to see all confidential information relevant to a particular matter but it does entitle Members to see the confidential reports.
- 11.7 Members have recently expressed a wish to widen the categories of cases where they automatically receive Part II reports. In addition to the committee members, reports in hard copy could be made available to:
- Ward Members affected, in accordance with the Ward Member Protocol.
 - Relevant scrutiny committee Chairmen.
 - Members visiting the meeting in question, who would receive the papers when they arrive at the meeting to enable them to read the contents in advance).

Provided that: where a report contains specific information on an officer, only Members of the body in question will receive copies of the report

- 11.8 It is proposed that the Constitution should make reference to the categories of Members, as set out above, in order for Members and officers to be clear upon the way in which reports will be dealt with.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 21st January 2010
Report of: Borough Treasurer and Head of Assets
Subject/Title: Annual Audit Letters for the Demised Authorities of Cheshire East Council

1.0 Report Summary

- 1.1 The Annual Audit Letters for Cheshire County Council, Congleton Borough Council, Macclesfield Borough Council and Crewe & Nantwich Borough Council relating to the 2008-09 accounts are set out in Appendix 1.

2.0 Recommendation

- 2.1 That Members receive and comment on the Annual Audit Letters for 2008-09.

3.0 Reasons for Recommendations

- 3.1 The Annual Audit Letters provide an overall summary of the External Auditor's assessment of the demised authorities of Cheshire East Council. It draws on the findings and conclusions from the audits and from any inspections that were undertaken in the 2008-09 financial year.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including - Climate change - Health

- 6.1 Not applicable.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 Not applicable.

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 A supplementary audit plan will be presented to the Committee as a separate item on the agenda. This will set out the audit work programme for the first year of the new Council.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 There are no legal implications associated with this report.

10.0 Risk Management

- 10.1 The Annual Audit Letters have been prepared to meet the requirements set out in the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

11.0 Background and Options

- 11.1 The External Auditors presented the Annual Governance Statements for Macclesfield Borough Council, Congleton Borough Council and Crewe & Nantwich Borough Council at the Governance & Constitution Committee on 30th September 2009.
- 11.2 The Annual Governance Statement for Cheshire County Council was reported to members of Cheshire West & Chester Council at the Audit & Governance Committee held on 29th September 2009 and presented to this committee on 30th September 2009.
- 11.3 The External Auditors issued an unqualified opinion on the accounts and VFM arrangements on 30th September 2009
- 11.4 The Audit Commission will be attending the meeting to answer any questions raised by members on the Annual Audit Letters.
- 11.5 The Annual Audit Letters are addressed to the Council but are available as a public document on the Council's website.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Designation: Corporate Finance Lead
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Email: joanne.wilcox@cheshireeast.gov.uk

22 October 2009

Cheshire West and Chester Council
County Hall
Castle Drive
Chester
CH11SG

Email j-tench@audit-
commission.gov.uk
Telephone 08447983556

— Dear members

Annual Audit Letter

Purpose of the letter

This letter summarises the key issues arising from our audit of the 2008/09 accounts for the former Cheshire County Council. It has been prepared to meet the requirements set out in the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. I have addressed this letter to Council members as it is the responsibility of the Council to ensure that effective arrangements are in place for the conduct of the remaining business for the former Cheshire County Council.

As your appointed auditor I am responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, I review and report on:

the former County Council's accounts; and

whether proper arrangements for securing economy, efficiency and effectiveness in the use of resources (VFM arrangements) were made for the former County Council.

Status of the audit and main conclusions

In my Annual Governance Report which was presented at the Audit and Governance Committee on 29 September 2009, I indicated that the work relating to the audit was substantially complete. I am pleased to be able to inform members that the outstanding work was completed satisfactorily and I was able to issue an unqualified opinion on the accounts and VFM arrangements on 30 September 2009, as planned.

The arrangements for production of the Council's financial statements were effective and the working papers to support the statements were good. The main issues reported in my Annual Governance Report relate to;

- the progress made in reconciling the Council's main bank accounts;
- the impact on the accounts from the collapse of the Heritable Bank in October 2008;

- the pooling of the Council's cash with surplus Pension Fund cash; and
- a significant adjustment of £2.7m to the Pension Fund accounts.

More detail in relation to these issues is provided in my Annual Governance Report which can be found by following this link www.cheshirewestandchester.gov.uk/your_council.

I have concluded that the Council's VFM arrangements satisfactorily meet the twelve criteria specified by the Audit Commission. The main actions for the new councils arising from the assessment are a need to;

- complete and test business continuity plans;
- implement and monitor shared services arrangements; and
- monitor the achievement of value for money from the use of consultants

The way forward

The recommendations included in the Annual Governance Reports for the former County Council and other demised bodies in the west will be brought together in the form of an action plan which will be presented to the Audit and Governance Committee. I will also be presenting a supplementary audit plan to the Audit and Governance Committee shortly which sets out the audit work programme for the first year of the new Council. There are, understandably, many challenges which the Council and some of these, for example, bringing balances forward correctly and managing the budget, will be audit risks which will be given high priority in our audit plan.

Concluding remarks

Members and Council staff have responded positively and constructively to the audit and I would like to express thanks for the help and co-operation that has been provided.

Yours sincerely

Judith Tench
District Auditor



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21 October 2009

Dear Members

Annual Audit Letter in respect of the demised Congleton Borough Council (CBC)

This short formal letter provides an overall summary of the findings and conclusions from the audit of the Council for 2008/09 undertaken since the last Annual Audit and Inspection Letter, which was reported to CBC in March 2009.

The Audit Commission has determined that, given the limited range of work undertaken by auditors on demised bodies' affairs since April 2009, a short formal letter will discharge the Auditor's reporting responsibilities under the Code of Audit Practice (the Code).

We have addressed this letter to members of Cheshire East Council (CEC) as the successor body to CBC. Its scope covers only those areas of our responsibility not previously reported and is thus confined to our work on the demised CBC's 2008/09 financial statements, our work in relation to the Value for Money Conclusion for 2008/09 and our certification of various Government grant claims.

This letter also communicates the significant issues to key external stakeholders, including members of the public. This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk.

As CBC's appointed auditor Baker Tilly was responsible for planning and carrying out an audit that met the requirements of the Code. Under the Code, the auditor reviews and reports on:

- the Council's accounts; and
- whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion).

We have for completeness listed the reports issued to the Council relating to 2008/09 work carried out since March 2009 at the end of this report.

The Members**Annual Audit Letter in respect of the demised Congleton Borough Council
contd.*****The audit of the accounts and value for money***

We have reported separately to CEC's Governance and Constitution Committee on the issues arising from our 2008/09 audit and issued an audit report, providing an unqualified opinion on CBC's accounts and a conclusion on its value for money arrangements which stated that these arrangements were adequate, on 30th September 2009.

As we reported to the Governance and Constitution Committee, the successor Council was well prepared for the commencement of the audit. The financial statements were approved before the 30 June 2009 deadline in accordance with the Council's timetable. Working papers providing the composition of balances and appropriate supporting evidence were prepared to a good standard by the Council and additional explanations were provided on a timely basis where required.

Now that the financial statements audit is complete, CEC will now need to turn its attention to the disaggregation of the old County Council's balance sheet and then the aggregation of all the balances relating to Congleton and the other demised councils in the East of the County. This will be a sizeable task and complicated thereafter by the need to restate opening balances at April 2009 under the requirements of International Financial Reporting Standards.

Government grant claims

We have audited a number of Government grant claims in relation to CBC, including NNDR, Housing Benefits, Sandbach Market Renewal and Disabled Facilities. There are no matters arising that warrant Members' attention.

Closing remarks

The Council and its successor body have taken a positive and constructive approach to audit work, and we wish to thank in particular CEC's staff for their support and cooperation during the audit of the financial statements.

Yours faithfully

Baker Tilly UK Audit LLP

The Members**Annual Audit Letter in respect of the demised Congleton Borough Council
contd.**

**Table 1****Report issued**

Report	Date of issue
ISA 260 report to those charged with governance	September 2009
Annual audit and inspection letter	October 2009

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Our reference MA001

24 November 2009

Cheshire East Council
Westfields
Middlewich Road
Sandbach
Cheshire CW11 1HZ

Direct line 0844-798-3556
Email j-tench@audit-
commission.gov.uk

Dear Ladies and Gentlemen

Annual Audit letter: Demised Macclesfield Borough Council.

Purpose of the letter

This letter summarises the key issues arising from our audit of the 2008/09 accounts for the former Macclesfield Borough Council. It has been prepared to meet the requirements set out in the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. I have addressed this letter to Council members as it is the responsibility of the Council to ensure that effective arrangements are in place for the conduct of the remaining business for the former Macclesfield Borough Council.

As your appointed auditor I am responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, I review and report on:

- the former Borough Council's accounts; and
- whether proper arrangements for securing economy, efficiency and effectiveness in the use of resources (VFM arrangements) were made for the former Borough Council.

Status of the audit and main conclusions

I presented my Annual Governance Report at the Governance and Constitution Committee on 30 September 2009 and I am pleased to be able to confirm to members that I was able to issue an unqualified opinion on the accounts and VFM arrangements on 30 September 2009, as planned.

The arrangements for production of the Council's financial statements were effective and the working papers to support the statements were good. The main issues reported in my Annual Governance Report relate to;

- miss-classification within the Income and Expenditure Account of pension costs arising from curtailments
- miss-classification within the cash flow statement of the proceeds from disposal of fixed assets

- the reversal within the Income and Expenditure Account of capital charges and internal income

More detail in relation to these issues is provided in my Annual Governance Report which can be found by following this link

<http://moderngov.cheshireeast.gov.uk/ecminutes/ielIssueDetails.asp?Ild=8751&PlanId=0&Opt=3#A16215>

I have concluded that the Council's VFM arrangements satisfactorily meet the twelve criteria specified by the Audit Commission. The main actions for the new councils arising from the assessment are a need to;

- Completing leisure review and rescheduling of refuse collection rounds both of which were postponed for LGR.
- Ensuring arrangements are in place to deliver continued improvements in data quality

I am not yet able to issue my certificate stating that I have completed the audit due to some outstanding correspondence with a local elector. I expect to be in a position to do so in early December.

The way forward

I will be presenting a supplementary audit plan to the Governance and Constitution Committee shortly which sets out the audit work programme for the first year of the new Council. There are, understandably, many challenges for the Council and some of these, for example, bringing balances forward correctly and managing the budget, will be audit risks which will be given high priority in our audit plan.

Concluding remarks

Members and Council staff have responded positively and constructively to the audit and I would like to express my thanks for the help and co-operation that has been provided throughout the audit

Yours faithfully

Judith Tench
District Auditor



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21 October 2009

Dear Members

Annual Audit Letter in respect of the demised Crewe & Nantwich Borough Council (CNBC)

This short formal letter provides an overall summary of the findings and conclusions from the audit of the Council for 2008/09 undertaken since the last Annual Audit and Inspection Letter, which was reported to CNBC in March 2009.

The Audit Commission has determined that, given the limited range of work undertaken by auditors on demised bodies' affairs since April 2009, a short formal letter will discharge the Auditor's reporting responsibilities under the Code of Audit Practice (the Code).

We have addressed this letter to members of Cheshire East Council (CEC) as the successor body to CNBC. Its scope covers only those areas of our responsibility not previously reported and is thus confined to our work on the demised CNBC's 2008/09 financial statements, our work in relation to the Value for Money Conclusion for 2008/09 and our certification of various Government grant claims.

This letter also communicates the significant issues to key external stakeholders, including members of the public. This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk.

As CNBC's appointed auditor Baker Tilly was responsible for planning and carrying out an audit that met the requirements of the Code. Under the Code, the auditor reviews and reports on:

- the Council's accounts; and
- whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion).

We have for completeness listed the reports issued to the Council relating to 2008/09 work carried out since March 2009 at the end of this report.

The Members
Annual Audit Letter in respect of the demised Crewe & Nantwich Borough
Council contd.



The audit of the accounts and value for money

We have reported separately to CEC's Governance & Constitution Committee on the issues arising from our 2008/09 audit and issued an audit report, providing an unqualified opinion on CNBC's accounts and a conclusion on its value for money arrangements which stated that these arrangements were adequate, on 30th September 2009.

As we reported to the Governance & Constitution Committee, the successor Council was well prepared for the commencement of the audit. The financial statements were approved before the 30 June 2009 deadline in accordance with the Council's timetable. Working papers providing the composition of balances and appropriate supporting evidence were prepared to a good standard by the Council and additional explanations were provided on a timely basis where required.

Now that the financial statements audit is complete, CEC will now need to turn its attention to the disaggregation of the old County Council's balance sheet and then the aggregation of all the balances relating to Crewe & Nantwich and the other demised councils in the East of the County. This will be a sizeable task and complicated thereafter by the need to restate opening balances at April 2009 under the requirements of International Financial Reporting Standards.

Government grant claims

We have audited a number of Government grant claims in relation to CNBC, including NNDR, Housing Benefits and Disabled Facilities. There are no matters arising that warrant Members' attention.

Closing remarks

The Council and its successor body have taken a positive and constructive approach to audit work, and we wish to thank in particular CEC's staff for their support and cooperation during the audit of the financial statements.

Yours faithfully

Baker Tilly UK Audit LLP

The Members**Annual Audit Letter in respect of the demised Crewe & Nantwich Borough Council contd.**

**Table 1****Report issued**

Report	Date of issue
ISA 260 report to those charged with governance	September 2009
Annual audit and inspection letter	October 2009

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 21st January 2010
Report of: Borough Treasurer and Head of Assets
Subject/Title: 2009/10 Audit Plan

1.0 Report Summary

- 1.1 The Audit Plan for 2009/10 and the Protocol for Joint Working with Internal Audit are set out in Appendix 1.

2.0 Recommendation

- 2.1 That Members receive and comment on the Audit Plan for 2009/10 and the Protocol for Joint Working with Internal Audit.

3.0 Reasons for Recommendations

- 3.1 The Audit Plan sets out the work that the Audit Commission propose to undertake at the 2009/10 audit.
- 3.2 The Protocol for Joint Working with Internal Audit sets out the joint working arrangements with the Internal Audit department.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including - Climate change - Health

- 6.1 Not applicable.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 Not applicable.

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 The Audit Plan sets out the audit work specified by the Audit Commission for the 2009/10 financial statements and the level of audit fees.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 There are no legal implications associated with this report.

10.0 Risk Management

- 10.1 The plan is based on the Audit Commission's risk-based approach to audit planning and reflects current national risks relevant to local circumstances and local risks.

11.0 Background and Options

- 11.1 The Audit Commission are required to carry out the audit of the financial statements under the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB).
- 11.2 The Audit Commission has developed a joint working protocol with internal audit to enable efficient joint working wherever possible and will revisit the Internal Audit's plan as the year progresses. Internal Audit's focus in 2009/10 is on understanding and documenting the core financial and fundamental systems which will assist the understanding of key systems which feed the financial statements.
- 11.3 The Audit Commission will be attending the meeting to answer any questions raised by members on the Annual Audit Plan and Joint Working Protocol.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Audit Plan

Cheshire East Council

Audit 2009/10

January 2010



Contents

Introduction	3
Auditors report on the financial statements	4
Use of resources	8
Audit delivery arrangements	10
Appendix 1 – Basis for fee	14
Appendix 2 – Assertions	16
Appendix 3 – Independence and objectivity	17
Appendix 4 – Working together	19

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Introduction

- 1 This plan sets out the audit work that we propose to undertake at the 2009/10 audit. The main focus of the plan is on the financial statements audit. The plan is based on the Audit Commission's risk-based approach to audit planning. It reflects:
 - audit work specified by the Audit Commission for 2009/10; and
 - current national risks relevant to your local circumstances and local risks.
 - 2 Planning for 2009/10 audit will continue as the audit progresses. We will update the information and fees contained in this plan as necessary.
-

Responsibilities

- 3 The Audit Commission's Statement of Responsibilities of Auditors and of Audited Bodies sets out the respective responsibilities of the auditor and the audited body. The Audit Commission has issued a copy of the Statement to every audited body.
 - 4 The Statement summarises where the different responsibilities of auditors and of the audited body begin and end, and our audit work is undertaken to meet these responsibilities.
 - 5 We comply with the statutory needs governing our audit work, in particular the Audit Commission Act 1998 and the Code of Audit Practice.
-

The audit fee

- 6 We issued our audit fee letter for the 2009/10 audit in April 2009. The fee included in the letter was £401,925 (excluding VAT). Based on our current assessment of risk, we remain satisfied the fee has been set at a suitable level. Therefore, we do not propose any adjustment to the fee at this stage of the audit. If there are any changes to our risk assessment or to our planning assumptions we will discuss these firstly with the Borough Treasurer & Head of Assets. Any changes and their impact on the audit fee, will be recorded in an updated version of the audit plan, which will be presented to the Audit and Governance Committee. The fee of £131,544 for the audit of grant claims is still indicative at this stage.
-

Specific actions the Council could take to reduce its audit fees

- 7 The Audit Commission needs its auditors to tell audited bodies of specific actions it could take to reduce its audit fees. We will work with staff to identify any specific actions the Council could take and to provide ongoing audit support.
-

Auditors report on the financial statements

- 8 We will carry out the audit of the financial statements under the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board (APB).
- 9 We need to issue an audit report which will give an opinion on whether the accounts give a true and fair view of the financial position of the Council as at 31 March 2010.

Identifying opinion audit risks

- 10 We need to understand the audited body to identify any risk of material misstatement (whether due to fraud or error) in the financial statements. We do this by:
 - identifying the business risks facing the Council, including assessing your own risk management arrangements;
 - considering the financial performance of the Council;
 - assessing internal control - including reviewing the control environment, the IT control environment and Internal Audit; and
 - assessing the risk of material misstatement arising from the activities and controls within the Council's information systems.

Assertions

- 11 The Council's management is responsible for the preparation and presentation of financial statements which give a true and fair view of the nature and activity of the Council. Management are therefore required to make statements regarding the recognition, measurement, presentation and disclosures of entries in the financial statements and related disclosures.
- 12 Management representations are referred to as assertions about financial statements. We are required by international accounting standards to check that the financial statements are free from material misstatement at the assertion level. Assertions are made for:
 - Income and Expenditure Account items;
 - Net Assets Statement items; and
 - Disclosures and presentational elements of the financial statements.
- 13 The way in which the assertions link with the three main parts of the financial statements listed above is shown in Appendix 2.

Auditors report on the financial statements

Identification of specific risks

14 We have considered the risks for the current opinion audit and have set these out below.

Table 1 Specific risks

Specific opinion risks identified

Risk area	Audit response
Balances brought forward from the former councils and restatement to comply with International financial reporting standards (IFRS)	Review of processes with senior officers to ensure that balances are brought forward correctly and restated in line with IFRS needs. Testing to ensure that closing balances of the former councils have been brought forward accurately and completely and restated for IFRS purposes.
Loss of continuity in the accountancy team	Regular meetings with the Head of Finance and finance managers to identify any specific risks that might result in large errors in the Council's accounts.
Financial misreporting because of <ul style="list-style-type: none"> the current economic climate; increased financial pressures and to bridge £15.3m funding gap; and the need to achieve significant efficiency savings 	Completion of fraud risk assessments. Continuing discussion with senior officers regarding controls that mitigate the risk of misreporting. Obtain letter of assurance from those charged with governance. Review letter of management representation. Substantively test expenditure and year end cut off arrangements to ensure that expenditure is properly accounted for in the year in which it is incurred.
New financial systems, data migration and developing Internal control arrangements. The Council had adopted the Oracle general ledger from the demised County Council	Monitor the sources of management assurance for data migration and the effectiveness of internal controls, including reliance on Internal Audit. Testing strategy will reflect conclusions drawn from review of internal control arrangements.
Housing benefits	Review and testing of the new integrated system for the purposes of detecting material misstatement or error.

Risk area	Audit response
Valuation of fixed assets	Substantive testing to ensure that asset impairment reviews have been conducted correctly and that assets are correctly valued in the balance sheet.
Shared services	Review and substantive testing of accounting and disclosure arrangements for shared services.

Testing strategy

- 15 Based on the risks identified above we will produce a testing strategy which will consist of testing key controls and/or substantive tests of transaction streams and material account balances at year end.
- 16 We will perform testing both before and after we receive the draft financial statements in June 2010.
- 17 Wherever possible, we will complete some substantive testing earlier in the year before the financial statements are available for audit. We have identified the following areas for performing early substantive testing.
 - Review of accounting policies.
 - Bank reconciliation.
 - Investments – ownership.
 - Year-end feeder system reconciliations.

Any other potential early testing will be discussed with officers.
- 18 Wherever possible we seek to rely on the work of Internal Audit to help meet our responsibilities. Internal Audit is planning to perform work on some of the main financial systems in 2009/10 and we will review this in the following areas to see if we can gain any assurances from it:
 - housing benefits system;
 - council tax and business rates systems;
 - disaggregation of fixed assets and corresponding opening values;
 - debt management, loans and investments systems;
 - review and testing of shared ICT service; and
 - payroll.

Auditors report on the financial statements

- 19 We have developed a joint working protocol with internal audit to enable efficient joint working wherever possible and we will revisit Internal Audit's plan as the year progresses. Internal Audit's focus in 2009/10 is on understanding and documenting the core financial and fundamental systems which will assist our understanding of key systems which feed the financial statements.

Use of resources

- 20** We will consider how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people. This is known as the use of resource assessment. We are also required to assess whether the Council has put in place satisfactory corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources assessment

- 21** Following local government reorganisation, this is the first use of resources (UoR) assessment to be undertaken at the Council. It is a significantly different assessment compared with previous UoR assessments performed at the former councils. The main difference is the strong focus on outcomes achieved. The UoR assessment forms part of the Comprehensive Area Assessment (CAA) and will feed into the Council's annual organisational assessment.
- 22** The UoR assessment will consider how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people. The three themes of the assessment are, managing finances, governing the business and managing resources.
- 23** The key lines of enquiry (KLOE) under the three themes listed above are shown in the table below. The KLOE about natural resources and shown in bold in the table, will not form part of the 2009/10 assessment.

Table 2 Use of resources KLOE 2009/10

Managing finances	Governing the business	Managing resources
Financial planning and financial health	Commissioning and procurement	Natural resources
Understanding costs and performance	Data Quality and use of information	Asset management
Financial monitoring and reporting	Good governance and ethical behaviour	Workforce planning
	Risk management and internal control	

Use of resources

- 24 We have discussed and agreed a project specification for this assessment with officers. The main assessment work will be performed in the period January to March 2010. We plan to issue a draft report in July 2010 and the final report in September 2010.

VFM conclusion

- 25 We need to assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. The Audit Commission specifies each year, which of the UoR key lines of enquiry are the relevant criteria for the VFM conclusion. As part of the assessment, we will review the Council's response to the relevant VFM conclusion issues which were reported to the demised councils in March 2009. The VFM conclusion will be reported to the Governance and Constitution Committee in September 2010.
-

Audit delivery arrangements

Key milestones and deadlines

26 The key milestones and deadlines for the audit are shown in Table 3.

Table 3 **Key deadlines**

Task	Deadline
Financial statements	
Presentation of audit plan to members	January 2010
Understanding the entity, control and early substantive testing	End March 2010
Receipt of accounts	Late June 2010
Working papers given to the auditor	Early July 2010
Start of detailed testing	Early July 2010
Completion of detailed testing	Early September 2010
Issue of draft annual governance report	Early September 2010
Present annual governance report to the Governance and Constitution Committee.	By 30 September 2010
Issue opinion	By 30 September 2010
Issue Annual audit letter	Early November 2010
Use of resources	
Issue project specification	Early December 2009
Complete assessment	End April 2010
Feedback to Council	Continuous
Draft report to Council	Late July 2010
Final report and scores (part of Annual Governance Report)	Early September 2010

27 We will agree with officers, the working papers required to support the entries in the financial statements.

Audit delivery arrangements

The Audit team

28 We show in Table 4 the key members of the audit team for the 2009/10 audit.

Table 4 **Audit team**

Name	Contact details	Responsibilities
Judith Tench District Auditor	J-tench@audit-commission.gov.uk 0844 798 3556	Responsible for the overall delivery of the audit including the quality of outputs, signing the financial statements opinion and VFM conclusion, and liaison with members, the Chief Executive and Treasurer.
Andrea Castling Audit Manager	a-castling@audit-commission.gov.uk 0844 798 3557	Manages, quality assures and coordinates the different parts of the audit work. Key point of contact for the Head of Policy & Performance and Head of Finance. Responsible for preparation of the annual governance report for the Council.
Stephen Nixon Audit Manager	s-nixon@audit-commission.gov.uk 0844 798 7313	
Caroline Devine Performance lead	c-devine@audit-commission.gov.uk 0844 798 3562	Responsible for the delivery of parts of the use of resources work including the value for money conclusion.
Ivan Parkhill Team Leader	I-parkhill@audit-commission.gov.uk 0844 798 3552	Leads the audit team in delivering the audit work programmes. Key point of contact for the Audit and Risk Manager and other finance managers.

Independence and objectivity

- 29 We are not aware of any relationships that may affect the independence and objectivity of the District Auditor and the audit staff. There are no matters to bring to members attention.
- 30 We comply with the ethical standards issued by the APB and with the Commission's requirements for independence and objectivity as summarised in Appendix 3.

Meetings

- 31 The audit team will develop knowledge of your issues to inform our risk-based audit through regular liaison with key officers. Our proposals are set out in Appendix 4.

Quality of service

- 32 We are committed to providing you with a high quality service. The Audit Commission monitors the quality of our service and the most recent report can be viewed by following the attached link [Audit Practice annual quality report \(November 2009\)](#) . This report summarises the results of the quality review of the work of the Commission's own staff as auditors to local government and NHS bodies. The report also includes the views of the Audit Inspection Unit that carried out an independent review of our work.
- 33 The Audit Commission's annual quality report is one of a range of measures aimed at showing our commitment to delivering audit quality. It assures audited bodies and stakeholders about the underlying strength of the Commission's audit practice and compares our audit practice with the firms and the other audit agencies.
- 34 If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact the District Auditor, Judith Tench, in the first instance. Alternatively you may wish to contact the Head of Operations, Terry Carter.
- 35 If we are unable to satisfy your concerns, you have the right to make a formal complaint to the Audit Commission. The complaints procedure is set out in the leaflet 'Something to Complain About' which is available from the Commission's website or on request.

Planned outputs

- 36 We will discuss and agree reports with officers before they are presented to the Governance and Constitution Committee. The planned outputs from the audit are listed in Table 5.

Table 5 **Planned outputs**

Planned output	Indicative date
Audit plan	7 January 2010
Opinion audit plan (updates if required)	To coincide with Governance and Constitution Committee meetings
Use of Resources report	1 September 2010
Annual Governance Report	15 September 2010
Auditor's report giving an opinion on the financial statements	30 September 2010

Audit delivery arrangements

Planned output	Indicative date
Annual Audit Letter	30 October 2010
Final accounts memorandum (if required)	30 November 2010

Sustainability

37 The Audit Commission promotes sustainability in its working practices and we will actively consider opportunities to reduce our impact on the environment. This will include:

- reducing paper flow by encouraging you to submit documentation and working papers electronically;
- use of video and telephone conferencing for meetings if possible; and
- minimising travel.

Appendix 1 – Basis for fee

- 1 The Audit Commission is committed to targeting its work where it will have the greatest effect, based upon assessments of risk and performance. This means planning work to address areas of risk relevant to our audit responsibilities and reflecting this in the audit fees.
- 2 We identify risks after taking account of:
 - the significant financial and operational risks applying to the Council;
 - knowledge of the Council and cumulative knowledge of the former councils;
 - planning guidance issued by the Audit Commission;
 - the specific results of previous work performed at legacy councils;
 - interviews with Council officers; and
 - liaison with Internal Audit.

Assumptions

- 3 In setting the fee, we have assumed that:
 - the level of inherent risk, as a result of local government reorganisation, is high;
 - you will inform us of significant developments impacting on the audit;
 - Internal Audit meets the appropriate professional standards;
 - We can place reliance on some Internal Audit work for the purposes of our audit;
 - good quality working papers and records will be provided to support the financial statements by 30 June 2010;
 - requested information will be provided within agreed timescales;
 - prompt responses will be provided to draft reports; and
 - additional work will not be required to address questions or objections raised by local government electors.
- 4 We will be required to undertake additional work which is likely to result in an increased audit fee, if these assumptions are not met.

Fee summary

- 5 A summary of the audit fee for 2009/10 is provided in the table below.

Appendix 1 – Basis for fee

Table 6 Audit fee

Audit area	Planned fee 2009/10 £'000
Planning, controlling and reporting	£70
Financial statements	£170
Use of resources	£160
Total audit fee	£402
Grant claims (estimate)	£132
National fraud initiative	To be advised

Appendix 2 – Assertions

We are required to test whether the financial statements are free from material misstatement at the assertion level

Assertion	What does it mean	Income and expenditure Account	Net Assets Statement	Disclosure
Accuracy	Is it recorded at the right amount and are the details right? Has it been coded correctly?	✓		✓
Classification	Is it in the right place, under the right headings in the accounts?	✓		✓
Completeness	Is everything that should be in the statements all there?	✓	✓	✓
Cut-off	Is it in the right year?	✓		
Existence	Does the asset or liability exist and is it still owed or owing at the end of the year?		✓	
Occurrence	Has it happened and does it relate to the Council?	✓		✓
Rights and obligations	Does it belong to the Council?		✓	✓
Valuation and allocation	Is it included at an appropriate amount and properly recorded in the right place?		✓	✓

Appendix 3 – Independence and objectivity

- 1 Auditors appointed by the Audit Commission are required to comply with the Commission's Code of Audit Practice and Standing Guidance for Auditors, which defines the terms of the appointment. When auditing the financial statements, auditors are also required to comply with auditing standards and ethical standards issued by the Auditing Practices Board (APB).
- 2 The main requirements of the Code of Audit Practice, Standing Guidance for Auditors and the standards are summarised below.
- 3 International Standard on Auditing (UK and Ireland) 260 (Communication of audit matters with those charged with governance) requires that the appointed auditor:
 - discloses in writing all relationships that may bear on the auditor's objectivity and independence, the related safeguards put in place to protect against these threats and the total amount of fee that the auditor has charged the client; and
 - confirms in writing that the APB's ethical standards are complied with and that, in the auditor's professional judgement, they are independent and their objectivity is not compromised.
- 4 The standard defines 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, the appropriate addressee of communications from the auditor to those charged with governance is the Audit and Governance Committee. The auditor reserves the right, however, to communicate directly with the Council on matters which are considered to be of sufficient importance.
- 5 The Commission's Code of Audit Practice has an overriding general requirement that appointed auditors carry out their work independently and objectively. The Code also needs auditors to ensure that they do not act in any way that might give rise to, or could reasonably be perceived to give rise to, a conflict of interest. In particular, appointed auditors and their staff should avoid entering into any official, professional or personal relationships which may, or could reasonably be perceived to, cause them inappropriately or unjustifiably to limit the scope, extent or rigour of their work or impair the objectivity of their judgement.

- 6 The Standing Guidance for Auditors includes a number of specific rules. The key rules relevant to this audit appointment are as follows.
- Appointed auditors should not perform additional work for an audited body (ie work over and above the minimum required to meet their statutory responsibilities) if it would compromise their independence or might give rise to a reasonable perception that their independence could be compromised. Where the audited body invites the auditor to carry out risk-based work in a particular area that cannot otherwise be justified as necessary to support the auditor's opinion and conclusions, it should be clearly differentiated within the Audit and Inspection Plan as being 'additional work' and charged for separately from the normal audit fee.
 - Auditors should not accept engagements that involve commenting on the work performed by other auditors appointed by the Commission on Commission work without first consulting the Commission.
 - The District Auditor responsible for the audit should, in all but the most exceptional circumstances, be changed at least once every five years.
 - The District Auditor and senior members of the audit team are prevented from taking part in political activity on behalf of a political party, or special interest group, whose activities relate directly to the functions of local government or NHS bodies in general, or to a particular local government or NHS body.
- 7 The District Auditor and members of the audit team must comply with the Commission's policy on gifts, hospitality and entertainment.

Appendix 4 – Working together

Meetings

8 Our proposal for meeting with officers and committees is as follows.

Table 7 Proposed meetings with officers and committees

Council officers/committee	Audit Commission staff	Timing	Purpose
Borough Treasurer & Head of Assets	District Auditor and Audit Manager	Six weekly	General update plus: January - audit plan July and August - accounts progress September - annual governance report.
Head of Finance	Audit Manager and Team Leader	Every two months	Update on audit issues.
Senior Finance Manager and accountancy lead	Audit Manager and Team Leader	Monthly and every two weeks during July and August	Update on audit issues.
Governance and Constitution Committee.	District Auditor and Audit Manager, with Team Leader as necessary	As determined by the Committees.	Formal reporting of: Audit Plan, Annual governance report, Other as required.

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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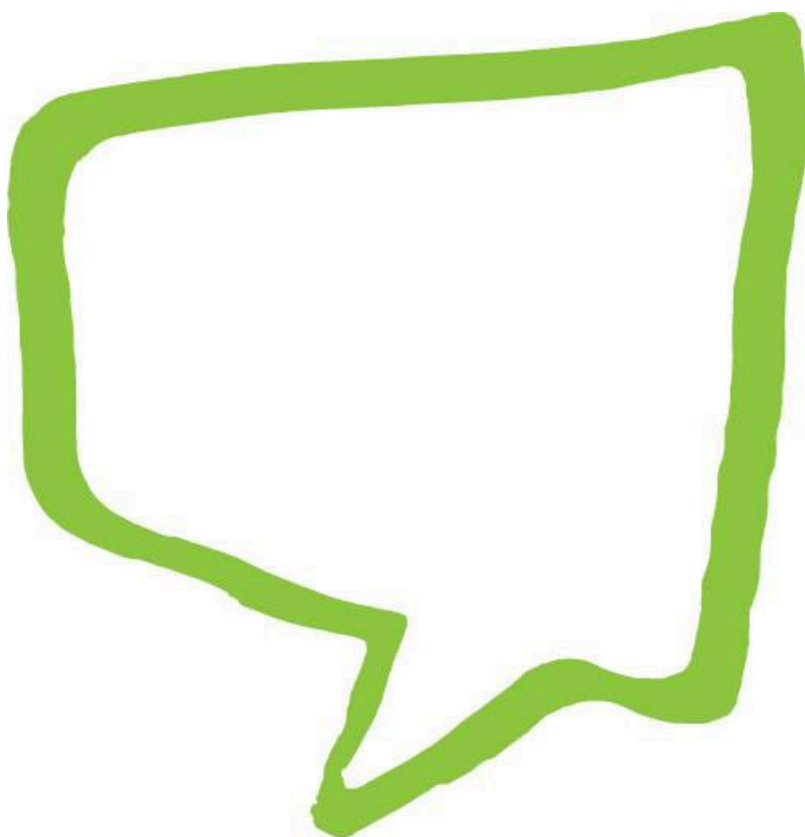
Protocol For Joint Working With Internal Audit

Project Brief

Cheshire East Council

Audit 2009/10

January 2010



Contents

Introduction	3
Objectives of the protocol	4
Respective roles of auditors	5
Areas where external audit are likely to place reliance on internal audit	6
Co-operation and co-ordination	8
Appendix 1 – contact details	11

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Introduction

- 1 The Audit Commission's Code of Audit Practice requires external auditors to carry out their audit economically, efficiently and effectively, and in as timely a way as possible. It specifies that as part of their audit approach, auditors should establish effective co-ordination arrangements with internal audit and seek to place maximum reliance on internal audit work wherever possible.
- 2 Although internal and external auditors carry out their work with different objectives in mind, many of the processes are similar and it is sensible and good professional practice that they should work together closely.
- 3 This protocol sets out the proposed working relationship that should exist between internal audit and external audit.
- 4 This protocol will take effect from the audit year 2009/10 and will be subject to annual review.

Objectives of the protocol

- 5 The objective of this protocol is to provide a framework which will optimise the benefits of audit to the Council, whilst enabling internal and external audit to deliver their respective responsibilities. It sets out how internal and external audit will work together to achieve this.
- 6 The protocol aims to:
 - clarify the respective roles of external and internal audit;
 - highlight areas where external audit are likely to place reliance on internal audit; and
 - establish a framework for co-operation in the planning, conduct and reporting of the audit.
- 7 Overall the protocol should promote an effective working relationship, within the bounds of the respective roles of internal and external audit, and maximise the benefit to the Council from available audit resources.
- 8 This protocol covers all aspects of the audit and takes account of external audit responsibilities under the International Auditing Standards (UK and Ireland) (ISAs (UK&I)).

Respective roles of auditors

- 9 Table 1 outlines the respective roles of external and internal audit. The roles and objectives are different but complementary. There are therefore benefits to be gained from working together, and from external audit relying on internal audit's work. Any such reliance is governed by International Auditing Standard (ISAs) (UK and Ireland) 610. This standard requires external audit to review internal audit's work, which usually involves them re-performing specific tests as well as more general review.

Table 1 **Respective roles of auditors**

Internal Audit	External Audit
<p>CIPFA's Code of Audit Practice for Internal Audit in Local Government in the United Kingdom 2006 (the Code) defines internal audit as an 'assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.'</p> <p>Internal audit must have documented terms of reference that accord with the requirements of the Code.</p> <p>The key output from internal audit is the annual opinion on the Council's control environment which should be reported to the Audit and Governance Committee.</p>	<p>To reflect the special accountability attached to public money and the conduct of public business, external audit in local government is characterised by the following three distinctive features.</p> <ul style="list-style-type: none"> • Auditors are appointed independently by the Audit Commission. • The scope of auditors' work covers the audit of financial statements, probity in the use of public money and value for money in the use of resources. • Auditors may report aspects of their work widely to the public and other key stakeholders.
<p>Internal Audit's strategy and plan is agreed between internal audit and management and should be approved by the Governance and Constitution Committee, and cannot be directed by external audit.</p>	<p>External audit conduct their work in accordance with International Standards on Auditing (ISAs) (UK and Ireland) and with the Audit Commission's Code of Audit Practice.</p>

Areas where external audit are likely to place reliance on internal audit

- 10 Where the work internal audit undertakes for its own purposes overlaps with work that the external auditor would undertake to comply with the Code of Audit Practice, external audit may seek to place reliance upon the work of internal audit.
- 11 International Auditing Standard (ISA) 315 sets out the requirement for external audit to understand the audited body and its environment, including internal control. This is a key area where internal audit's work is likely to be relevant to the external auditor. Relevant extracts in relation to ISA 315 are provided in Table 2.

Table 2 ISA (UK and Ireland) 315: Relevant extracts

- The auditor should obtain an understanding of internal control and the control environment relevant to the audit.
- The auditor should obtain an understanding of the entity's process for identifying business risks relevant to financial reporting objectives and deciding about actions to address those risks, and the results thereof.
- The auditor should obtain an understanding of the information system, including the related business processes, relevant to financial reporting.

- 12 The objective for external audit is to review the outcomes from internal audit's work each year to determine the extent to which reliance can be placed to meet ISA 315 requirements. There will be limited scope to achieve this in 2009/10, but we are planning to meet this objective for 2010/11 onwards.
- 13 Where external audit rely on internal audit work, this reliance is governed by International Auditing Standard (ISA) 610, relevant extracts of which are reproduced below. This requires external audit to first evaluate internal audit's work to confirm that it is adequate for external audit's purposes. This is likely to involve external audit re-performing some of internal audit's work.

Table 3 ISA (UK and Ireland) 610: Relevant extracts

- The external auditor should consider the activities of internal audit and their effect, if any, on external audit procedures.
 - The external auditor should obtain a sufficient understanding of internal audit activities to identify and assess the risks of material misstatement of the financial statements and to design and perform further audit procedures.
 - The external auditor should perform an assessment of the internal audit function when internal auditing is relevant to the external auditor's risk assessment.
 - When the external auditor intends to use specific work of internal auditing, the external auditor should evaluate and perform audit procedures on that work to confirm its adequacy for the external auditor's purposes.
-

- 14** To meet the requirements of the ISA, the Audit Commission requires auditors to undertake a review of internal audit to establish compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom (2006). We will need to undertake this review in 2009/10.

Co-operation and co-ordination

- 15 Effective co-operation between external and internal auditors means more than avoiding duplication. An effective framework of co-operation and co-ordination ensures liaison, co-operation on work programmes and the sharing of information. Reflecting this, the protocol covers:
- liaison meetings;
 - external audit reliance on internal audit work;
 - arrangements for sharing documents and information;
 - arrangements for pre-Governance and Constitution Committee liaison; and
 - external audit's review of internal audit's work.
- 16 The principles of co-operation and co-ordination, and suggested agreed actions are set out in Table 4.

Table 4 Co-operation - principles and details

Liaison Meetings
Regular meetings should be arranged between the Internal Audit Manager and the External Audit Manager to discuss audit planning (in particular, to avoid unnecessary duplication of planned audit work), audit progress and any other issues of mutual interest.
Agreed action <ul style="list-style-type: none"> • Hold regular liaison meetings. • Arrange specific meetings as and when necessary.
External audit reliance on internal audit work
<p>Internal audit prepares its strategic and annual plans independently, on the basis of its assessment of the risks existing at the Authority. It is likely that some of this work will be in areas in which external audit will wish to obtain assurance to meet their Code of Audit Practice responsibilities. It is appropriate for external audit to seek to place reliance on internal audit's work, subject to internal audit having complied with internal audit standards when undertaking the work.</p> <p>It is good practice to identify what work external audit will be seeking to place reliance upon during planning. This ensures that the proposed work meets the timetable and requirements to enable external audit to place reliance upon it, for example, that appropriate sampling is used.</p> <p>If following review external audit is unable to rely on internal audit's work because it does not meet the required standard or because it is late, this will result in additional audit work being undertaken by external audit, which may lead to an increased external audit fee.</p>

External audit reliance on internal audit work
<p>Agreed action</p> <ul style="list-style-type: none"> • Internal audit will inform external audit of any changes to or delays to audit work included in the agreed areas of reliance. • External audit will discuss promptly with internal audit any issues arising that would prevent it from placing reliance on internal audit's work.
Arrangements for sharing documents and information
<p>It will enhance understanding and effectiveness if audit reports and other audit information are shared promptly.</p> <p>Agreed action</p> <ul style="list-style-type: none"> • Internal audit will provide external audit with: <ul style="list-style-type: none"> – final audit reports and associated working paper files; – details of any significant changes to the audit plan; and – key documents, in particular the terms of reference, audit strategy and audit plan; – details of any cases of fraud and corruption at the regular liaison meetings • External audit will provide internal audit with copies of: <ul style="list-style-type: none"> – final reports; and – details of any significant changes to the audit plan • External and internal audit will communicate promptly to the other auditor any significant concerns arising that the auditor feels should be dealt with other than through the usual reporting arrangements set out in this protocol.
Arrangements for pre-Governance and Constitution Committee liaison
<p>It is important that a Governance committee meeting focuses on dealing effectively with the issues set out on the agenda.</p> <p>Agreed action</p> <ul style="list-style-type: none"> • Consider whether prior to a Governance and Constitution Committee meeting, there is a need for auditors to liaise to address any issues that may inhibit an effective Governance and Constitution Committee meeting.

External audit's approach to its review of internal audit

External auditors review the work of internal audit for two main purposes.

- To establish if internal audit is undertaking its role effectively in accordance with internal audit standards.
- To determine what reliance can be drawn from internal audit work in relation to the external auditor's Code of Audit Practice responsibilities.
- The Accounts and Audit (Amendment) (England) Regulations 2006 require that an Authority review the effectiveness of the systems of internal audit. This review is the responsibility of the Authority and is not intended to be a review carried out by the external auditor. Guidance on how the Authority discharges this responsibility is available from the Institute of Public Finance.

Agreed action

- External audit will undertake an annual review of the internal audit work that it intends to place reliance upon and a periodic review of internal audit against audit standards.

Appendix 1 – contact details

Table 5 Internal Audit

Head of Policy and Performance	Russ Glennon
Borough Treasurer and Head of Assets	Lisa Quinn
Head of Internal Audit and Compliance	Vivienne Quayle
Audit Manager	Jon Robinson
Audit Manager	Neil Taylor
Address	Cheshire East Council Westfields Middlewich Rd Sandbach CW11 1HZ
Telephone	01270 529684
Email	vivienne.quayle@cheshireeast.gov.uk

Table 6 Audit Commission

District Auditor	Judith Tench
Audit Manager	Andrea Castling
Audit Manager	Stephen Nixon
Team Leader	Ivan Parkhill
Address	Audit Commission 1st Floor, Block 4 The Heath Business and Technical Park Runcorn Cheshire WA7 4QF
Telephone	0844 798 3556
Email	j-tench@audit-commission.gov.uk gs-parry@audit-commission.gov.uk m-whiteley@audit-commission.gov.uk

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of meeting: 21st January 2010
Report of: Head of Internal Audit and Compliance
Title: Update on Annual Governance Statement

1.0 Purpose of Report

- 1.1 The purpose of the report is to summarise the situation on Annual Governance Statements for 2008/09 and 2009/10 and to recommend a process for completion of the AGS for 2009/10 in accordance with necessary requirements. Appendix A provides a full report on 2008/09 Annual Governance Statements and issues going forward for the completion of the 2009/10 statement.

2.0 Background

- 2.1 The Accounts and Audit Regulations (2003 as amended) require the production of an Annual Governance Statement. It is good practice to agree the process to establish the statement and the appropriate input with Members in advance and this is what this item seeks to address.
- 2.2 Members of the Committee have already received a briefing on the AGS process on 8th June at a formal training session and this report builds on what was discussed at that time in advance of the year end.

3.0 Recommendations

- 3.1 That the Committee consider and endorse the approach reviewing Corporate Governance and the production of the Annual Governance Statement.

4.0 Financial Implications for Transition Costs

- 4.1 None

5.0 Financial Implications 2009/10 and beyond

- 5.1 No specific financial implications. The production of the AGS is designed to align with the production of the Annual Accounts (draft by end June of each year) and will be published alongside the audited accounts (approved by end September).

6.0 Legal Implications

- 6.1 The production on the AGS is required by the Accounts and Audit Regulations and the process suggested in the report is designed to meet this obligation.

7.0 Risk Assessment

- 7.1 The process and success of Corporate Governance arrangements is part of the authorities overall approach to managing risk.

8.0 Training

- 8.1 Members received training on AGS and the statutory accounting process in June 2009 and a further series of training sessions are being planned. These will include ethics and risk management specifically for Governance and Constitution Committee and will be co ordinated by the Member Development officer as part of the overall member development strategy and plan.

9.0 Reasons for Recommendations

- 9.1 To ensure that the Committee influences and understands the process for the production of the Annual Governance statement.

For further information:

Portfolio Holder: Councillor David Brown

Officer: Vivienne Quayle, Head of Internal Audit and Compliance

Tel No: 01270-529684

Email: vivienne.quayle@cheshireeast.gov.uk

Background Documents:

Local Government Act 1972

Accounts and Audit Regulations (2003 and updated 2006)

CIPFA Internal Audit Code of Practice

Code of Corporate Governance

Delivering Good Governance in Local Government (CIPFA/SOLACE)

Report to Governance and Constitution Committee

Update on issues relating to the Annual Governance Statement

21st January 2010

1.0 Purpose

- 1.1 The Governance and Constitution Committee reviewed the Annual Governance Statements (AGS) prepared by each predecessor council (excluding Cheshire County Council) contained within the Draft Statement of Accounts for 2008/09 at its meeting on 25 June 2009. The AGS' included key messages that were put to Cheshire East for consideration as it develops its own governance framework. This report provides a summary of the issues contained within the predecessor Council's AGS' (Appendix 1) that are considered relevant to Cheshire East Council.
- 1.2 The purpose of this report is also to facilitate compliance with the requirements of the Accounts and Audit Regulations (2003 as amended) and, consequently, it provides Members with the proposed process for compiling the AGS in order that Members may endorse the approach.

2.0 Annual Governance Statement (Predecessor Council's)

- 2.1 Local government bodies are responsible for producing an annual governance statement along with their financial statements. In areas that were subject to restructuring the following arrangements applied:
- regulations prescribed that governance statements had to be prepared by each predecessor council drawing on their review, assurance and sign off processes for the period up until 31 March 2009
 - the governance statements had to be provided and signed off by the predecessor council's head of paid service and its leader
 - an addendum or supplementary supporting statement must be made and agreed by the successor council (or its s151 officer) if necessary to reflect any issues that arose in finalising the statements of accounts post the reorganisation date
- 2.2 Consequently, the Governance Committee reviewed the Annual Governance Statements prepared by each predecessor council (excluding Cheshire County Council because Accounts were closed by Cheshire West and Chester) contained within the Draft Statement of Accounts for 2008/09 at its meeting on 25 June 2009.
- 2.3 The AGS' included key messages that were put to Cheshire East for consideration. The Internal Audit Plan for 2009/10 included a review of the predecessor Council's AGS' in order to ensure that issues are considered/addressed whilst the Council develops its own governance framework. A summary of the review to date is shown in Appendix 1. The inclusion or comment on any area or function in this report does not indicate that

matters are being escalated to Members for further action, however the progress should be reviewed because:

- in order for the Council to derive maximum benefit from the governance process actions may need to be addressed by Cheshire East
- the issues may remain relevant to the production of the 2009/10 Annual Governance Statement.

3.0 Annual Governance Statement 2009/10 (Cheshire East)

- 3.1 Regulation 4 of the Accounts and Audit Regulations (2003 as amended) requires the Council to conduct a review at least once a year of governance arrangements. The statutory reporting requirement for the AGS is linked to the publication of the Council's financial statements (end of September for the 2009/10 financial year). Furthermore, although the AGS relates to the year ended 31 March 2010 it must be based on key controls that will continue to operate until the publication of the Statement of Accounts.
- 3.2 The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses. The results of the review will be reported to the Governance and Constitution Committee in June 2010 in order that the AGS is approved.
- 3.3 In considering whether to approve the AGS, the Governance and Constitution Committee should seek to support the disclosures made and be satisfied:
- with the process
 - that the evidence supports the disclosures made in the AGS

Consequently, the proposed process needs to be fully accepted and endorsed by the Committee.

4.0 Review of Corporate Governance Arrangements

- 4.1 It is proposed that the review of governance arrangements that have been in place for the year ended 31 March 2010 will be informed by the work of the Internal Auditors and the Executive Managers and also by comments made by the External Auditors and other review agencies/ inspectorates. The sources of assurance will include:
- Directors and Managers assigned with the ownership of risks and delivery of services through the risk management process
 - The s151 Officer and the Monitoring Officer in meeting statutory responsibilities
 - Internal Audit – through the annual and interim reports
 - External Audit through reports and the Management and Inspection letter
 - Outcomes from other review agencies and inspectorates
 - Directors and Senior Managers who independently sign off on the adequacy of controls within their service areas via disclosure statements

- Designated officers who complete AGS self-assessment questionnaires (In this way compliance with the Council's Code of Corporate Governance will be evidenced)
- Designated officers who complete control & risk self- assessment questionnaires

4.2 The AGS will be considered by the Corporate Management Team with work being co-ordinated by the Corporate Governance Group.

4.3 In order that Members may discharge their duties the Committee has/will receive(d) reports, information and training throughout the period under review including:

- the Internal Audit Annual Report for 2009/10 (timed to support production of the AGS)
- interim update reports from Internal Audit
- update reports on Risk Management
- an update report on issues contained within the predecessor Council's AGS' that are considered relevant to Cheshire East Council
- a workshop that examines the draft AGS and supporting documentation (timed to support the production of the draft statement of accounts)

4.4 The Governance and Constitution Committee will critically review the AGS and its supporting documentation and, in considering whether to approve the Statement, seek to satisfy itself that Management has obtained relevant and reliable evidence to support the disclosures made. The AGS will, subject to approval by the Governance and Constitution Committee, be signed off by the Chief Executive and the Leader of the Council and published with the Council's financial statements.

5.0 The System of Internal Audit

5.1 Regulation 6 of the Accounts and Audit Regulations 2003 (as amended) requires the authority to conduct an annual review of the effectiveness of its system of internal audit. It is proposed that the 2009/10 review is undertaken using the following checklists:

- compliance with the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
- self-assessment - measuring the Effectiveness of the Audit Committee

5.2 The Corporate Governance Group will co-ordinate the assessments with the results being fed into the review of the Council's governance arrangements. Consequently, the detailed outcome of the review will be considered by the Governance and Constitution Committee as part of the AGS approval process.

Summary of issues arising from Annual Governance Statements for Demising Authorities

Demising Authority	Issue	Summary update
Cheshire County Council	Business Continuity Complete and test fully Business Continuity Plans for business critical systems.	Cheshire East's Business Continuity Plan was approved by the Cabinet on 14 July 2009 following recommendation from the Governance & Constitution Group. BCPs are in place for all critical activities with particular focus on loss of staff. Work is currently under way to develop plans further for other scenarios. A Corporate exercise has been conducted to test plans for the Flu Pandemic and individual services are testing their own plans. Adult Social Care has also conducted a major test of their plan.
	Disaster Recovery Plans for more significant testing of ICT disaster recovery plans are being considered as part of planning to move to the new Data Centre	Work to be completed in Quarter 4.
	Transition of Business Support Systems and Processes Officers of CWaC/CE to confirm arrangements for back office shared service and business processes so that the Oracle Project Manager and Work Stream Leaders can ensure timely and effective delivery of financial and business	A working group, lead by Lisa Quinn, was established in June 2009 to look at the delivery of "Business Support", this covers the areas of: <ul style="list-style-type: none"> • Corporate Support Services (e.g. HR, Finance, Legal) • Back Office Transactional Processes (e.g. Income, Payments, Payroll) • Cross Cutting Business Activities (e.g.

Demising Authority	Issue	Summary update
	support systems	<p>Information Management, IT Commissioning, Facilities Management).</p> <p>In November 2009, this group submitted a paper to Corporate Management Team proposing a Programme Board with Client and Provider roles, which was agreed.</p>
	<p>Children's Services – Safeguarding</p> <p>OFSTED review has specific recommendations for continuing further improvement, in particular those relating to:</p> <ul style="list-style-type: none"> ▪ Management structures for the new social care teams ▪ Reviewing social worker generic caseloads ▪ Issues relating to the implementation of PARIS ▪ Continuing the monthly monitoring through performance clinics of assessment performance as a key strategy for improving performance ▪ The development of integrated services and the effective implementation of the Common Assessment Framework ▪ Developing both a social care and a multi-agency response to the Haringey JAR and Lord Laming's report <p>Independently auditing cases of children under five years with a child protection plan</p>	<p>Work scheduled for Quarter 4, See also PARIS implementation.</p>
	Engagement and payment for Consultants	<p>A focused audit of the procurement process is on-going which is reviewing and evaluating adherence to</p>

Demising Authority	Issue	Summary update
	Managers to ensure appropriate monitoring processes are in place and maintained through to the new Authorities	the Council's prescribed procurement procedures. This includes the engagement of consultants. Work is currently on going, with results being fed through the AGS process.
	Implementation of PARIS system Management should continue to closely monitor progress with the PARIS system to ensure it is fully implemented and the CRRIS system decommissioned by July 2009 without any further slippage	It was planned to implement the final phase of PARIS in February 2010, however the delivered software was unusable and the supplier was unable to indicate a date when a working version of the software could be delivered. As a consequence, operation of CRRIS must continue for some months beyond February 2010 and possibly longer. Cheshire East Internal Audit continues to monitor progress and provide assurance on PARIS.
	Awareness of Whistleblowing Policy Need to ensure that staff awareness of corporate policies and procedures, including the whistleblowing policy, is raised. This should be incorporated into induction arrangements for new staff including those on temporary contracts.	The whistle blowing protocol was approved in October 2008. One aspect that needs to be developed is the link between this protocol, the safeguarding agenda and the "no secrets" policy within "People" services. There is now a summary of the protocol on the intranet and internet and this route has been used for a number of whistleblowing reports. Work has commenced to ensure that the process complies with best practice.
	Capacity Future actions need to be determined through budget and service planning processes.	No work planned.
Congleton	Code of Corporate Governance	A Code of Corporate Governance was approved by

Demising Authority	Issue	Summary update
Borough Council	Ensure a Code of Corporate Governance is adopted at the earliest opportunity.	the Governance and Constitution Committee in November 2009. Work is necessary to complete an initial self- assessment against the CIPFA/SOLACE Good Governance Framework (In this way compliance with the Council's Code of Corporate Governance will be evidenced.
	Single Status Hoped that CE will complete the work carried out by Congleton Borough Council on single status and it is recommended that any upward revision of salaries should be backdated to 1 st October 2006, subject to affordability.	This remains under review by HR and has been discussed with relevant Union officers. As staff are placed and recruited into jobs within Cheshire East this issue becomes less of a risk to Cheshire East. Job evaluation and equal pay are issues being addressed by Cheshire East but it is likely to be inappropriate to now implement retrospectively any potential job evaluation issues from the predecessor authorities.
	Judicial review costs Congleton Borough Council holds the benefit of funding agreements entered into with 9 other authorities in respect of the Court of Appeal case regarding LGR which should produce contributions in respect of any DCLG legal expenses which may be claimed in the future. The 10 th contributing authority is Crewe and Nantwich Borough Council which will produce no net contribution as it is one of the constituent authorities of Cheshire East Council.	All contributions expected for judicial review costs have been collected. A remaining issue related to the likelihood of the government making a claim for their costs in defending the judicial review (which the ruling entitled them to make). No claim has been made and it can now be assumed that one is unlikely to be made given the circumstances and reorganisation. Should the government make the claim, the funding agreements allow a contribution to be made from contributing authorities. These remain in safekeeping and would be used if ever required.
Crewe & Nantwich Borough Council	Constitution Alterations to the Constitution	In February 2009 Cheshire East Council formally adopted its Constitution to take effect from 1 April 2009. An updated version as since been adopted to take effect from 14 December 2009.

Demising Authority	Issue	Summary update
	Partnerships (a) Improved guidance/training should be provided to Members on their partnership roles and responsibilities; and (b) A Partnership Policy should be in place which identifies the protocols required for partnership working	Identified as part of the AGS assessment, to be progressed by the Governance Working Group.
	Risk Management Core matters relating to risk management which have remained outstanding during 2008/09 are: (a) A Risk Panel including Officer/Member representation should be formed; (b) The Risk Register should reflect more clearly risks relating to the Council's key objectives; and (c) Refresher training for Members and Senior Officers should be provided	Subject to separate update report. Cheshire East does have a Corporate Risk Group and has developed it strategic risk register. There is an action plan in place for embedding risk management and for continuous improvement
Macclesfield Borough Council	Data Quality Strategy CE will need to maintain vigilance with regard to data quality to ensure the new authority is confident in its information and processes from day one	A review of the current National Indicator processes and controls in place within Cheshire East Council was undertaken as part of the 2009/10 audit plan. A draft audit report was issued in December 2009 and will be finalised in the fourth quarter.
	Counter fraud arrangements Cheshire East will need to approve a Whistleblowing Policy and an Anti Fraud and Corruption Policy which staff and Members must then be trained to use	The Anti Fraud and Corruption Strategy was approved by cabinet in June 2009 following consultation with the Governance and Constitution Committee. The strategy was discussed at Senior Management Team and a summary document circulated in July 2009 and the policy is in a prominent place on the intranet. The contents should now be included in staff induction and further

Demising Authority	Issue	Summary update
		<p>awareness raising will form part of an “ethical standards” aspect of the Corporate Training programme.</p> <p>The Anti Money Laundering policy was approved by cabinet on 6th October 2009 following extensive consultation with internal officers and the Governance and Constitution Committee.</p>
	<p>Code of Corporate Governance</p> <p>CE will need to approve a Code of Corporate Governance which staff and Members must then be trained to use</p>	<p>See Above.</p>
	<p>Area/Neighbourhood Forums</p> <p>Area/neighbourhood forums should be developed by CE to improve community engagement and service delivery</p>	<p>The Local Area Partnerships (LAPs) for Cheshire East are now in place and all have action plans. The LAPs link to the Thematic partnerships and the overall Local Strategic Partnership.</p>

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CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of meeting: 21st January 2010
Report of: Head of Internal Audit and Compliance
Title: Internal Audit Plan 2009/10 and Update Report

1.0 Purpose of Report

- 1.1 The purpose of the report is to update the Governance and Constitution Committee on the internal audit issues arising; progress against the audit plan 2009/10; revisions to the plan and to summarise work during the period and in the remainder of the year.

2.0 Background

- 2.1 Internal Audit is a function required under Section 151 of the Local Governance Act 1972 and the Accounts and Audit Regulations 2003. It is an integral part of the governance framework of the Council and supports continuous improvement and the maximising of efficiency.
- 2.2 The report attached at Appendix A (including Appendix 1) covers the emerging issues arising in each aspect of internal audit's work and the revisions to the plan necessary to give appropriate assurance during 2009/10.

3.0 Recommendations

- 3.1 That the Committee note the issues identified, endorse the approach to achieving adequate audit coverage in the last quarter and discuss future audit issues and ways of working as appropriate.

4.0 Financial Implications for Transition Costs

- 4.1 None.

5.0 Financial Implications 2009/10 and beyond

- 5.1 The internal audit team must be appropriately staffed and resourced to comply with statutory and best practice requirements. The budget for the internal audit function currently provides for sufficient staffing levels to fulfil this function.

6.0 Legal Implications

- 6.1 The existence of internal audit derives from a number of statutes as identified earlier in the report.

7.0 Risk Assessment

- 7.1 Internal Audit is part of the overall risk management of the authority. Lack of appropriate controls could damage the reputation of the Council, lead to inefficiency and increases the risk of fraudulent activity.
- 7.2 A risk based approach to audit will be taken, linking the audit plan to corporate risks and to the fraud risk register.

8.0 Training

- 8.1 There are a number of areas of training required to assist continuous professional development of qualified staff, professionally qualify existing staff and to up skill staff as audit practices develop. Officers investigating allegations of fraud and corruption must possess good knowledge of relevant legislation such as the Fraud Act 2006, Theft Act 1968, Theft Act 1978, PACE 1984, Employment Law, DPA 1998, RIPA 2000 and the Council's investigation procedure.

9.0 Reasons for Recommendations

- 9.1 To ensure that the Committee influences the development of the internal audit processes and understands the audit coverage, emerging issues and the link between good Corporate Governance and effective internal audit. In addition that the findings and recommendations are given appropriate attention in order to improve and give assurance on the internal controls within the authority.

For further information:

Portfolio Holder: Councillor David Brown

Officer: Vivienne Quayle, Head of Internal Audit and Compliance

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Background Documents:

Local Government Act 1972

Accounts and Audit Regulations (2003 and updated 2006)

CIPFA Internal Audit Code of Practice

Report to Governance and Constitution Committee

Internal Audit Update and Plan 2009/10

21st January 2010

1.0 Purpose

1.1 The Accounts and Audit Regulations 2003 as amended state that Cheshire East Council must make provision for Internal Audit in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. The purpose of this report is to facilitate compliance with the requirements of the Code of Practice and, consequently, it provides Members with emerging issues in respect of the whole range of areas to be covered in the formal annual report including:

- a summary of the implications arising from the findings of Internal Audit work carried out in the period 1 September to 31 December 2009 and in particular issues that the Head of Internal Audit judges particularly relevant to the Annual Governance Statement (AGS)
- the adequacy of management response to Internal Audit recommendations
- progress against the Audit Plan
- compliance with the Code of Practice

1.2 This information is provided to the Committee in order that Members may discharge the following duties:

- reviewing internal audit performance
- monitoring and reviewing the main issues arising and actions taken on audit recommendations

2.0 Emerging Issues

2.1 The Audit Plan, which was endorsed by the Governance and Constitution Committee in September, is designed to allow Internal Audit to offer an opinion on the adequacy and effectiveness of the Council's risk management, control and governance processes. Consequently, the plan was developed to ensure that audit activity concentrated on the following areas:

- Supporting Corporate Governance
- Core Financial and Fundamental Systems
- Key Service and Departmental Systems
- Counter Fraud and Probity
- Value for Money/Strategic Reviews

2.2 In accordance with the CIPFA Code of Practice for Internal Audit in Local Government the opinion must be included in an annual report. The Head of Internal Audit must also make arrangements for interim reporting to the

Committee in the course of the year that address emerging issues in respect of areas to be covered in the formal annual report.

- 2.3 The following paragraphs set out the main themes emerging from audit work carried out in the period 1 September to the 31 December 2009. Where relevant, the report outlines the status of the work and Management's responses and agreed actions. A more detailed summary of the issues identified in the quarter, together with a brief description of progress against the plan, can be seen in Appendix 1.
- 2.4 The inclusion or comment on any area or function in this report does not indicate that matters are being escalated to Members for further action. Member's interest in internal audit should be restricted to gaining an assurance that the organisation's system of internal control is adequate and that where audit does not consider this to be the case that action is taken to ensure that any shortcomings are rectified promptly. Internal Audit routinely follow- up the recommendations that have been made and will bring to the attention of the Committee any relevant areas where significant weaknesses have not been addressed by Management.

3.0 Supporting Corporate Governance - Annual Governance Statement

- 3.1 In accordance with Regulation 4 of the Accounts and Audit Regulations the Council is required to conduct a review at least once a year of the effectiveness of its governance arrangements and publish an Annual Governance Statement (AGS) each year with the Authority's financial statements.
- 3.2 Internal Audit has assisted Management in the production of the Council's AGS for 2009/10 by:
- Developing the Council's Code of Corporate Governance (approved by the Committee in November 2009)
 - advising on the assurance gathering process (see separate report)
 - completing an initial self- assessment against the CIPFA/SOLACE Good Governance Framework (In this way compliance with the Council's Code of Corporate Governance will be evidenced)
 - Supporting the Council in considering the key messages that were put to Cheshire East via predecessor Council's AGS' and in particular auditing some of the areas in order to establish whether the issues remain relevant to the production of the 2009/10 Annual Governance Statement
- 3.3 This work enables the Head of Internal Audit to highlight any issues that are relevant to the preparation of the Annual Governance Statement for 2009/10.
- 3.4 The Initial self- assessment against the CIPFA/SOLACE Good Governance Framework in order to gain a position statement against the Council's Corporate Governance highlighted a number of areas for improvement which can be classified as follows:

Areas where there is an opportunity to introduce procedures/processes include:

- Implementing the finalised Protocol / Code of Practice for Partnerships (e.g. the Local Area Partnerships)
- Completing an Annual Report
- Fully updating the Cheshire East Sustainable Community Strategy (currently an interim strategy)
- Introducing more formal monitoring of information that could indicate service related issues including complaints and whistle blowing.

Areas where there are procedures / processes in place, but they are yet to be fully implemented:

- Comprehensive corporate coverage of service delivery planning, approval and monitoring across the whole Council.
- Introducing a formal training programme for the Governance & Constitution Committee Members
- Communication and awareness training for new Cheshire East policies / procedures including the Code of Corporate Governance

3.5 In accordance with Local Government Regulations governance statements had to be prepared by each predecessor council drawing on their review, assurance and sign off processes for the period up until 31 March 2009. The AGS' included key messages that were put to Cheshire East for consideration. The Internal Audit Plan for 2009/10 included a review of the predecessor Council's AGS' in order to ensure that issues are considered/addressed whilst the Council develops its own governance framework. Details of the review to date can be seen in a separate report put to this Committee.

4.0 **Use of Resources Assessment**

4.1 From 2010/11 the Audit Commission will publish a report detailing scored judgements for the Council against the Use of Resources framework. The assessment will form part of CAA and feed into other relevant performance assessment frameworks.

4.2 The Commission sets out the areas subject to examination via the Key Lines of Enquiry (KLOE), against which a judgement is made and a rating applied of between 1 and 4. The specified KLOE covers: Managing Finances, Governing the Business and Managing Resources.

4.3 During the period Internal Audit has supported Management in this area by co-ordinating the production of position statements, service baseline assessments, gap analysis and action planning to ensure that the Council is adequately addressing the key requirements and good practice.

5.0 Core Financial and Fundamental Systems

- 5.1 The completion of the interim plan (in particular the transitional audits) supported the decision for Cheshire East not to issue an addendum or supplementary supporting statement in respect of predecessor Council's AGS'. Such a statement would have been necessary if Cheshire East (or its s151 officer) identified any issues that arose when finalising the statements of accounts post the reorganisation date.
- 5.2 During the period work has commenced on the fundamental financial systems in order that External Audit can rely on the work of Internal Audit. Work in progress and due to be completed during 2009/10 is detailed in Appendix 1 to the report.

6.0 Key Service and Departmental Systems

- 6.1 During the period audit work was undertaken within People, Places and Performance and Capacity. This work comprised of a mix of risk based auditing, regularity, computer audit, investigations, and the provision of advice to officers. Such work highlighted some opportunities to improve system design and operational performance. Management have, therefore, been informed of areas where systems are weak, or not being applied properly and appropriate remedial action has been recommended where considered necessary. Details of findings and the status of such work can be found in Appendix 1.

7.0 Counter Fraud and Probity

- 7.1 During the quarter Internal Audit has supported the introduction of key corporate policies and procedures relating to the prevention, detection and investigation of fraud & corruption including the Anti Fraud and Corruption, Whistleblowing and Anti money laundering policies. Work has also commenced on ensuring that the policies are developed and maintained in accordance with best practice. Internal Audit work aims to develop an anti-fraud and corruption culture, create a strong deterrent effect and prevent fraud and corruption by designing areas of vulnerability out of the Council's systems. As well as areas outlined above such work has been completed on declarations of interest and gifts and hospitality.
- 7.2 Work has continued on the National Fraud Initiative, an exercise run by the Audit Commission that matches electronic data within and between audited bodies to prevent and detect fraud. Although the latest data match related to predecessor authorities Internal Audit now need to ensure that vulnerabilities that may give rise to fraud and corruption identified by the exercise are designed out of Cheshire East's systems and procedures.

8.0 Responsive – investigations

- 8.1 Internal Audit has assisted Management in the investigation of potential irregularities of which certain cases remain on-going. A detailed report has been prepared for consideration by the Head of Policy and Performance in accordance with the Anti Fraud and Corruption Policy. The reporting process ensures that specific learning points for the Council have/will be addressed.

9.0 Value for Money/Strategic Reviews

- 9.1 As previously reported Internal Audit has completed a review of charging in Cheshire East using the Audit Commission's "Positively Charged" document. The report was finalised in this quarter which included obtaining Managements response and circulation to CMT. The action plan if implemented should lead to improvements in income collection and access to services.

10.0 Performance against 2009/10 Audit Plan

- 10.1 During the period audit work was undertaken on the whole of the control environment comprising risk management, key control and governance processes. This work comprised of a mix of risk based auditing, regularity, computer audit, investigations, and the provision of advice to officers.
- 10.2 The main focus for the period has been auditing the fundamental financial systems in order that External Audit can rely on the work of Internal Audit,.
- 10.3 The Section has continued to manage the Council's Risk Management and Compliance function and facilitate the development and implementation of the Risk Management and Business Continuity Strategies, Freedom of Information requests and Data Protection work across the organisation.
- 10.4 The Section has also provided advice to Management as requested. This work contributes to the opinion that Internal Audit provides on the control environment. The main areas where Internal Audit has provided such advice include risks relating to new systems and procedures, application of Finance Procedure Rules, Scheme of Delegation, ICT Security.
- 10..5 The two Audit Managers have been an integral part of linking risk management with service delivery and ensuring that managers understand the link between risks, service delivery and consequently the prioritisation of internal audit resources. Training sessions and briefings with all third tier managers have taken place with detailed discussions on areas of risk, mitigating action and the risk management process.

- 10.6 A number of issues have affected the ability of Internal Audit to deliver the original plan resulting from the reorganisation process
- Three vacancies within the section and resignation of a Senior Auditor from 1 October 2009
 - The need to sometimes review three or four different ways of working across Cheshire East whilst services are harmonising
 - Recruitment of staff into the structure, including the need to rewrite all job descriptions, complete job evaluations, slotting and interviewing.
 - Staff being located across four sites and regular temporary relocation of staff as refurbishments occurred
 - Retirement of a Principal Internal Auditor from December 2009
 - Structures within services not being finalised/in place
- 10.7 In addition, during this period, time allocations have been revisited and prioritisation used where diversion to more high risk jobs became apparent. These include requests by management to support them in the discharge of their duties such as assisting in investigations, leading on the National Fraud Initiative (NFI), co-ordinating the response to the Swine Flu Pandemic and assisting in the implementation of the Risk Management Strategy and the CAA use of Resources Assessment.
- 10.8 Given the situation it is necessary, in the next quarter, to align resources to the following key areas of the plan:
- the fundamental financial systems in order that External Audit can rely on the work of Internal Audit
 - assisting Management in compiling the Annual Governance Statement (AGS) in order to provide a continuous review of the effectiveness of the Council's governance arrangements
 - developing arrangements/auditing key systems that support the CAA Use of Resources and AGS process

Details of the alignment can be seen in Appendix 1.

11.0 Implementation of recommendations

- 11.1 In order for the Council to derive maximum benefit from the work of Internal Audit, agreed recommendations need to be implemented. Internal Audit therefore continually undertakes follow-up work in respect of all audit reviews to ascertain whether agreed actions have been acted upon. Follow-up action includes a review of the timeliness and effectiveness of the implementation of recommendations. Management responses that are judged to be inadequate in relation to the identified risk are escalated in order that the risks of not taking action have been understood and accepted at a sufficiently senior management level. This escalation procedure could result in Internal Audit bringing to the attention of the Committee any relevant areas where significant weaknesses have not been addressed by management.

- 11.2 The Section has, during the quarter, worked with Management to ensure that issues are being addressed. As indicated in this report progress is being made to implement improvement.

12.0 Compliance with Code of Practice for Internal Audit in the United Kingdom

- 12.1 Regulation 6 of the Accounts and Audit Regulations 2003 (as amended) requires relevant bodies to conduct an annual review of the effectiveness of its system of internal audit and for a committee of the body to consider the findings.
- 12.2 In accordance with the Regulations the performance of Internal Audit has, during quarter 3, been measured using the checklist appended to the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. The detailed results of the review will be considered by the Governance and Constitution Committee as part of the AGS process. The preliminary review, completed by the Head of Internal Audit has concluded that although there were areas for improvement the internal audit service is being delivered to the required standard. This has been discussed with the portfolio holder and the Chairman of the Governance and Constitution Committee.
- 12.3 Development work for quarter 4 needs to link to adherence to the Code and in particular on completing the internal audit manual; ensuring consistency of ways of working between incoming Auditors from different predecessor Councils; developing use of Gallileo as the internal audit software, fully embedding a risk based approach, team building and motivation now that staff are in post; and, developing performance indicators and the alignment of the service planning process with the internal audit plan and strategy. The Audit Commission will be undertaking a review of the Internal Audit Section during quarter 4, the results of which will be reported to the Governance and Constitution Committee.

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Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Supporting Corporate Governance				
Code of Corporate Governance	Produced Code of Corporate Governance – Approved by Governance & Constitution Committee in November 2009.		Complete.	-
Annual Governance Statement (AGS)	Assessment against CIPFA/SOLACE Good Governance Framework to evidence compliance with Code.		Draft report issued.	Supporting management in production of AGS for 09/10.
CAA Use of Resources	Production of position statements/ Key Lines of Enquiry assessments/Service baseline assessments etc.		Ongoing	Liaison with External Audit etc.
Core Financial and Fundamental Systems				
Main Accounting – Budget Monitoring	None.	N/A	4 th quarter	High level review of strategic risk and mitigating actions in place.
Main Accounting – Bank Reconciliation	None.	N/A	4 th quarter	Review of key controls.
Asset Management	Review of asset registers and disaggregation of assets following LGR.		Work in progress	Complete audit
Council Tax	Review of key controls over		Work in	Complete audit

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
	all 3 ex-District systems.		progress	
NNDR	Review of key controls over all 3 ex-District systems.		Work in progress	Complete audit
Housing Benefits	Review of key controls over all 3 ex-District systems.		Work in progress	Complete audit
Debt Management	Review of key controls around raising of invoices and monitoring of debt.		Work in progress	Complete audit
Payroll	-	N/A	4 th Quarter	Review of controls around Starters and Leavers, to specifically include CRB checks.
Treasury Management	Review of the management of the Authority's cash flow, investments and loan arrangements		Audit complete – draft report to be issued.	Finalise report
P2P Joint Review	Joint review with Cheshire West and Chester Audit on problem transactions.	<ul style="list-style-type: none"> - Non compliance with the procurement vision leading to delays in time taken to pay invoices. - Service failures to deal promptly with transactions awaiting approval, failure to receipt goods promptly, and failure to establish approval hierarchies and associated budget responsibilities; 	Draft Report issued	Finalise report

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
		<ul style="list-style-type: none"> - Suppliers errors include sending invoices to the wrong address, with insufficient detail about the transaction, which do not reflect disputes or amendments, which are in advance of receipt of goods or service, and / or where a credit note is due before the payment can be made; and - Shared Service errors include some keying errors and some delays in keying invoices once received. 		
Cheque Review (U)	Specific review of the cheque payment procedures and controls as part of the Transitional Review (see below).		Draft Report issued	Finalise report
Transitional Review	Audit covering Cheshire East Council and four predecessor Authorities.		Final report issued.	-
People				
LSC Funding 14-19	-	N/A	4 th Quarter	Fact finding review.
Extended Services	-	N/A	4 th Quarter	Review of key controls.

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Payments to foster parents/adopters	-	N/A	4 th Quarter	Review of key controls.
Section 17 funding	-	N/A	Not planned	Not planned
Aiming high for disabled children	-	N/A	Not planned	Not planned
Grant Funding	-	N/A	4 th Quarter	Fact finding review.
ContactPoint	Assisting in the design of appropriate systems of control and monitoring of these systems and a review on the operation of these systems of control.		Work in progress	Complete audit
Gorsey Bank School Extension	Review of issues arising and lessons learned for future projects. Reported to Corporate Management Team.	<ul style="list-style-type: none"> - Failure to adhere to CCC Finance Procedure Rules. - The company that supported the project was not procured through a competitive tendering process. - Appointment of Companies were not formalised under signed contracts. 	Final report issued.	Follow up audit will be undertaken in 10/11 as agreed with management.
Social Care Redesign	Providing support and advice in a number of areas i.e. Pre loaded		Ongoing.	Fact finding review.

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
	prepayment cards.			
Pooled Budget	-	N/A	4 th Quarter	Fact finding review.
ShareCare	Review of project governance and resourcing.		Draft papers issued.	Finalise papers. Advise on implementation of recommendations.
East Domestic Unit imprest account	Review at request of management.		Final report issued.	-
Macclesfield Leisure Centre	Review of system controls, principally around income.		Draft Report issued	Finalise report
Crewe Pool	Review of system controls, principally around income.		Draft Report issued	Finalise report
Congleton Leisure Centre	Review of system controls, principally around income.		Draft Report issued	Finalise report
Lyceum Theatre (U)	Review of system controls, principally around income.		Testing in progress	Complete audit
Target Income	Legacy monitoring work.		Now finished.	-
PARIS	Review of AOP Financials		Ongoing	Review revised project plans and associated corporate risks.
Resource Allocation System	-	N/A	4 th Quarter	Review of methodology.
Places				
Car Parking	Review of key controls over ex-District systems (Crewe		Audit complete –	Finalise report.

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
	& Nantwich/Macclesfield).		draft report to be issued.	
Carbon Footprint	-	N/A	4 th Quarter	Overview of actions and Use of Resources linkages
Places Risk register	Facilitation and development.		Complete.	-
Depot Rationalisation	-	N/A	Not planned.	Not planned.
Licensing	-	N/A	4 th Quarter	Review of key controls.
Planning & Building Control Fees	-	N/A	4 th Quarter	Review of key controls.
Integrated Transport Unit	-	N/A	Not planned.	Not planned.
Crewe Green Link Road Scheme	-	N/A	4 th Quarter	On going advice as required
Other Key Areas in Places	-	N/A	4 th Quarter	Waste PFI review of key risk areas and performance overview
Performance & Capacity Policy & Performance				
National Indicators (NI's)	Review of procedures and controls.	- Sufficient resources were not in place to complete or review the NI's. - No written procedures were available to induct new post holders.	Draft Report	Finalise report.

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
		- Concern was expressed over data being received from other public bodies to calculate the NI's.		
Blue Badges	-	N/A	Done as part of NFI	Learning points from NFI
Performance & Capacity Finance				
Scheme of Financial Delegation	Phase 1 - Establishing format for scheme, intranet site, liaising and monitoring with service representatives. Phase 2 – Review of Schemes to check in place, authorised, in accordance with Oracle etc.	Many services do not have an agreed Scheme of Financial Delegation in place.	Phase 2 – Ongoing.	Complete audit.
Finance & Contract Procedure Rules	Providing advice to services/implementing changes and making recommendations to the Governance & Constitution Committee.		Ongoing.	As necessary.
Shared Services Back Office	See work under <i>Cross Cutting</i>	See work under <i>Cross Cutting</i>	Ongoing.	Follow up review to consider current position for 10/11.
Cash Receipting	-	N/A	Not	Not planned.

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
			planned.	
Grant Payments	-	N/A	Not planned.	Not planned.
VAT Accounting	-	N/A	Not planned.	Not planned.
Data Migration	-	N/A	4 th Quarter.	Review of procedures and controls.
Opening Balance Sheet	-	N/A	4 th Quarter.	Review of procedures and controls.
Performance & Capacity ICT				
ICT Business Continuity Planning – Flu Pandemic	Review plans to ensure continuity of the ICT services used by Cheshire East in the event of a flu pandemic.		Review complete – draft report to be issued.	Finalise report
ICT Security – Liaison and Advice	Provide advice and ensure audit view is recognised on wide variety of ICT security topics.		On-going	Continue to advise and liaise.
ICT Shared Services	Review arrangements for the governance and control of the ICT Shared Service, and their corporate impact.		In progress	Complete audit
CAATS Evaluation	Evaluation and selection of File analysis software.		Completed – recommendation accepted and software procured.	See also under <i>Counter Fraud</i>
Government	Review process for		In progress	Complete audit

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Connect	achieving compliance with the Code of Connection.			
ICT Security Policy & Acceptable Use	Established a sub-group of the Corporate Governance Group, jointly attended by all interested parties.		In progress	With sub-group, agree and support publication by ICT Security of: ICT Security Policy, and Code of Practice.
ICT Strategy	-	N/A	Not planned.	Not planned.
Information Management – new strategy	-	N/A	Not planned.	Not planned.
Performance & Capacity Procurement				
Tendering & Contracting System	-	N/A	4 th Quarter	Advice around controls re: implementation of new processes.
Procurement Compliance	Review and evaluation of adherence to the Council's formal tendering process.		Ongoing	Complete audit
Performance & Capacity Borough Solicitor				
Council Deeds/key documents	-	N/A	Not planned.	Not planned.
Online payment of fees to HMLR/HMCS	Consultancy advice provided.		Ongoing	If required.
Members	Review focussing on the	- The Constitution implies that	Final report	-

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Allowances	formation of the Independent Remuneration Panel and o submitted Members' claims both in the Shadow year and 2009/10 (to date).	<p>the Governance & Constitution Committee has the authority to appoint the Independent Remuneration Panel, but this could be amended to ensure it is explicit</p> <ul style="list-style-type: none"> - The recruitment process for the Independent Remuneration Panel members could be deemed inappropriate in accordance with the guidance - The basic allowance rate is significantly higher than other local authorities (but a sound methodology was applied) - Claim forms are not always completed correctly - Mileages claimed could be deemed excessive - Independent reality checks are not undertaken on the claims prior to submission for payment. 	issued.	
Registration Services	Review of the adequacy of the systems and processes		Final report issued.	-

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
	used in storing and issuing certificates, and collecting income across the Registration Service's establishments.			
Cross Cutting				
Shared Services – Overall Governance	Initial review of Service Level agreements in place carried out.	- Delays in agreements being in place.	Ongoing.	Follow up review to consider current position for 10/11.
Service Delivery Planning/Risk Management	Facilitation, assistance and challenge to Service Delivery Plans/Risk Registers.	Differing levels of understanding and risk maturity across the organisation. Links between service delivery and risk management need to be more focused	Ongoing	Work with risk officer (when appointed) to continue the current processes being embedded
Income Maximisation/ Efficiency	-	N/A	Not planned - although see work on Debt Management	Not planned -although see work on Debt Management.
Project Management	-	N/A	Not planned.	Not planned.
Support to Business Continuity and Risk	Audit support to Business Continuity and Risk function in first six months of 09/10.		Complete.	-
Counter Fraud				
Anti Fraud &	Strategy drafted by Internal		Ongoing	Ensuring policies are

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Corruption Policy	Audit and endorsed by G&C in May 2009.			developed and maintained in accordance with best practice.
Codes of Conduct – Members/Officers	-	N/A	Not planned.	Not planned.
Whistleblowing	Approved by Governance & Constitution Committee in October 2008. Work commenced to ensure that policy complies with best practice.		Ongoing	Ensuring policies are developed and maintained in accordance with best practice.
Declarations of Interest	Review of member forms – minor issue notified via e-mail.		Complete	
Gifts & Hospitality	Review of Staff/Members schemes for declaration.		Draft report issued.	Finalise report.
Anti Money Laundering	Drafted by Internal Audit, approved by Cabinet in October 2009 following recommendation from Governance & Constitution Committee.		Ongoing	Ensuring policies are developed and maintained in accordance with best practice.
Use/Development of IDEA	Following CAATS evaluation – procure appropriate software.		In progress	Training and undertake a pilot analysis.
National Fraud	Co-ordination of Initiative		Ongoing.	Ensure vulnerabilities

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
Initiative	and investigation of matches.			are designed out of systems and procedures.
Responsive Work	Support management in investigation of fraud and corruption. Details reported to Head of Policy & Performance in accordance with Fraud & Corruption Strategy.	See separate report to Head of Policy and Performance	Ongoing.	As necessary.
Value For Money Reviews				
Charging	Review of Charging in Cheshire East with the objective of establishing whether the Council is maximising potential income generation and charging opportunities.	<ul style="list-style-type: none"> - The Council does not yet have a Corporate Charging Policy. - Fees and charges are usually increased for inflation without more detailed examination of the fees in relation to cost of service and other factors. - Of the services included in the review, only Health and Wellbeing are yet to complete the harmonisation of prices. - Although the income collection methods used were generally appropriate, the Council does not yet have an 	Final report issued.	-

Summary of Internal Audit Plan 09/10 – Progress Report 31/12/09

Project (U – Unplanned work)	Work Done in 09/10 to date	Key Findings Quarter 3 work only	Current Status	Work Scheduled for remainder 09/10
		Income Collection policy, and as a result there are slight variations in approach across services, which could benefit from further review. - The Council has a slightly inconsistent approach to concessionary access to services. - Limited information on fees and charges is included in the budget setting process. - There may be opportunities to generate income which the Council is not currently taking advantage of.		
Other	-	N/A	Not planned.	Not planned.
Responsive Work				
Consultancy & Advice	Variety of ad-hoc consultancy and advice on risk and control issue across all services.		Ongoing.	As necessary.
Follow Up work	Various follow up work on projects relating to predecessor Authorities.		Complete.	-

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 21st January 2010
Report of: Head of Internal Audit and Compliance
Subject/Title: Managing Risks

1.0 Report Summary

- 1.1 The purpose of this report is to provide an update on the management of the Strategic Risks for the Council, following the report to this Committee of 19th November 2009.

2.0 Recommendation

- 2.1 That the Committee note the identified Strategic Risks for the Council and the actions in place to mitigate these.

3.0 Reasons for Recommendation

- 3.1 Risk Management is a fundamental element of Corporate Governance and a key contributor to ensuring a strong internal control environment. It is an integral part of the management of the Authority in supporting delivery of its objectives and outcomes. This report aims to provide assurance that the identified strategic risks are being effectively assessed and managed, with clear action plans in place to mitigate these risks.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 N/A

6.0 Policy Implications including - Climate change - Health

- 6.1 Risk Management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and, where necessary, as part of the strategic risk register.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

7.1 None

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

8.1 None

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 No specific legal implications

10.0 Risk Management

10.1 This report relates to overall risk management.

11.0 Background

11.1 Since the previous report to this Committee on 19th November, outlining the Risk Management Framework for the Council, the Strategic Risk Register has been updated and clear actions identified for mitigation of these risks. These were discussed and agreed at a meeting of the Corporate Risk Management Group on 14th December, 2009 and at a meeting of the Corporate Management Team on 22nd December, 2009.

11.2 A copy of the updated Strategic Risk Register is attached (**Appendix 1**), together with a summary of the mitigating actions for each risk, and a 'score' to quantify each risk. The score is a combination of the likelihood of the risk occurring and the impact, should it occur. The scores identified on Appendix 1 are the 'net' scores, i.e. the risks with the current controls in place. **Appendix 2** outlines the scoring matrix.

11.3 **Appendix 3** provides further details of a number of the risks, as examples of the way in which each risk is profiled. For each risk there is a fuller explanation of the risk, how it links to strategic priorities and objectives, the consequences should it materialise, and the controls and mitigating actions in place.

11.4 Training

The Corporate Risk Management Group received training in Risk Management at its most recent meeting on 14th December, and training is planned during January and February for Cabinet and the Corporate Management Team. In addition, a training session is planned for this Committee following this meeting.

11.5 Reporting

Progress on actions to mitigate and manage the strategic risks will continue to be reported quarterly to this Committee, Corporate Management Team and Cabinet, as previously agreed.

11.6 Performance Management

In order to fully integrate risk management into planning and performance management, regular discussions have taken and continue to take place with the Performance Management Team and plans are in place to link the risk management process to the performance management system which is being developed. Risk management continues to be an integral part of Service Planning and it will be a key element within the current development of the Corporate Plan for 2010/11.

12.0 Overview of Year One and Term One Issues

12.1 N/A

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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Designation: Head of Internal Audit and Compliance
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STRATEGIC RISKS AS AT 11th JANUARY 2010

APPENDIX 1

AREA	RISK	MITIGATING ACTIONS	NET SCORE
1. IT	Failure of ICT Shared Services to deliver to an appropriate standard, resulting in front-line service failure and/or slow delivery of new developments	Agreements, protocols and procedures in place with Shared Service at both strategic and operational levels. Ongoing review and reprioritisation of work programme priorities with key departmental stakeholders. Regular joint reviews with ICT Shared Service to review provision to date and flow of new work requests.	8
2. FINANCE	Failure to maintain proper financial control, resulting in the inability of the Council to set a legal budget and the possibility of it being subject to fraudulent activity.	Controls established to restrict access to council funds and promote good housekeeping (Constitution, Finance and Contract Procedure Rules, Schemes of Delegation, Annual spending plans). Processes to support these controls: Internal Financial Monitoring, Core financial computer system security, Internal Audit (including S151 Officer powers and responsibilities), External Audit, Use of Resources Assessment	6
3. FINANCE	Failure to maintain adequate reserves, resulting in: <ul style="list-style-type: none"> the Borough Treasurer having to issue a S.114 notice, preventing engagement in further contractual arrangements the Council being unable to meet its liabilities and needing to stop discretionary expenditure, impacting on service users, or stop statutory expenditure, risking legal challenge. 	Reserves Strategy setting out principles behind approach to risk. Minimum level of general reserves is reviewed quarterly and reported to Cabinet, using up to date financial data and forecasts.	8
4. LOCALISM	Failure to achieve effective local area working across the region, with the result that local needs are not identified or addressed.	Clear definition and model for local area working in place which enables each service to build in a local dimension to planning and delivery. Area profiles provide an evidence base for each local area. Ensure partner organizations are fully involved in local area working. Regular review of structures and processes for local area working to ensure they are fit for purpose.	8
5. PLACES	Waste – failure to achieve proposed waste reduction and recycling targets, leading to non-achievement of statutory Landfill Allowance required by Government Landfill Allowance Reduction Scheme, resulting in need to purchase landfill permits, or large fines.	Plans in place to achieve recycling rates of 50% by 2010 and 54% by 2013/14. Plan to achieve reduction in annual waste growth to 0% by 2010. Seek to treat all residual waste to minimise landfill. Mechanical biological treatment facilities to be used to pre-treat residual waste. Waste Treatment contract expected to be in place from 2011, with new waste treatment facilities to be operational in 2013.	6
6. PLACES	Emergency Response - Failure to respond effectively to a major weather/transport event.	Major Emergency Response Plan and Joint Cheshire Emergency Planning team in place. Emergency planning exercises and training conducted. Flood Risk Team established. Business Continuity plans in place for Priority 1 and 2	6

STRATEGIC RISKS AS AT 11th JANUARY 2010

APPENDIX 1

		activities. Strong partnership arrangements in place through Local Resilience Forum (including Police, Fire and Rescue, Ambulance Service, Utilities, voluntary organisations, etc.)	
7. PLACES	Failure to deliver the Sustainable Community Strategy, including the LDF Core Strategy Deadlines and Local Transport Plan	Comprehensive Borough Wide programme in place to deliver against current Local Transport Plan, and development of future LTP (to commence in 2011) closely integrated with development of Sustainable Community Strategy and LDF Core Strategy.	6
8. PLACES	Failure to deliver Strategic Housing strategy, and ensure strategic housing function is fit for purpose.	Affordable Housing - economic downturn has affected conventional sources of supply through market led developments. Options being examined to increase supply by other means. Also working on a joint bid to Homes and Communities Agency for further resources. Revised target also being agreed with GONW. Homeless Service - now working with the three RSL's to bring service in house, with target date for completion of 31st March. Work also underway to carry out stock condition survey and improve our understanding of the private housing sector. The housing team has a robust business plan which has recently been updated and reviewed	6
9. PLACES	Failure to lead, promote and deliver regeneration activity, including Crewe Master Plan	Development of new Economic Development Strategy underway (Interim Draft by end of March 2010). Engagement with regional bodies (incl. NWDA, GONW, AGMA) in relation to development and implementation of strategic priorities, through Regional Strategy, etc. Close sub-regional inter-agency working through LSP, LAP's and other fora. Development of Business Engagement Strategy to build on existing engagement with businesses, investors and developers. Close member engagement and strong communication with the public.	6
10. PEOPLE	Ineffective delivery of strategies for safeguarding children and adults, resulting in harm to service users.	Safeguarding Boards set up in both Children's and Adult Services. Tiered approach in place which matches level of expertise to complexity of need. Trained and qualified staff, policies and procedures which define a framework for assessing risk to individuals and appropriate levels of management support available for key decisions.	8
11. PEOPLE	Failure to rebalance and redesign Children's Services, resulting in inability to ensure that services are targeted appropriately for better outcomes.	Significant redesign under way of services which deliver directly to children and their families. Project Manager to lead this commenced 11/1/10. Member engagement planned with forthcoming meetings in January and February. Budget proposals recognize growth and resourcing requirements in this area.	8

STRATEGIC RISKS AS AT 11th JANUARY 2010

APPENDIX 1

12. PEOPLE	Adult Services - Failure of Social Care Redesign programme, leading to non-personalised services and failure to control increasing care costs.	Well-resourced and experienced Management Team and Project Management Team. Regular reports to Members. Close monitoring of each element of programme as it is rolled out. Separation of work into individual projects allowing additional effort to be focused on any problem areas, and short-term contingency options initiated where necessary.	6
13. PEOPLE	Adult Services – Failure of market for external provision	Work underway with external providers to alert them to opportunities and help them shape and grow the market. Developing a Resource Directory to support individuals in finding and choosing services. Promoting opportunities for community to develop local support groups. Phasing reduction in internal provision to align with external growth. Part of national scheme run by DEMOS (agency to address market stimulation and better understand individual requirements).	8
14. ASSETS	Failure to maintain value of property assets, resulting in accommodation which is not fit for purpose and which does not facilitate the delivery of services to the local community in accordance with the objectives set out in the Service Plans.	Capital planned maintenance programme in place informed by detailed property surveys. Reaction response maintenance team and funding in place. Asset Challenge process is being rolled out which will lead to rationalisation of property portfolio.	4

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Risk Scoring

LIKELIHOOD ↓				
Very Likely 4	LOW 4	MEDIUM 8	HIGH 12	HIGH 16
Likely 3	LOW 3	MEDIUM 6	MEDIUM 9	HIGH 12
Unlikely 2	LOW 2	LOW 4	MEDIUM 6	MEDIUM 8
Very Unlikely 1	LOW 1	LOW 2	LOW 3	LOW 4
IMPACT →	Minor 1	Significant 2	Serious 3	Major 4

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Risk Number 5	Description Failure to achieve proposed waste reduction and recycling targets, leading to non-achievement of statutory Landfill Allowance required by Government Landfill Allowance Reduction Scheme, resulting in need to purchase landfill permits, or large fines.	Rating:	MEDIUM
Explanation of Risk Financial incentives to divert waste from landfill have been introduced through UK measures to implement the EU Landfill Directive. The Landfill Directive sets targets for the UK to reduce the amount of biodegradable municipal waste (BMW) it sends to landfill, compared to 1995 levels, by 25% in 2010, 50% in 2013 and 65% in 2020. Under UK law, the requirements of this EU Directive have been passed on to all Waste Disposal Authorities in England via the Landfill Allowance Trading Scheme (LATS). Individual WDAs have been set a declining amount of BMW that they are permitted to send to landfill in any year. These allowances have been set for each year from 2005/06 to 2019/20. The annual allowances are statutory and failure to meet them could incur financial penalties of £150 per tonne. In order to ensure that Cheshire East meets its allowances and avoids potential annual fines in the millions, targets for waste reduction, improving recycling and procuring new residual waste treatment facilities have been set. The Council could also mitigate the risk by trading allowances with other authorities; saving them for future years (bank) or using some of its future allowances in advance (borrow). The Council regularly reviews the LATS trading policy to ensure that it meet its LATS allowances. However, even by achieving high levels of recycling and composting there will still be a significant amount of residual waste remaining. This can no longer be sent directly to landfill and will require some form of treatment in order to meet LATS allowances. Mitigation <ul style="list-style-type: none"> • Plan to achieve recycling rates of 50% by 2010 and 54% by 2013/14. • Plan to achieve a reduction in annual waste growth to 0% by 2010. • Seek to treat all residual waste in order to minimise landfilling • Locate new treatment facilities at more than one site, phasing in new facilities over time as required. • Use one or two mechanical biological treatment (MBT) facilities to pre-treat Cheshire's residual waste in order to increase recycling and produce a refuse derived fuel (RDF). <ul style="list-style-type: none"> ○ Waste Treatment Contract is expected to be in place from 2011 with new waste treatment facilities expected to be operational in 2013. Cheshire East may need to either purchase spare allowances from other authorities or find alternative ways to meet its allowance targets in this interim period. (PFI project credits of £40m to improve & build waste treatment plants) 		Probability:	2
		Impact:	3
		Risk Manager:	Phil Sherratt
Consequence Typically characterized by significant financial penalties.			

Link To Strategic Priorities / Objectives We will provide an attractive and sustainable environment which communities can be proud of. Assist the Council in meeting Carbon reduction commitments through reduction of biodegradable waste to landfill. (Top level link is to the objectives and priorities expressed in the Council's corporate plan in relation to environmental sustainability e.g. 7.12 Managing waste and 7.13 Tackling climate change.)	
Notes Private Finance Initiative The Private Finance Initiative (PFI) provides an additional and different route for local authorities to secure the use of a physical capital asset. It offers a form of public-private partnership in which local authorities can pay for the use of new or improved capital assets (and some associated services) rather than buying the assets themselves. They do this by entering into a contract with the private sector which will design, build, finance and operate the asset. It therefore represents an addition to capital investment for local government and is funded in part by central government a PFI credit is "issued" to an authority once a contract for the project has been signed. The PFI credit measures the capital value of a project which government will support.	

Risk Number 3	Description Failure to maintain adequate reserves, resulting in the Council being unable to meet its liabilities.	Rating:	Medium
Explanation of Risk The council must not over commit itself financially. It must have regard to the level of financial reserves when calculating the monetary needs from estimated future expenditure plans.		Probability:	2
		Impact:	4
Consequence If the Council fails to maintain adequate reserves: <ul style="list-style-type: none"> - the Borough Treasurer may have to issue a S.114 notice, preventing engagement in further contractual arrangements and requiring full council to meet and consider the content of the notice - the council may not be able to meet its liabilities and will have to stop discretionary expenditure, impacting on service users or stop statutory expenditure, risking legal challenge - external assessments on the financial standing of the council would be poor, attracting higher audit focus and possible intervention 		Risk Manager:	Christine Mann
<u>Mitigating Actions</u> To support this requirement: <ul style="list-style-type: none"> - The Borough Treasurer and Head of Assets (S.151 Officer) must comment on 'adequacy' of reserves in the annual budget report - The Council must balance the revenue budget each financial year - The BT has significant powers under S.114 of the LGFA 1988 to prevent unlawful expenditure and cause Council to address the financial circumstances of the authority To assist the Borough Treasurer, an opinion is formed on the minimum level of general reserves which is supported by a risk assessment. The risk assessment is prepared by the Financial Strategy Team using basic criteria to assess possible financial impacts from external and internal influences. The Reserves Strategy sets out the principles behind the approach to risk. The minimum level of general reserves is reviewed quarterly and reported to cabinet, using up to date financial data and forecasts.			

Link to Strategic Priorities / Objectives: This risk is linked to all the strategic objectives, but particularly to the following objective: We will build a Council that is responsive to changing needs and delivers value for money.		
Notes		

Risk Number 12	Description FAILURE OF ADULTS SOCIAL CARE REDESIGN (ASCR) CHANGE PROGRAMME	Rating:	Medium
Explanation of Risk The ASCR programme is a major change initiative radically changing the way we assess, fund and deliver social care. It will also result in significant changes to staffing structures. The programme is partly funded by the Government and it is now well developed and has been in rollout phase since June 2009. It has been driven by the following key imperatives: <ul style="list-style-type: none">• The national drive towards giving more freedom and control (personalisation) to individuals needing social care support.• The need to shift emphasis to preventative and re-ablement services.• The financial position of the Authority which requires us to think afresh about how we can continue to meet our obligations within a tightening budget envelope		Probability:	2
		Impact:	3
Consequence Should the programme fail, then there will be a number of major consequences: <ul style="list-style-type: none">• Users and carers not receiving the best outcome from the Social Care Services available.• The need for cuts in order to balance the budget, potentially meaning that we do not fulfil our 'duty of care' obligations.• Inability to deliver on promises made to individuals about their future.		Risk Manager	Phil Lloyd
Mitigation The risk is being managed by: <ul style="list-style-type: none">• Close monitoring of each element of the programme as it is rolled-out• The separation of work into individual projects which means that additional effort can be focussed on any problem areas and short-term contingency options initiated where necessary• Regular reports to Members• Well-resourced, experienced and motivated Management and Project Teams			

Link to Strategic Priorities / Objectives: We will improve the wellbeing, health and care of people in Cheshire East. We will enable people to have a good quality of life irrespective of where they live or their social or economic background.	
Notes	