

# **Audit and Governance Committee**

## **Agenda**

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**Date:** Tuesday, 25th January, 2011  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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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**

A total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee.

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 wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

It is not required to give notice of the intention to make use of public speaking provision; however, as a matter of courtesy, a period of 24 hours notice is encouraged.

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For requests for further information

**Contact:** Carol Jones

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4. **Minutes of Previous meeting** (Pages 1 - 6)

To approve as a correct record the Minutes of the Meeting held on 17 November 2010

5. **Annual Audit Letter** (Pages 7 - 28)

The report of the Borough Treasurer & Head of Assets summarises the Audit Commission findings from the 2009-10 audit.

The Committee is asked to receive and comment on the Annual Audit Letter for 2009-10.

Representatives from the Audit Commission will be attendance.

6. **Audit Plan 2010-11** (Pages 29 - 58)

The report of Borough Treasurer & Head of Assets details the Audit Plan for 2010 -11.

The Committee is asked to receive and comment on the Audit Plan.

7. **2010 -11 Opinion Audit Changes** (Pages 59 - 70)

The report of the Borough Treasurer & Head of Assets provides an update on the 2010-11 opinion audit and the expected changes.

That the Committee is asked to receive and comment on the changes.

8. **Implementation of International Financial Reporting Standards (IFRS) - Progress Update** (Pages 71 - 74)

The report of the Borough Treasurer & Head of Assets provides an update on the International Financial Reporting Standards (IFRS) Project Plan.

The Committee is asked to note progress to date on the IFRS Project Plan.

9. **Compliance with International Auditing Standards** (Pages 75 - 82)

In order to comply with International Standards on Auditing (UK and Ireland) the Council's External Auditors (Audit Commission) require an understanding of how those charged with governance exercise oversight of management's processes for identifying and reporting the risk of fraud and possible breaches of internal control in the Council (ISA 240).

The Audit and Governance Committee is the committee 'charged with governance' and the joint report of Head of Internal Audit & Compliance and Borough Treasurer & Head of Assets has been drafted in order to assist formally responding to the Audit Commission.

10. **Risk Management Update** (Pages 83 - 100)

The report of the Head of Policy and Performance provides a summary of the key corporate risks.

The Committee is requested to consider and comment on the Key Corporate Risks and the approach outlined in the report.

11. **Compliance with Data Protection Act (1998), Freedom of Information Act (2000) and Environmental Information Regulations (2004)** (Pages 101 - 106)

The report of the Head of Policy and Performance provides an update on how Cheshire East Council fulfils its obligations under this legislation and highlights the volumes of requests, trends and current and future issues.

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

12. **Internal Audit Plan 2010/11 and Update Report** (Pages 107 - 120)

The report of the Head of Internal Audit & Compliance updates the Committee on the progress against the Internal Audit Plan 2010/11, revisions to the plan and to summarise work during the period September – December 2010.

The Committee is asked to note the issues identified, endorse the approach to achieving adequate audit coverage in the remainder of 2010/11 and discuss future audit issues and ways of working as appropriate.

13. **Annual Governance Statement 2009/10 Action Plan Update** (Pages 121 - 134)

The joint report of the Head of Internal Audit & Compliance and Borough Solicitor updates the Committee on progress against the Annual Governance Statement (AGS) 2009/10 Action Plan.

The Committee is asked to note progress against the Action Plan.

14. **Anti-Fraud and Corruption Strategy** (Pages 135 - 156)

The report of the Head of Internal Audit & Compliance advises the Committee on the content of the Council's Anti-Fraud and Corruption Strategy and notes the need for subsequent amendment in order to take account of developments in best practice since it was approved in May 2009.

15. **Work Plan** (Pages 157 - 166)

The report of the Head of Internal Audit and Compliance presents an updated Work Plan for the Committee's consideration

**PART 2 - THERE ARE NO PART 2 ITEMS**

**At the conclusion of the meeting the Committee will receive presentations on Compliments, Suggestions and Complaints and on Performance Management.**