

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting: 28th March 2013
Report of: Audit Manager
Title: Audit and Governance Committee Self-Assessment
Portfolio Holder: Councillor Peter Raynes

1.0 Report Summary

- 1.0 The purpose of this report is to facilitate compliance with the Accounts and Audit Regulations 2011 and, consequently, it advises Members on the results of a self assessment of the effectiveness of the Audit and Governance Committee using the CIPFA publication '*Audit Committees – Practical Guidance for Local Authorities (Appendix A)*'.

2.0 Recommendations

- 2.1 That the Committee
- (1) consider the self-assessment and determine any required amendments; and
 - (2) note that the detailed outcome of the review of the system of Internal Audit will be considered by the Committee as part of the Annual Governance Statement (AGS) approval process.

3.0 Reasons for Recommendations

- 3.1 Regulation 6 of the Accounts and Audit Regulations 2011 requires the authority to conduct an annual review of the effectiveness of its system of internal audit.
- 3.2 The effectiveness of the system of internal audit should include the effectiveness of the audit committee itself (to the extent that its work relates to internal audit), as well as the performance of the internal audit provider.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Wards Affected

- 5.1 Not applicable.

6.0 Policy Implications

6.1 Not applicable.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

7.1 No specific financial implications.

8.0 Legal Implications

8.1 As detailed in the report.

9.0 Risk Assessment

9.1 Failure to review and report on the Committee's effectiveness could result in improvement opportunities being missed and in non compliance with the Accounts and Audit Regulations 2011.

10.0 Background and Options

10.1 The process for conducting the review of the effectiveness of the Council's system of internal audit, which was agreed with the Audit and Governance Committee in January 2013 includes a self -assessment against the following relevant internal audit standards:

- the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
- Audit Committees – Practical Guidance for Local Authorities CIPFA

10.2 As with the AGS, the completion of the review of the system of internal audit will be carried out by the Corporate Governance Group with input from the Section 151 Officer and Monitoring Officer. The detailed results of the overall review will then be reported to this Committee for consideration as part of the AGS process. Prior to this it is important that Members are satisfied that the self-assessment of the Committee's effectiveness has been completed correctly.

10.3 It should be noted that from 1 April 2013 onwards, new Public Sector Internal Audit Standards will come into force which will supersede CIPFA's Code of Practice. Once detailed guidance is published, all aspects of service delivery, including this process, will be reassessed to ensure that there is proper migration to the new requirements and audit documentation will then be updated to reflect these revised obligations.

11.0 Access to Information

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

Name: Neil Taylor

Designation: Audit Manager

Tel No: 01270 686563

Email: neil.taylor@cheshireeast.gov.uk