

# CHESHIRE EAST COUNCIL

## REPORT TO: Audit and Governance Committee

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**Date of meeting:** 26 June 2014  
**Report of:** Audit Manager  
**Title:** Work Plan 2014/15  
**Portfolio Holder:** Councillor Peter Raynes

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### **1.0 Report Summary**

1.0 To present a proposed Work Plan for 2014/15 to the Committee for consideration.

### **2.0 Recommendation**

2.1 That the Committee:

§ note the Terms of Reference approved by Council on 14 May 2014;

§ consider the Work Plan for 2014/15 and determine any required amendments to enable it to fulfil its terms of reference; and

§ review membership of the specialist Member/Officer Groups.

### **3.0 Reasons for Recommendations**

3.1 The Audit and Governance Committee has a key role in overseeing and assessing the risk management, control and corporate governance arrangements and advising the Council on the adequacy and effectiveness of these arrangements. A forward looking programme of meetings and agenda items is necessary to ensure that the Committee fulfils its responsibilities.

3.2 Separate specialist Member/Officer groups have been set up to deal with specific areas of the Committee's work. The periodic review of the groups ensures that the Committee continues to work effectively and fulfils its purpose.

### **4.0 Wards Affected**

4.1 All wards.

### **5.0 Local Ward Affected**

5.1 Not applicable.

## **6.0 Policy Implications**

6.1 Not applicable.

## **7.0 Financial Implications (Authorised by the Chief Operating Officer)**

7.1 When reviewing the Work Plan, Members will need to consider the resource implications of any reviews they wish to carry out both in terms of direct costs and in terms of the required officer support.

## **8.0 Legal Implications (Authorised by the Head of Legal Services)**

8.1 The Work Plan must take account of the requirements of the Accounts and Audit Regulations 2011.

## **9.0 Risk Assessment**

9.1 Effective internal control and the establishment of an audit committee can never eliminate the risks of serious fraud, misconduct or misrepresentation of the financial position. However, an effective audit committee can:

- § raise awareness of the need for robust risk management, control and corporate governance arrangements and the implementation of audit recommendations
- § increase public confidence in the objectivity and fairness of financial and other reporting
- § reinforce the importance and independence of internal and external audit and any other similar review process
- § provide additional assurance through a process of independent and objective review

## **10.0 Background and Options**

10.1 Council approved amendments to the Audit and Governance Committee's Terms of Reference in May 2014 following reference to and recommendation from the Constitution Committee. The new Terms of Reference are attached at Appendix A of this report.

10.2 A forward looking programme of meetings and agenda items (Appendix B) and a review of the Member Officer Groups is necessary to ensure that the Committee continues to work effectively and fulfil its purpose.

10.3 Aspects of the Audit and Governance Committee agenda are determined by statutory requirements such as the Statement of Accounts and Annual Governance Statement. Outside these agenda

items, the Committee should aim to manage its agenda according to its assurance needs to fulfil its terms of reference. The Committee is asked to consider the contents of the Work Plan and establish any amendments that will enable it to meet its responsibilities.

10.2 In order to help with their deliberations, Members are asked to consider whether:

- the inclusion of each item on its agenda results in added value
  - the assurance process has a cost to the organisation and it should therefore be proportional to the risk
  - care should be taken to avoid duplication and maintain the focus of an audit committee on its core functions as defined by its terms of reference rather than wider issues that are subject to the work of other committees or assurance functions
- there are any time consuming aspects of Committee business that could be more effectively addressed elsewhere
  - an audit committee should operate at a resolutely strategic level. Care should be taken to avoid straying into matters of operational detail that should be resolved by service managers
  - the number and frequency of reports should be proportional to the risk in order to give the core business of an audit committee sufficient focus and attention and to avoid lengthy and thus unproductive meetings

10.3 It should be noted that the Work Plan will be re-submitted to the Committee periodically for further development and approval.

10.4 The Member/Officer Groups were set up in September 2011 to enable individual Members to become more involved in specific areas of the Committee's work as a means of developing in-depth knowledge and expertise. It was also acknowledged that in order to avoid sometimes lengthy and unproductive Committee meetings the groups would, at the request of the Committee, address some of the more time consuming aspects of its work. The outcome of which would be fed back to the Committee during the relevant Agenda item.

10.5 Traditionally the groups have been made up of at least two Members of the Committee with appropriate support from Officers. The meetings are normally timed in accordance with the Committee's schedule of meetings and membership of the groups is voluntary. As membership of the Audit and Governance Committee has recently changed membership of the specialist groups now requires review.

10.6 The groups are currently made up as follows:

Area	Councillor/s
Audit	Corcoran & Hardy
Corporate Governance & Annual Governance Statement	Wray & Brown
Financial Statements	Corcoran & Hardy
Fraud	Wray, Brown & Roberts
Risk Management	Fletcher & Kolker

### 11.0 Access to Information

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

**Name:** Jon Robinson

**Designation:** Audit Manager

**Tel No:** 01270 685864

**Email:** jon.robinson@cheshireeast.gov.uk