

# CHESHIRE EAST COUNCIL

## REPORT TO: Audit and Governance Committee

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<b>Date of Meeting:</b>	22 January 2015
<b>Report of:</b>	Audit Manager
<b>Title:</b>	Audit and Governance Committee Self- Assessment Update
<b>Portfolio Holder:</b>	Councillor Peter Raynes

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### 1.0 Report Summary

- 1.1 This report advises Members on progress in implementing the actions arising from the 2013/14 self-assessment of the Audit and Governance Committee against good practice and the evaluation of its effectiveness that was reported in March 2014.
- 1.2 Members are asked to consider the progress made in implementing the agreed actions and whether there is scope to do more.

### 2.0 Recommendations

- 2.1 That the Committee note:
  - (i) the progress in relation to the implementation of actions to improve its effectiveness and determine any required amendments; and
  - (ii) that the self-assessment of the Audit and Governance Committee against good practice and the evaluation of its effectiveness for 2014/15 will be brought to the March 2015 meeting.

### 3.0 Reasons for Recommendations

- 3.1 An effective audit committee has a key role in overseeing and assessing the risk management, control and corporate governance arrangements and advising on the adequacy of these arrangements.
- 3.2 A good standard of performance against recommended practice, together with a knowledgeable and experienced membership, are essential requirements for the Audit and Governance Committee to be effective.
- 3.3 Regular self-assessments can be used to support the planning of the Committee's work programme, training plans and inform the annual report.

#### **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**

7.1 No specific financial implications.

#### **8.0 Legal Implications**

8.1 As detailed within the report the Council is required to abide by the Accounts and Audit Regulations 2011.

#### **9.0 Risk Assessment**

9.1 It is not uncommon for audit committees to face difficulties or barriers to fulfilling their potential effectiveness. Regular self-assessment against best practice may be of value in helping audit committee members or those supporting the committee to recognise and address the challenges.

#### **10.0 Background and Options**

10.1 Regulation 6 of the Accounts and Audit Regulations 2011 requires the Council to conduct an annual review of the effectiveness of its internal audit. The 2013/14 review included a self-assessment of the Audit and Governance Committee against good practice and an evaluation of its effectiveness using the recommended practice contained within 'Audit Committees – Practical Guidance for Local Authorities and Police (2013 Edition)'. The outcome of the review was reported to Committee in March 2014 and can be summarised as follows:

<b>Self-assessment of Good Practice</b>	
<b>Assessment</b>	<b>No. of Good Practice Questions</b>
Yes	12
Partly	7
No	1
Total	20

<b>Evaluating the Effectiveness of the Audit Committee</b>	
<b>Assessment</b>	<b>No. of areas where the committee can add value by supporting improvement</b>
Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable	0
Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.	7
The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.	2
There is some evidence that the committee has supported improvements, but the impact of this support is limited.	0
No evidence can be found that the audit committee has supported improvements in this area.	0
<b>Total</b>	<b>9</b>

10.2 The Audit and Governance Committee endorsed the actions arising from the self-assessment and evaluation and noted that a further report giving an update on the progress of these actions be submitted to a future meeting of the Committee.

10.3 Progress in implementing the agreed actions together with further options for improvement is included at Appendix A of this report. In order to ensure that improvement opportunities are not missed Members are asked to consider the progress made and whether there is scope to do more.

### **11.0 Access to Information**

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

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