

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

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

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:

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

Evaluating the Effectiveness of the Audit Committee	
Assessment	No. of areas where the committee can add value by supporting improvement
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
Total	9

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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