

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of meeting: 25 June 2015
Report of: Audit Manager
Title: Work Plan 2015/16
Portfolio Holder: Councillor Peter Groves

1.0 Report Summary

1.0 The report presents an updated Work Plan (Appendix A) along with details of the various Committee Member/Officer Groups for consideration.

2.0 Recommendation

2.1 That the Committee:

- review the role and membership of the specialist Member/Officer Groups;
- consider the Work Plan and determine any required amendments; and
- note that the plan will be brought back to the Committee for development and approval.

3.0 Reasons for Recommendations

3.1 The Audit and Governance Committee has a key role in overseeing and assessing the Council's risk management, control and corporate governance arrangements. It advises 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

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

8.1 The Accounts and Audit Regulations 2015 revoke the Accounts and Audit Regulations 2011 (S.I. 2011/817), although those regulations continue to have effect in relation to financial years ending on or before 31st March 2015.

8.2 The Work Plan for 2015/16 will, therefore, need to take account of the requirements of the Accounts and Audit (England) Regulations 2011 and The Accounts and Audit Regulations 2015.

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

Member/Officer Groups

- 10.2 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.
- 10.3 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.
- 10.4 The table below shows the respective Groups and Member representation following the changes made to the membership of the Audit and Governance Committee at the Annual Meeting of the Council on 27 May 2015:

Group	Councillor/s
Audit	Corcoran & Hardy
Corporate Governance & Annual Governance Statement	None
Financial Statements	Corcoran & Hardy
Fraud	None
Risk Management	Fletcher & Kolker
Standards Work Group.	Hardy & Marren, 2 places vacant.

- 10.5 Members are, therefore, asked to consider the role and composition of the specialist Groups going forward.

Work Plan 2015/16

- 10.6 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 (Appendix A) and establish any amendments that will enable it to meet its responsibilities. In doing so it should be noted that the following changes have been made to the programme that was discussed in March 2015:
- The Annual Internal Audit Report includes a summary of the work undertaken throughout 2014/15 on the Council's Risk Management arrangements. A separate Annual Report of the Corporate Assurance Group has, therefore, been removed from the June

agenda. The update of the Risk Management Policy has also been deferred until September.

- A presentation on the procedure for review of draft Ombudsman Reports prior to publication and the findings of the recent investigation into brown wheelie bins has been included on the June Agenda at the request of Members.

10.7 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

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

11.0 Access to Information

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

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