

## Action Plan following the Self- Assessment Against Good Practice – 2014/15

Self-Assessment Against Good Practice Questions		
Good Practice Question <sup>1</sup>	Action <sup>2</sup>	Progress
<b>Audit committee purpose and governance</b>		
4	Is the role and purpose of the audit committee understood and accepted across the authority?	To invite newly elected members to attend an Audit and Governance Committee meeting. To be actioned from May 2015.
<b>Membership and support</b>		
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	<p>Members of the Committee to be assessed against the core knowledge and skills framework.</p> <p>This could then be used to establish a programme of support that involves regular briefings and updates as well as formal training programmes.</p> <p>Process to be looked at in more detail by the Chairman and Vice Chairman from April 2015.</p>
		<p>A draft training schedule is being drawn up that will initially cover the core areas of knowledge<sup>3</sup> that all Committee Members should seek to acquire.</p> <p>Details regarding the specialist knowledge (other areas of specialist knowledge and experience, for example in accountancy, audit, governance and risk management, that will add value to the Committee) of Members to be requested by the Chair.</p> <p>The core skills identified by CIPFA are not unique to the role of Audit &amp; Governance Committee Member and hence contact will be made with the Senior Member Development Officer to establish whether existing training and development plans for elected members include similar skill or competency training opportunities.</p> <p>Training opportunities to be delivered from December 2015.</p>

<sup>1</sup> Taken from Appendix D - **AUDIT COMMITTEES \ PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES AND POLICE** 2013 EDITION

<sup>2</sup> Agreed at Audit & Governance Committee January 2015 and/or Audit & Governance Committee March 2015

<sup>3</sup> Core Knowledge, specialist skills and core skills taken from Appendix C - **AUDIT COMMITTEES \ PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES AND POLICE** 2013 EDITION

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Self-Assessment Against Good Practice Questions			
Good Practice Question		Action	Progress
16	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the chief financial officer?	External Audit to meet separately with the Chairman and Vice Chairman from April 2015.	<p>Chair and Vice Chair have full access to External Auditors outside formal meetings as necessary.</p> <p>This includes the opportunity, either before or after the Audit and Governance Committee, for the Chair and Vice Chair to meet informally with the External Auditor, independent of the presence of those officers with whom the Auditor must retain a working relationship.</p>
Effectiveness of the committee			
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	The Chairman to seek feedback from meeting participants including External Audit.	<p>Chair to seek feedback from the External Auditor<sup>4</sup> and meeting participants<sup>5</sup> looking at whether:</p> <ul style="list-style-type: none"> <li>• The work of the Committee is focused on improvement, securing agreement on actions and reaches a clear conclusion;</li> <li>• the Committee operates at a strategic level and avoids straying into minor issues or operational detail that are more effectively addressed elsewhere; and</li> <li>• the Committee takes a non-political approach to meetings and discussions</li> </ul>

<sup>4</sup> At informal, as necessary, meetings referred to in point 16 and more specifically as part of 2016/17 self- assessment commencing January 2016.

<sup>5</sup> Meeting participants are to include Chief Operating Officer or appropriate senior and qualified substitute, Head of Legal Services and Monitoring Officer and Corporate Manager Governance and Audit, with feedback provided at Committee briefing with Chair and Vice Chair commencing November 2015.

## Action Plan following the Self- Assessment Against Good Practice – 2014/15

Evaluating the Effectiveness of the Audit Committee <sup>6</sup>			
Area where the audit committee can add value	Self-Assessment See key below	ACTION <sup>7</sup>	Progress
Promoting the principles of good governance and their application to decision making.	4	An updated Code of Corporate Governance to be presented to the June 2015 Audit and Governance Committee for consideration. The suggested approval process would be for Audit and Governance Committee to receive, review and recommend the revised Code to Cabinet. Cabinet would receive the recommended Code, and if in approval, would recommend it to Council to approve the financial and other arrangements set out in the Code. Following this process would help in raising awareness of the Code amongst Officers and Members.	The revised Code of Corporate Governance was presented to the Committee in June 2015. The formal approval process includes Cabinet and Council from January 2016.

<sup>6</sup> Taken from Appendix E - **AUDIT COMMITTEES \ PRACTICAL GUIDANCE FOR LOCAL AUTHORITIES AND POLICE** 2013 EDITION

<sup>7</sup> Agreed at Audit & Governance Committee January 2015 and/or Audit & Governance Committee March 2015

## Action Plan following the Self- Assessment Against Good Practice – 2014/15

Evaluating the Effectiveness of the Audit Committee			
Area where the audit committee can add value	Self-Assessment See key below	ACTION	Progress
Contributing to the development of an effective control environment.	4	<p>The Committee agreed to request senior managers to attend meetings if, following receipt of assurance reports, there are concerns regarding risk, control or the implementation of recommendations.</p> <p>The Chairman and Vice Chairman, from April 2015, would work with Officers to determine how this will work in practice.</p>	<p>In the first instance the Audit and Governance Committee will hold to account those responsible for the implementation of recommendations and action plans through the review of internal and external audit reports, monitoring of risk registers and other key strategies as well as receiving briefings from Risk Managers on key strategic Risks.</p> <p>If, however, audit or other assurance reports presented to the Audit and Governance Committee conclude that Senior Management has accepted a level of risk that may be unacceptable to the Council because:</p> <ul style="list-style-type: none"> <li>• Of a failure to agree actions which address weaknesses that give rise to significant risks; or</li> <li>• agreed actions have not been effectively implemented by the agreed date.</li> </ul> <p>the Committee will raise such matters with the appropriate Senior Manager. The Committee will then make recommendations for action to Senior Management or refer matters to other committees or Council as necessary.</p>
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance	3	To add a briefing on performance management arrangements to the Work Plan for 2015/16. To focus on financial reporting and financial governance rather than on wider issues of performance and spending priorities.	A report on Performance Management Arrangements is included on the Audit and Governance Committee Agenda for 17 March 2016.

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arrangements.			
Evaluating the Effectiveness of the Audit Committee			
Area where the audit committee can add value	Self-Assessment See key below	ACTION	Progress
Supporting the development of robust arrangements for ensuring value for money.	3	In order to develop the 15/16 Work Plan Officers to benchmark what assurance other Audit Committees receive with regard to both the arrangements to ensure value for money and the progress in achieving value for money. Future reporting requirements will also need to be determined in the context of what other Committees of the Council are doing.	<p>Benchmarking with comparator authorities indicates that audit committees receive assurance as part of the AGS process because the AGS should be focused on outcomes and value for money, and the external audit opinion on value for money. This is consistent with the Audit and Governance Committee's Work Plan.</p> <p>The Chair and Vice Chair have, however, requested the Performance Report referred to above to include assurance regarding benchmarking activities at Cheshire East Council.</p>
Assessment Key			
5	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.		
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.		
3	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.		
1	No evidence can be found that the audit committee has supported improvements in this area.		