

Audit and Governance Committee

Agenda

Date: Tuesday, 27th March, 2012
Time: 2.00 pm
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

3. **Public Speaking Time/Open Session**

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the meeting. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

4. **Minutes of Previous meeting** (Pages 1 - 6)

To approve the minutes of the meeting held on 31st January 2012.

Contact: Paul Mountford, Democratic Services
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

5. **Certification of Claims and Returns - Annual Report** (Pages 7 - 22)

To consider a summary of the key findings identified during the Audit Commission's certification process for 2010-11 specific grant income.
6. **Internal Audit Plan 2012/13** (Pages 23 - 28)

To receive and approve the Internal Audit Plan for 2012/13.
7. **Audit Committee Self-Assessment** (Pages 29 - 34)

To consider a report on the results of a self-assessment of the effectiveness of the Audit and Governance Committee.
8. **Risk Management Update Report** (Pages 35 - 44)

To consider an update report on risk management.
9. **Business Continuity Management Update** (Pages 45 - 48)

To consider a proposed way forward for the future delivery of the Business Continuity Management function.
10. **Whistleblowing Policy** (Pages 49 - 54)

To consider an update on the effectiveness of the Council's Whistleblowing Policy and a breakdown of the number of reports received during 2011/12.
11. **Work Plan** (Pages 55 - 62)

To consider an updated Work Plan.

THERE ARE NO PART 2 ITEMS

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Tuesday, 31st January, 2012 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor J Hammond (Chairman)

Councillors S Corcoran, R Fletcher, S Hogben, A Kolker, D Marren, A Moran,
M J Simon and M J Weatherill

Officers

Lisa Quinn, Director of Finance and Business Services
Julie Openshaw, Deputy Monitoring Officer
Joanne Wilcox, Corporate Finance Lead
Jon Robinson, Internal Audit
Neil Taylor, Internal Audit
Rose Raine, Freedom of Information Officer
Julie Gibbs, Data Protection Officer
Vivian Quayle, Head of Performance and Capacity
Joanne Butler, Risk and Business Continuity Officer
Rachel Graves, Democratic Services Officer

Audit Commission

Judith Tench
Andrea Castling

25 APOLOGIES FOR ABSENCE

Apologies were received from Councillor M Hardy.

26 DECLARATIONS OF INTEREST

Councillor R Fletcher declared a personal interest in Item 9 – Compliance with Data Protection Act 1998, Freedom of Information Act 2000 and Environmental Regulations 2004, as his daughter worked for the Information Commissioner's Office.

27 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present.

28 MINUTES OF PREVIOUS MEETING

RESOLVED:

The minutes of the meeting of 29 September 2011 be approved as a correct record.

29 ANNUAL AUDIT LETTER

The Committee considered a report summarising the Audit Commission findings from the 2010-11 audit.

The Annual Audit Letter summarised the Audit Commission findings from the audit and covered two elements: the audit of the Council's financial statements and an assessment of the Council's arrangements to achieve value for money in the use of resources. The report also identified current and future challenges, and future audit arrangements.

Judith Tench and Andrea Castling (Audit Commission) were in attendance and spoke to the report, highlighting key issues.

RESOLVED:

That the Annual Audit Letter for 2010-11 be received.

30 AUDIT PLAN 2011-12

The Committee considered a report regarding the Audit Plan, which set out the work that the Audit Commission proposed to undertake for the audit of financial statements and the value for money conclusion 2011-12. The Audit Plan also specified the level of audit fees.

Judith Tench and Andrea Castling (Audit Commission) were in attendance and spoke to the report.

The Audit Plan was based on the Audit Commission's risk-based approach to audit planning and reflected the audit work specified by the Audit Commission for 2011-12, current national risks relevant to the authority's local circumstances, and local risks.

RESOLVED:

That the Audit Plan for 2011-12, as set out in Appendix A of the Report, be received.

31 AUDIT COMMITTEE UPDATE

The Committee considered a report on the progress of the Audit Commission in delivering their responsibilities as external auditors. The

report included an update on the externalisation of the Audit Practice and also highlighted key emerging national issues and developments.

Judith Tench (Audit Commission) was in attendance and spoke to the report, highlighting key issues.

The Report highlighted five Key Considerations for the Committee to consider in respect of the issues highlighted. The Director of Finance and Business Services confirmed to the Committee that the Council had considered the Work in Progress and Tough Times reports and made use of the VFM profiles and the workforce and agency worker expenditure tools were being considered by HR. Whilst the Council had not used the single person discount comparator, it had had carried out a single persons discount audit which found 2000 people had wrongly claimed the discount. The Council had reviewed its Anti-Fraud and Corruption arrangements using the CIPFA guidance and school governors were to be provided with a fraud briefing. All Members of the Council had received a copy of the DCLG's plain english guide to the Localism Act, as well as a briefing note produced by the Council and had been invited to attend a seminar run by Hill Dickinson LLP.

RESOLVED:

That the Report be received.

32 STATEMENT OF ACCOUNTS FOR 2011-12: PROGRESS REPORT

The Committee considered a report on progress with the preparation of the Statement of Accounts for 2011/12.

The Annual Audit Letter contained a number of recommendations to improve the closure of accounts process for 2011-12. The Finance Team had met with the Audit Commission to review the accounts and audit process in November and had agreed an improvement plan. Appendix 1 to the Report detailed the progress to date with the Final Accounts Action Plan.

RESOLVED:

That the progress on the preparations for producing the Statement of Accounts for 2011-12 be noted.

33 COMPLIANCE WITH DATA PROTECTION ACT 1998, FREEDOM OF INFORMATION ACT 2000 AND ENVIRONMENTAL REGULATIONS 2004

The Committee considered a report which detailed how the Council fulfilled its obligations under the Data Protection Act 1998, Freedom of Information Act (2000) and the Environmental Information Regulations

(2004). The report also highlighted volumes of requests, trends, and current and future issues.

RESOLVED:

That the processes in place to ensure the Council complies with the relevant legislation be noted.

34 ANNUAL GOVERNANCE STATEMENT (AGS) - 2011/12 PROCESS AND UPDATE ON 2010/11 ACTION PLAN

The Committee considered a report on the progress to date against the Annual Governance Statement for 2010-11 and the production of the Annual Governance Statement for 2011-12.

The Accounts and Audit Regulations 2011 required the Council to produce an Annual Governance Statement and it was good practice to agree the process with Members in advance. Appendix A to the Report detailed the proposed process for the production for the 2011-12 Annual Governance Statement.

Progress on the 2010-11 Annual Governance Statement Action Plan was reported in Appendix B to the Report.

RESOLVED: That

- (1) the process for the production for the 2011-12 Annual Governance Statement be endorsed; and
- (2) the progress against the 2010-11 Annual Governance Statement be noted.

35 COMPLIANCE WITH INTERNATIONAL AUDITING STANDARDS

The Committee considered a report setting out a response to a request from the Audit Commission for information regarding management arrangements for identifying and reporting risk of fraud and complying with the relevant laws and regulations.

RESOLVED:

That it be noted that Appendix A to the Report will form the basis of the written response to the Audit Commission by the Chairman of the Audit and Governance Committee and the Director of Finance and Business Services.

36 INTERNAL AUDIT 2011/12 INTERIM REPORT

The Committee considered a report on progress against the Internal Audit Plan 2011-12, revisions to the plan and a summary of the work undertaken

during the second and third quarters of 2011-12. Full details were set out in Appendix A to the Report.

RESOLVED: That

- (1) the issues identified in Appendix A to the Report be noted; and
- (2) the approach identified to achieving adequate audit coverage in the remainder of 2011-12 be endorsed.

37 **RISK MANAGEMENT UPDATE REPORT**

The Committee considered a report summarising the Key Corporate Risks (KCRs) and risk management work undertaken since the previous report.

Since the previous report, the overall risk ratings for KCR6 (Equality Gap) had increased to a 12 high risk and KCR9 (Education) had increased to 9 medium risk. The overall risk rating for KCR15 (Reputation) had decreased from 12 high risk to 9 medium risk. The definition and title of KCR13 (Organisational Change) had been updated to reflect current thinking and the overall risk rating reduced to 8 medium risk.

KCR 17 (Industrial Action) materialised as an issue at the end of November, so had been removed as a risk from the Corporate Risk Register.

It was proposed by the Committee that all reports to Council, Cabinet and Committees should include the risk matrix score in the Risk Assessment paragraph to ensure that management of risks was being considered effectively.

RESOLVED: That

- (1) the report be noted; and
- (2) the Risk Assessment paragraph in all Committee reports to include the risk matrix score.

38 **WORK PLAN**

The Committee considered an updated Work Plan.

To assist Members in reviewing the Work Plan, the report included details of specific areas of activity that could be included in the Plan.

Members noted that a number of changes had been made to the Work Plan since the previous meetings:

- 1 Reports had been included for this meeting on:
 - Annual Audit Letter
 - Closure of Accounts 2011-12
- 2 The outcomes of a review of the Anti Fraud and Corruption Strategy and the measures designed to prevent fraud would be reported to the March Committee
- 3 The Chairman's Annual Report would be included in the agenda for the September Committee
- 4 An end of year report on Business Continuity would be presented to the March Committee

It was requested that a report on the budget provision and the amount of expenditure already incurred on the waste site at Lyme Green be added to the Work Plan.

RESOLVED: That

- (1) the Work Plan, and changes made to it since the last meeting, be noted;
- (2) a report on the budget expenditure for the waste site at Lyme Green be added to the Work Plan for the next meeting; and
- (2) it be noted that the Work Plan will be resubmitted to the Committee periodically for further development and approval.

The meeting commenced at 2.00 pm and concluded at 4.30 pm

Councillor J Hammond (Chairman)

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting:	27 th March 2012
Report of:	Director of Finance & Business Services
Subject/Title:	Certification of Claims and Returns – Annual Report
Portfolio Holder:	Councillor Michael Jones, Resources

1.0 Report Summary

- 1.1 The report provides a summary of the key findings that have been identified during the Audit Commission's certification process for 2010-11 specific grant income.

2.0 Recommendation

- 2.1 That the Committee receive and comment on the Grants Certification Report which is attached as Appendix 1.

3.0 Reasons for Recommendation

- 3.1 To ensure that members consider the issues and recommendations raised within the report.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications, including carbon reduction and health

- 6.1 None.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 As covered in the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 None.

9.0 Risk Management

- 9.1 The risks associated with the findings of this report relate to a position where the Council may not meet the conditions required for grant funding and a financial liability is incurred.

10.0 Background and Options

- 10.1 The report summarises the findings from the certification of 2010-11 claims. It includes recommendations arising from the auditor's assessment of the Councils arrangements for preparing claims and returns and information on claims that were amended or qualified.
- 10.2 The report recommends the strengthening of arrangements to ensure that all claims and returns are submitted in accordance with the timetable and improvements in supporting documentation.
- 10.3 The fees associated with the grant certification work in 2010-11 were £74,647.

11.0 Access to Information

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

Name: Joanne Wilcox
Designation: Corporate Finance Lead
Tel No: (01270) 685869
Email: Joanne.wilcox@cheshireeast.gov.uk

Certification of claims and returns - annual report

Cheshire East Borough Council

Audit 2010/11



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Introduction

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. My certification work provides assurance to grant-paying bodies that claims for grants and subsidies are made properly or that information in financial returns is reliable. This report summarises the outcomes of my certification work on your 2010/11 claims and returns.

- 1 Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. Where such arrangements are made, certification instructions issued by the Audit Commission to its auditors set out the work auditors must do before they give their certificate. The work required varies according to the value of the claim or return and the requirements of the government department or grant-paying body, but in broad terms:
 - for claims and returns below £125,000 the Commission does not make certification arrangements and I was not required to undertake work;
 - for claims and returns between £125,000 and £500,000, I undertook limited tests to agree form entries to underlying records, but did not undertake any testing of eligibility of expenditure; and
 - for claims and returns over £500,000 I planned and performed my work in accordance with the certification instruction to assess the control environment for the preparation of the claim or return to decide whether or not to place reliance on it. Depending on the outcome of that assessment, I undertook testing as appropriate to agree form entries to underlying records and test the eligibility of expenditure or data.
- 2 Claims and returns may be amended where I agree with your officers that this is necessary. My certificate may also refer to a qualification letter where there is disagreement or uncertainty, or you have not complied with scheme terms and conditions.

Summary of my 2010/11 certification work

3 The Council receives more than £270 million from various Government departments each year. For a significant proportion of this income the Council needs to compile grant claims and returns in accordance with the requirements and timescales set by the grant paying departments. I am required to certify some of these claims and returns. This work is in addition to my main audit which is reported through the Annual Governance Report and Annual Audit Letter.

4 I certified eight claims and returns with a total value of £268.6 million in 2010/11. I made amendments to some claims to correct generally minor errors. Where I was uncertain about the accuracy of amounts in claims I issued qualification letters to the grant-paying body explaining the reasons for my uncertainties. A summary of the outcome from my certification work is shown in table 1.

Table 1: **Summary of 2010/11 certification work**

Number of claims and returns certified	
Total number of claims and returns certified	8
Number of claims and returns where the claim was only amended	5
Number of claims and returns where I only issued a qualification letter	3
Total cost of certification work	£74,647

5 In my 2009/10 report I made two recommendations for improving processes for preparing claims and reducing the level of errors in claims submitted for certification as follows.

- Ensure that arrangements are in place to ensure the Council identifies all claims and returns that require certification and are submitted in accordance with the specified timetable.
- Ensure the entries on the claims are clearly cross-referenced to supporting documentation.

6 In 2010/11 three of the claims requiring certification were submitted to me after departmental deadlines for submission to auditors. I was able to certify one of these by the audit review deadline. The other two claims were certified within a week of the deadlines.

7 Overall the number of qualification letters and level of amendments to claims required in 2010/11 were similar to those in 2009/10, but there is clear evidence that the action being taken by officers has resulted in notable improvements in the quality of supporting audit trails to support the claims. This enabled me to complete certification of all but one claim within significantly shorter timescales.

8 The main issues arising from the audit of specific claims is provided below.

Housing Benefit claim

9 Two of the Council's main claims, the Housing and Council Tax Benefits Scheme and the NNDR3 claim were prepared for the first time using the Northgate Revenues and Benefits system.

10 My testing of the Housing and Council Tax Benefit claim identified a number of errors due to the conversion to the new system. I amended the claim for these errors which resulted in an additional £363,620 subsidy payable to the Council.

11 One type of error identified by officers included the misclassification of a rent allowance overpayment as administration error. The Council does not get any subsidy for administration error overpayments and had therefore under claimed subsidy. Officers reviewed all similar cases and identified transactions to the value of £96,456 incorrectly treated as administration errors. Of this total, £74,983 was adjusted within the 2010/11 claim. The remaining £21,473 has been corrected in 2011/12.

NNDR3

12 My testing of the NNDR3 claim identified differences between the information used to support NNDR3 claim and the information used to compile the accounts. Both sets of information were generated from the new NNDR billing system which came into operation in December 2010.

13 From discussions with officers it appears that as part of the implementation process, prior year transactions (actioned on the previous NNDR systems operating from April 2010 to date of implementation of the new system) were not recorded by separate transaction type. Instead they were posted directly into a 'brought forward balance' and not itemised out separately. I was unable to identify these transactions by class or to quantify their potential impact, if any, on the 2010/11 NNDR3 claim.

14 My testing also identified an error in the calculation of the losses in collection. As a result the Council's contribution to the NNDR Pool was reduced by £601,863.

Recommendations

R1 Ensure all claims and returns that require certification are submitted in accordance with the specified timetable.

R2 Ensure the entries on claims are clearly cross-referenced to supporting documentation.

Results of 2010/11 certification work

This section summarises the results of my 2010/11 certification work and highlights the significant issues arising from that work.

Claims and returns above £500,000

15 I certified seven claims with a value over £500,000. For these larger claims, I assessed the control environment for preparing the claims to decide on the testing required. The strength of the control environment is an important factor in determining the level of testing required. The main issues arising from the audits are provided in table 2 and in the text that follows the table.

Table 2: Claims and returns above £500,000

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made (£'000)	Was a qualification letter issued?
Housing and council tax benefit scheme	99,017	N/A	+£364	Yes
National non-domestic rates return	124,191	No – this claim was the first produced from the new Northgate Revenues system	-£602	Yes

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made (£'000)	Was a qualification letter issued?
Teachers' pensions return	20,043	Yes	N/A	N/A
Sure start, early years and childcare grant and aiming high for disabled children grant	13,213	No	N/A	N/A
Disabled facilities	623	Yes	N/A	N/A
Single programme – Crewe Town Centre	80 (2010/11 claim was part of a larger overall scheme)	Yes	N/A	N/A
Local Transport Plan: Alderley Edge by-pass	11,550	Yes	N/A	N/A

Claims between £125,000 and £500,000

16 I only performed limited checking for claims between £125,000 and £500,000. There were no significant matters arising from these checks. Minor amendments were made to two claims and one claim was certified with a qualification letter. Table 4 summarises the outcome of the certification of these smaller claims.

Table 3: **Claims and returns above £500,000**

Claim or return	Value of claim or return presented for certification (£'000)	Was reliance placed on the control environment?	Value of any amendments made	Was a qualification letter issued?
Single programme – Crewe Town Centre 2008/09	139	N/A	N/A	Yes

17 This claim relates to a scheme started by Crewe & Nantwich Borough Council (CNBC). I was asked to certify this claim by the North West Development Agency although I was not the auditor of CNBC.

Summary of progress on previous recommendations

This section considers the progress made in implementing recommendations I have previously made arising from certification work.

Further improvements can be made in the Council's control and submission procedures.

Table 4: Summary of progress made on recommendations arising from certification work undertaken in earlier years

Agreed action	Priority	Date for implementation	Responsible officer	Current status	Comments
Put arrangements in place to ensure the Council identifies all claims and returns that require certification and ensure submission in accordance with the specified timetable.	H	2010/11 claims		Partially implemented	Not all claims in 2010/11 were submitted to us by the deadlines.
Ensure the entries on the claims are clearly cross-referenced to supporting documentation.	H	2010/11 claims		Partially implemented	Adequate supporting papers were not provided for all claims.

Summary of recommendations

This section highlights the recommendations arising from my certification work and the actions agreed for implementation.

Table 5: Summary of recommendations arising from 2010/11 certification work

Recommendation	Priority	Agreed action	Date for implementation	Responsible officer
Ensure all claims and returns that require certification are submitted in accordance with the specified timetable.	H	Efforts will continue to improve co-ordination around the submission of grant returns and to develop the Grants. Register as an effective basis for monitoring and progress checking.	Ongoing	Alex Thompson
Ensure the entries on claims are clearly cross-referenced to supporting documentation.	H	Specific follow up will be undertaken with the Audit Commission to identify where working and overall audit trails can be improved.	April 2012	Chris Mann

Summary of certification fees

This section summarises the fees arising from my 2010/11 certification work and highlights the reasons for any significant changes in the level of fees from 2009/10.

Table 6: Summary of certification fees

Claim or return	2010/11 fee	2009/10 fee	Reasons for changes in fee greater than +/- 10 per cent
Housing and council tax benefit scheme	£57,328	£47,003	A number of errors were identified in 2010/11 which resulted in additional testing being carried out.
National non-domestic rates return	£4,014	£6,357	2009/10 claim involved testing of three systems.
Teachers' pensions return	£2,747	£4,536	Limited testing required in 2010/11.
Sure start, early years and childcare grant and aiming high for disabled children grant	£2,681	£9,414	Additional testing carried out in 2009/10. Improvements in 2010/11 audit trail and supporting papers.
Disabled facilities	£1,237	£2,507	Limited testing required in 2010/11.
Single programme – Crewe Town Centre 2010/11	£1,926	£3,400	Limited testing required in 2010/11.
Local transport plan: Alderley Edge by-pass	£3,001	£4,887	Limited testing required in 2010/11.
Single programme – Crewe Town Centre 2008/09	£1,713	N/A	N/A.
Total	£74,647	£78,104	

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The Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body.



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CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting: 27th March 2012
Report of: Head of Internal Audit
Title: Internal Audit Plan 2012/13
Portfolio Holder: Councillor Michael Jones, Resources

1.0 Report Summary

1.0 The purpose of the report is for the Committee to receive and approve the Internal Audit Plan for 2012/13.

2.0 Recommendation

2.1 That the approach to internal audit planning be endorsed and the Internal Audit Plan 2012/13 be approved.

3.0 Reasons for Recommendation

3.1 In accordance with the Code of Practice for Internal Audit in Local Government, the Internal Audit Plan is put to the Audit and Governance Committee for approval.

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 (Authorised by the Director of Finance and Business Services)

7.1 The Internal Audit team must be appropriately staffed and resourced to comply with statutory and best practice requirements. The budget for the Internal Audit function currently provides for staffing levels in accordance with the plan produced.

8.0 Legal Implications

8.1 The requirement for an internal audit function is either explicit or implied in legislation with s151 of the Local Government Act 1972 requiring

Councils to “make arrangements for the proper administration of their financial affairs” and the Accounts and Audit Regulations 2011 requiring a relevant body to “undertake an adequate and effective internal audit ...”

9.0 Risk Assessment

9.1 The Authority is required to undertake an adequate and effective internal audit in accordance with Regulation 6 of the Accounts and Audit Regulations 2011. Failure to consider the effectiveness of its system of internal audit, and the opinion on Council’s control environment, could result in non-compliance with the requirements of the Regulations.

10.0 Background and Options

10.1 All principal local authorities subject to the Accounts and Audit Regulations 2011 must make provision for internal audit in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom.

10.2 In order to comply with the Code, a risk-based audit plan (Appendix A) has been prepared that is put to this Committee for approval, but not direction. The legislation and Code of Practice specifically state that those charged with governance approve the Plan but that this is not in a directing role as the Head of Internal Audit retains the independence and balance of judgement to implement the plan based on their assessment of risk and requirements.

10.3 In discharging their duty, Members should consider whether the scale and breadth of activity is sufficient to allow Internal Audit to provide an independent and objective opinion to the Council on the control environment taking account of whether:

- the level of resources in any way limits the scope of Internal Audit, or prejudices the ability to deliver a service consistent with the Code.
- Internal Audit is sufficiently independent of the activities it audits.
- the level of non-assurance work does not impact on the core assurance work.

10.4 Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to this Committee.

11.0 Access to Information

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

Name: Lisa Quinn

Designation: Director of Finance and Business Services

Tel No: 01270 686628

Email: lisa.quinn@cheshireeast.gov.uk

Internal Audit Plan 2012/13

1 Summary & Key Themes

1.1 The Internal Audit Plan is presented at a summary level at Appendix 1. There are a number of key themes emerging within the 2012/13 Internal Audit Plan, including:

- Governance & Assurance Framework
- Proposed move to Shared Service Single Legal Entity (SLE)
- New Service Delivery models
- Business & Service Planning
- Care Management & External Provider Contracts

2 The Process

2.1 The Plan has been prepared by taking the following into account:

- Adequacy and outcomes of the Authority's risk management, performance management and other assurance processes.
- Internal Audit's own risk assessment from recent Service away day.
- Key Priorities and Issues from the Authority's Business Plan 2012/2015.
- Preliminary consultation with key stakeholders (e.g. Corporate Management Team, External Audit, Internal Audit staff, Cheshire West and Chester Internal Audit).

2.2 The Plan will be further defined in the coming weeks, through the following:

- Outcomes from the Service Delivery Planning process i.e. key risks identified.
- Outcomes from the Annual Governance Statement processes.
- Further consultation with key stakeholders (e.g. Heads of Service).

2.3 The Plan needs to be flexible to be able to reflect the changing risks and priorities of the organisation and recent experience has reinforced this. A number of assumptions have been made at this stage e.g. the move to Shared Service SLE and the Plan will need to be regularly reviewed and updated accordingly. For this reason, the annual contingency has been increased to 200 days.

2.4 In addition, there are a number of developments and improvements to the service that the Internal Audit team has identified and the associated tasks and activities will be built into the planning process.

2.5 The detailed Audit Plan, when completed, will be shared with the Member/Officer group, responsible for Audit.

3 Conclusion

3.1 The report supports an effective audit planning process, based on the risks to the Authority and in accordance with the Code of Practice for Internal Audit.

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Appendix 1 - Internal Audit Plan 2012/13

Audit Theme/Area <i>Identified Key Areas</i>	Drivers/Risks (NEW for 12/13 in bold)	Assessment Method	2012/13 Planned Audit Days	2012/13 Planned %	2011/12 Planned Audit Days	2011/12 Planned %
Available Audit Days			1640	100%	1630	100%
Corporate Governance <i>Annual Governance Statement, Corporate Governance Group</i>	Statutory requirement.	Statutory requirement.	60	4%	60	4%
Key Financial Systems <i>Housing Benefits, NNDR, Council Tax, Cash Receipting, Treasury Management, General Ledger</i>	Risk of material mis-statement of the Authority's Financial Statements.	Key mitigating controls. To be agreed with External Audit.	100	6%	120	7%
Shared Services <i>Proposed Separate Legal Entity (SLE) – Set up, Transition, Governance arrangements etc. HR & Finance - Accounts Payable, Accounts Receivable, Payroll ICT - Technical Assurance work pre-proposed SLE</i>	Risk of material mis-statement of the Authority's Financial Statements. Potential shadow year before operation of Separate Legal Entity from 1/4/13.	Key mitigating controls. To be agreed with External Audit, CWaC Internal Audit and Shared Services Joint Officer Board.	200	12%	160	10%
Corporate Cross-Service <i>Governance Framework – Constitution, Key/Delegated Decisions, Project Management Business & Service Planning Contract Management Information Management – Data Protection General Probity – Expenses, Purchase Cards, Imprests etc.</i>	Key Corporate & Cross-Service Risks.	Business Plan Corporate Risk Register Previous Audit work Materiality AGS Action Plan	200	12%	200	12%
Children, Families & Adults <i>Adult Social Care - Care Management, Personalisation, Direct Payments, External Provider Contracts Children's' Social Care – Care Management, Safeguarding, External Provider Contracts Schools/Education – Assurance Framework Public Health – new functions All - Thematic Establishment visits</i>	Key Departmental/Service Risks. New Public Health functions in shadow form. Introduction of Schools Financial Values Standard.	Business Plan Corporate Risk Register Previous Audit work Materiality AGS Action Plan	300	18%	305	19%

Appendix 1 - Internal Audit Plan 2012/13

Audit Theme/Area <i>Identified Key Areas</i>	Drivers/Risks (NEW for 12/13 in bold)	Assessment Method	2012/13 Planned Audit Days	2012/13 Planned %	2011/12 Planned Audit Days	2011/12 Planned %
Places & Organisational Capacity <i>Highways – Partnership with Ringway Jacobs</i> <i>Transfer of services to Town and Parish Councils</i> <i>Assets – Corporate Landlord/Roles & Responsibilities/Inventories</i> <i>Carbon Reduction – Energy Efficiency Scheme</i> <i>Planning – support for ‘in-house’ projects</i>	Key Departmental/Service Risks.	Business Plan Corporate Risk Register Previous Audit work Materiality AGS Action Plan	140	9%	160	10%
Partnerships <i>Partnership Protocol</i> <i>Strategic Partnerships, including Health</i>	Partnership Risks	Partnership Protocol AGS process	50	3%	100	6%
Anti Fraud and Corruption <i>General Policy and Procedure, Whistleblowing, National Fraud Initiative, Procurement/Overpayment to Suppliers, Grant applications, Insurance Claims, Blue Badges, Staff Recruitment & Vetting, Data analysis/matching</i>	Statutory requirement (NFI) Fraud trends	‘Protecting the Public Purse’ (Audit Commission) ‘Annual Fraud Indicator 2011’ (The National Fraud Authority) Previous Audit work	200	12%	250	15%
Improvement & Compliance NEW <i>Major Projects, New Service Delivery Models</i>	Major Projects New Service Delivery Models	Business Plan Corporate Risk Register	50	3%	-	-
Consultancy & Advice	Service Requirements	Ad-hoc work	100	6%	150	9%
Contingency	Need to be reactive and flexible to Council’s changing needs.	Previous Unplanned work	200	12%	100	6%
Follow Up	New Audit Reporting Protocol	Previous Audit Work	40	3%	25	2%
Total			1640	100%	1630	100%

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting: 27th March 2012
Report of: Director of Finance and Business Services
Title: Audit Committee Self-Assessment
Portfolio Holder: Councillor Michael Jones, Resources

1.0 Report Summary

- 1.0 The purpose of this report is to facilitate compliance with the Accounts and Audit Regulations 2011 and, consequently, it advises Members on the results of a self assessment of the effectiveness of the Audit and Governance Committee using the CIPFA publication '*Audit Committees – Practical Guidance for Local Authorities (Appendix A)*'.

2.0 Recommendations

- 2.1 That the Committee

(1) consider the self-assessment and determine any required amendments; and

(2) note that the detailed outcome of the review of the system of Internal Audit will be considered by the Committee as part of the Annual Governance Statement (AGS) approval process.

3.0 Reasons for Recommendations

- 3.1 Regulation 6 of the Accounts and Audit Regulations 2011 requires the authority to conduct an annual review of the effectiveness of its system of internal audit.
- 3.2 The effectiveness of the system of internal audit should include the effectiveness of the audit committee itself (to the extent that its work relates to internal audit), as well as the performance of the internal audit provider.

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 (Authorised by the Director of Finance and Business Services)

7.1 No specific financial implications.

8.0 Legal Implications

8.1 As detailed in the report.

9.0 Risk Assessment

9.1 Failure to review and report on the Committee's effectiveness could result in improvement opportunities being missed and in non compliance with the Accounts and Audit Regulations 2011.

10.0 Background and Options

10.1 The process for conducting the review of the effectiveness of the Council's system of internal audit, which was agreed with the Audit and Governance Committee in January 2012 includes a self -assessment against the following relevant internal audit standards:

- the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
- Audit Committees – Practical Guidance for Local Authorities CIPFA

10.2 As with the AGS, the completion of the review of the system of internal audit will be carried out by the Corporate Governance Group with input from the Director of Finance and Business Services. The detailed results of the overall review will then be reported to this Committee for consideration as part of the AGS process. Prior to this it is important that Members are satisfied that the self- assessment of the Committee's effectiveness has been completed correctly.

11.0 Access to Information

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

Name: Lisa Quinn

Designation: Director of Finance and Business Services

Tel No: 01270 686628

Email: lisa.quinn@cheshireeast.gov.uk

Self-assessment Checklist – Measuring the Effectiveness of the Audit Committee

Terms of Reference				
Have the committee's terms of reference been approved by full council?	✓			Approved as part of Constitution. Terms of Reference updated in 2011/12 to include requirement to submit an annual report to full Council.
Do the terms of reference follow the CIPFA model?	✓			Based on <i>Audit Committees – Practical Guidance for Local Authorities</i> , CIPFA 2005.
Internal Audit Process				
Does the committee approve the strategic audit approach and the annual programme?	✓			Internal Audit Strategy approved in Sept 2009, with update in Nov 2010. Update planned in 2012/13. Audit plans approved annually – 2011/12 Plan approved in March 2011.
Is the work of internal audit reviewed regularly?	✓			Annual Internal Audit Opinion report received in June 2011. Interim reports received in Sept 2011 and Jan 2012.
Are summaries of quality questionnaires from managers reviewed?	✓			Results of questionnaires reported in interim reports for 2011/12 and will be reported in annual report.
Is the annual report, from the head of audit, presented to the committee?	✓			Annually to support production of the Annual Governance Statement (AGS). Last reported in June 2011.
External Audit Process				
Are reports on the work of external audit and other inspection agencies presented to the committee?			✓	External Audit reports: June 2011 – Progress Report, Sept 2011 – Annual Governance Report 10-11, Jan 2012 – Annual Audit Letter 10-11/Audit Plan 11-12. Reports of other inspection agencies e.g. OFSTED are not presented to the Committee.
Does the committee input into the external audit programme?			✓	The Committee received and commented on the external auditor's 2011/12 plan in January 2012, although there was no prior specific discussion on the content. The plan set out the audit work in respect of the audit of financial statements and the value for money conclusion 2011/12.

Self-assessment Checklist – Measuring the Effectiveness of the Audit Committee

Does the committee ensure that officers are acting on and monitoring action taken to implement recommendations?	✓			E.g. Progress on implementing the Final Accounts Action Plan was reported to the Committee in Jan 2012, and is discussed at the appropriate specialist Member/Officer Group.
Does the committee take a role in overseeing: <ul style="list-style-type: none"> • Risk management strategies • Annual Governance Statement • Anti-fraud arrangements • Whistle-blowing strategies? 	✓ ✓ ✓ ✓			Review of Policy in June 2011. Update reports at each meeting. Approved 10/11 AGS in Sept 2011, Process for 11/12 AGS and update on 10/11 AGS action plan in Jan 2012. Review of Strategy reported Jan 2011. Update planned in 2012/13. Review of Policy in June 2011.
Membership				
Has the membership of the committee been formally agreed and a quorum set?	✓			
Is the chair free of executive or scrutiny functions?	✓			
Are members sufficiently independent of the other key committees of the council?	✓			The Chair and Vice Chair are free of executive and scrutiny responsibilities. There are two Scrutiny Chairs on the Committee.
Have all members' skills and experiences been assessed and training given for identified gaps?	✓			The Committee considered training requirements against the Better Governance Forum recommendations in Sept 2010 and training requirements are considered at each subsequent Committee as part of the Work Programme/Plan. Induction sessions have been delivered in June 2010 and Sept 2011 covering core functions re Internal & External Audit, Risk & Governance and Financial Statements, and a

Self-assessment Checklist – Measuring the Effectiveness of the Audit Committee

				series of training sessions have been delivered around the IFRS, AGS, Risk and Customer Complaints. In Sept 11, it was agreed by the Committee that individual Members would become more involved in specific areas of audit and governance work as a means of developing in-depth knowledge and expertise and subsequently five Member/Officer Groups have been set up and had their first meetings in Jan 2012.
Can the committee access other committees as necessary?	✓			Best practice states that the Audit Committee should report direct to the governing body i.e. full Council. For 2011/12, the Audit & Governance Committee is due to produce an annual report to go to full Council.
Meetings				
Does the committee meet regularly?	✓			
Are separate, private meetings held with the external auditor and the internal auditor?	✓			External Audit: a meeting with the Chair and Vice Chair is scheduled in March 2012. Internal Audit: There are a combination of Member/Officer Group meetings and pre-Committee briefings.
Are meetings free and open without political influences being displayed?	✓			
Are decisions reached promptly?	✓			Any deviations from the Work Programme are discussed and agreed at each Committee.
Are agenda papers circulated in advance of meetings to allow adequate preparation by members?	✓			There has been a conscious effort to make Committee reports more concise in 2011/12 to aid preparation. A review of the Work Programme is planned to ensure appropriate frequency of updates.
Does the committee have the benefit of attendance of appropriate officers at its meetings?	✓			The introduction of the Internal Audit Reporting Protocol and associated follow up procedure will enable appropriate managers to be invited to Committee to report back on e.g.

Self-assessment Checklist – Measuring the Effectiveness of the Audit Committee

				implementation of recommendations.
Training				
Is induction training provided to members?	✓			See response regarding the assessment of members' skills and experiences.
Is more advanced training available as required?	✓			As above.
Administration				
Does the authority's s151 officer or deputy attend all meetings?	✓			S151 Officer or deputy has attended all 2011/12 meetings.
Are the key officers available to support the committee?	✓			Key officers i.e. Internal Audit, Finance, Legal, Democratic Services, External Audit attend all meetings. Other officers will attend as and when appropriate to present specific reports.

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of meeting: 27th March 2012
Report of: Strategic Director Places and Organisational Capacity
Title: Risk Management Update Report
Portfolio Holder: Councillor David Brown, Performance and Capacity

1.0 Report Summary

1.1 The Audit and Governance Committee has a key role in providing an oversight of the effectiveness and 'embedding' of risk management processes, and in testing and seeking assurance about the effectiveness of control and governance arrangements. In order to form an opinion on these arrangements, it needs to establish how key risks are identified, evaluated and managed, and the rigour and comprehensiveness of the review process. The purpose of this paper is to provide the Audit and Governance Committee with a summary of the key corporate risks and risk management work undertaken since the last report so that it may undertake this oversight.

2.0 Recommendation

2.1 The Audit and Governance Committee is requested to consider and review the update report on risk management which is for information.

3.0 Reasons for Recommendation

3.1 In order to form an opinion on the effectiveness of the Council's risk management arrangements, the Audit and Governance Committee needs to establish how key risks are identified, what the key risks are and how they are evaluated, managed and reviewed.

4.0 Wards Affected

4.1 All

5.0 Local Ward Members

5.1 N/A

6.0 Policy Implications, including carbon reduction and health

6.1 Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework. A risk around

carbon management and climate change has been included on the Council's significant risk register as a cross-cutting risk. A specific risk around Health Partnerships is included as a key corporate risk on the Council's corporate risk register.

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 None in relation to this report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 As well as the need to protect the Council's ability to achieve its strategic aims, and to operate its business, general principles of good governance require that it should also identify risks which threaten its ability to be legally compliant and operate within the confines of the legislative framework, and this report is aimed at addressing that requirement.

9.0 Risk Management

9.1 This report relates to overall risk management; the Audit and Governance Committee should know about the most significant risks facing the Council and be assured that the risk management process is working effectively.

10.0 Background

10.1 It is considered good practice to include an update to Audit and Governance Committee at every meeting on progress against key risks. This monitoring should summarise general direction of travel in order to clearly demonstrate progress being made on specific risk items. If all is well then no discussion may be required; if all is not well then it is easy to identify the issues to pursue. A summary of the Council's Key Corporate Risks is provided below:

Risk Ref	Risk Title	Risk Owner	Strategic Lead	Net Risk Rating	Direction of Travel
KCR1	Service Delivery Prioritisation	Erika Wenzel	CLlr Wesley Fitzgerald	6 Medium	↓
KCR2	Financial Control	Lisa Quinn	CLlr Michael Jones	12 High	↔
KCR3	Community Safety	John Nicholson	CLlr Rachel Bailey	6 Medium	↑
KCR4	Vulnerable Children	Lorraine Butcher	CLlr Hilda Gaddum	12 High	↔
KCR5	Vulnerable Adults	Lorraine Butcher	CLlr Roland Domleo	12 High	↔
KCR6	Equality Gap	Lorraine Butcher	Councillors Domleo/Gaddum/Brown/Clowes	12 High	↑
KCR7	Partnerships	John Nicholson	CLlr David Brown	6 Medium	↔
KCR8	Health Partnerships	Lorraine Butcher	CLlr Janet Clowes	12 High	↔
KCR9	Education	Lorraine Butcher	CLlr Hilda Gaddum	9 Medium	↑
KCR10	Workforce	Paul Bradshaw	CLlr Peter Mason	9 Medium	↓
KCR11	Opportunities	Erika Wenzel	CLlr Wesley Fitzgerald	4 Low	↔
KCR12	Long-Term Planning	Erika Wenzel	CLlr David Brown	6 Medium	↓
KCR13	Organisational Change	Erika Wenzel	CLlr Wesley Fitzgerald	8 Medium	↓
KCR14	Information, Research Business Intelligence	John Nicholson	CLlr David Brown	12 High	↔
KCR15	Reputation	John Nicholson	CLlr David Brown	9 Medium	↓
KCR16	External Environment	Erika Wenzel	CLlr Wesley Fitzgerald	12 High	↔

- 10.2 Since the previous risk management update report to the Audit and Governance Committee the ratings for the following key corporate risks have been reviewed:

<u>KCR2 Financial Control</u>	
<i>“Risk that the Council fails to manage expenditure within budget and maintain an adequate level of reserves, thereby threatening financial stability and service continuity and preventing the achievement of corporate objectives.”</i>	No change to overall risk rating. The likelihood of this risk materialising remains high due to general economic uncertainties and risks associated with proposed changes in national funding arrangements and new legislation. This is therefore at the top end of 3 very likely. The impact on the corporate objectives if this risk materialised will always be a 4 critical.
<u>KCR3 Community Safety</u>	
<i>“Risk that ineffective management of community safety causes poor perception and poor provision of safety, leading to an increase in crime and anti-social behaviour and impacting on our ability to enhance the Cheshire East environment and improve opportunities for all.”</i>	Due to significant partner organisation changes, the likelihood of this risk occurring has increased from a 2 unlikely to a 3 likely but is at the lower end of this rating. The overall net risk rating has increased to 6 Medium Risk.

<u>KCR5 Vulnerable Adults</u>	
<i>“Failure to recognise and act accordingly to safeguard and mitigate the risks to vulnerable adults, resulting in an inability to ensure better outcomes in life for the most vulnerable , undermining the reputation of the Council and possibly resulting in significant legal and financial consequences.”</i>	The net risk rating remains at 12 High Risk.
<u>KCR10 Workforce</u>	
<i>“Risk that we fail to retain and motivate an effective and engaged workforce, such that the staffing infrastructure, including leadership and capacity within the organisation fails to support the Council in being excellent and achieving the corporate objectives.”</i>	The overall net risk rating has reduced to 9 Medium Risk. Implementation of a single set of terms and conditions is now complete so the likelihood of this risk materialising has reduced; further communication is to take place re car user assessments. The likelihood has reduced to the top end of 3 very likely and the impact remains the same.

- 10.5 For ease of reference a risk heat map showing the direction of travel for the risks from September 2011 to February 2012 is attached at **Appendix A** to this report.
- 10.6 The assessment methodology used to score the risks is also attached at **Appendix B** to this report for consistency and information purposes.
- 11.0 Other Work undertaken on Risk Management**
- 11.1 Corporate Risk Management Group – Self-review of Effectiveness
- 11.1.1 An effective Corporate Risk Management Group is one that successfully supports management, the Audit and Governance Committee and Cabinet to fulfill their responsibilities for adequate and effective risk management for the Council’s activities. The Corporate Risk Management Group recently undertook a self review to assess its effectiveness and the adequacy of its Terms of Reference, work plans and forums of discussion and communication. The Corporate Risk Management Group agreed to undertake regular assessments on an annual basis so that it may identify areas in which the Group and its processes might be more effective, or may highlight skills and/or knowledge gaps in the Group.

11.1.2 Each Corporate Risk Management Group member completed a self-assessment questionnaire and the Chair led a discussion on key points members wished to raise. Group members also raised matters of interest so that the Group could focus on areas which clearly required improvement or where there was variation in opinion.

11.1.3 The overall opinion of the self-assessment review was that whilst the Corporate Risk Management Group worked effectively as a Group, potential enhancements to ensure that it was sufficiently outward facing were identified and included on an improvement Action Plan. A copy of the Action Plan is available on Centranet should members of the Audit and Governance Committee wish to review this.

11.2 Internal Audit Report on the Management of Strategic Risk

11.2.1 The internal audit team recently undertook an audit on the management of strategic risk; a copy of the draft report for the audit was received and discussed by the Corporate Risk Management Group. An audit opinion of Satisfactory Assurance was given in the report. The audit conclusion was that there have been considerable improvements in the management of strategic risk within the authority since early 2010, largely due to the creation of the Corporate Risk Management Group (February 2010), and the appointment of a Risk and Business Continuity Officer (September 2010). The report included a number of suggested actions to help consolidate this positive foundation for risk management, and encourage the development and extension of risk management into managing other levels of the risk hierarchy, and supporting the business planning framework.

11.3 Risk Management Guidance for Report Writers

11.3.1 The Corporate Risk Management Group suggested that the report writing guidance and the risk scoring recommendation made for reports (as per the Audit and Governance Committee) be split into two separate pieces of work to take this forward. The Risk Manager is to speak to Democratic Services about the risk scoring for inclusion in the report template with possible linkage to setting risk appetite. In addition, the risk management guidance for report writers is to be circulated to the Corporate Risk Management Group and the risk management specialist members of the Audit and Governance Committee for comment, before submission to the Corporate Management Team for approval.

12.0 Access to Information

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

Name: Vivienne Quayle

Designation: Head of Performance, Customer Services and Capacity

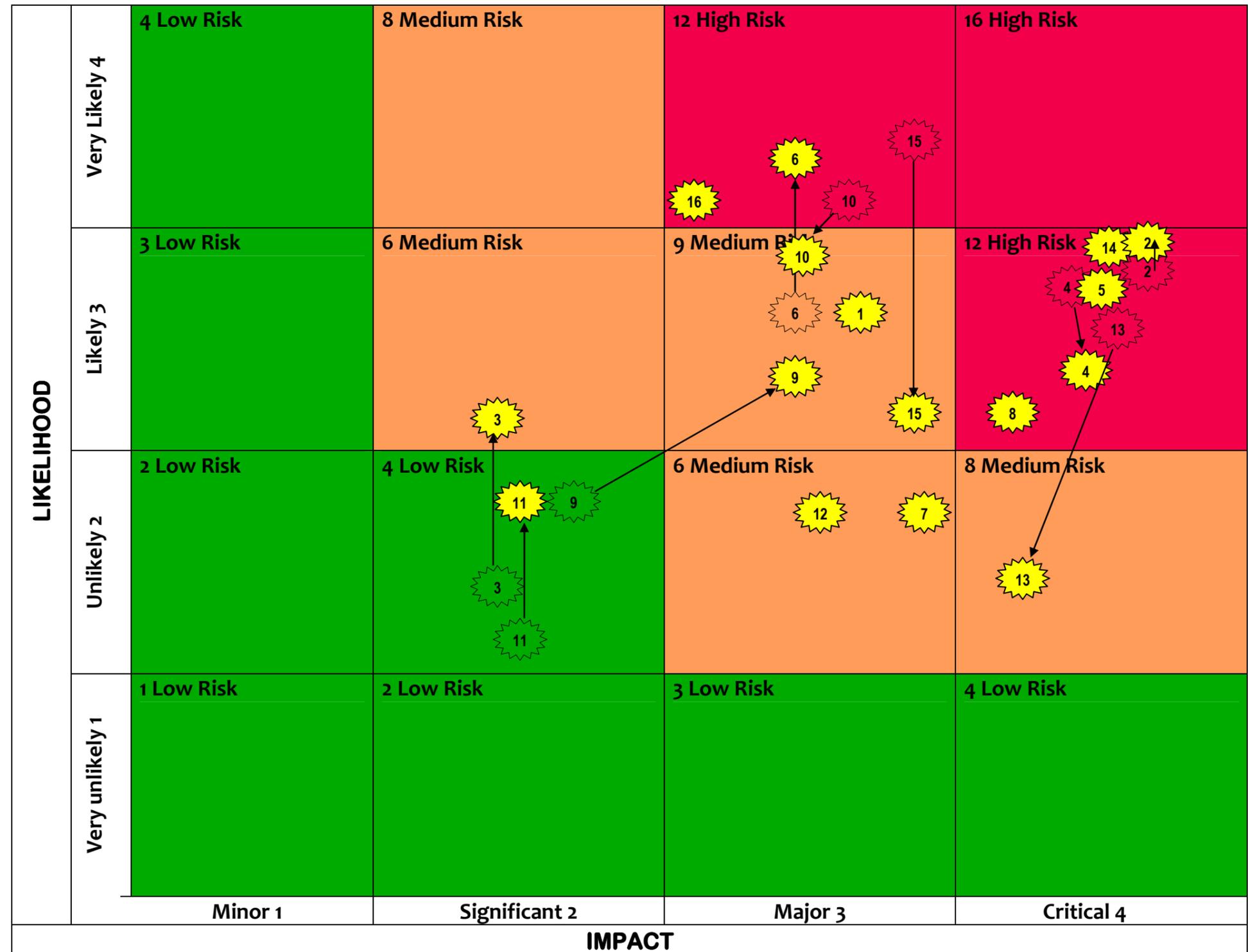
Tel No: 01270 686859

Email: vivienne.quayle@cheshireeast.gov.uk

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Cheshire East Council
Key Corporate Risk – Directional Heat Map (Sept 2011 to Feb 2012)

Key Corporate Risks	
High	2 Financial Control
	4 Vulnerable Children
	5 Vulnerable Adults
	6 Equality Gap
	8 Health Partnerships
	14 Information, Research & Business Intelligence
16 External Environment	
Medium	1 Service Delivery Prioritisation
	3 Community Safety
	7 Partnerships
	9 Education
	10 Workforce
	12 Long-Term Planning
	13 Organisational Change
15 Reputation	
Low	11 Opportunities



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Scoring Chart for Risk

APPENDIX B

Scoring chart for IMPACT

	Factor	Score	Effect on Corporate Objectives	Effect on Service/Project	Embarrassment/ Reputation	Personal Safety	Financial Implications
THREATS	Critical	4	Critical impact on corporate objectives and performance and could seriously affect reputation. Long term damage that may be difficult to restore with high costs.	Service - Major loss of several important areas. Disruption 5+ Days Project - Complete failure or extreme delay (3 months or more)	Adverse and persistent national media coverage Adverse central government response	Death	> £1m Or >£5m for corporate risks
	Major	3	Major impact on corporate objectives and performance, could be expensive to recover from and would adversely affect reputation in the medium to long term.	Service - Complete loss of an important area. Major effect to services in one or more areas for a period of weeks Disruption 3-5 Days Project - Significant impact on project or expected benefits fail/ major delay (2-3 months)	Adverse local publicity of a major and persistent nature Adverse publicity in professional/municipal press arena	Major injury	Between £1m and £500,000
	Significant	2	Significant impact on corporate objectives, performance and quality, could have medium term effect and be potentially expensive to recover from.	Service - Major effect on an important area or adverse effect on one or more areas for a period of weeks Disruption 2-3 Days Project - Adverse effect on project/ significant slippage (3 weeks–2 months)	Adverse local publicity /local public opinion aware	Severe injury	Between £500,000 and £100,000
	Minor	1	Minor impact on the corporate objectives and performance, could cause slight delays in achievement. However if action is not taken, then such risks may have a more significant cumulative effect.	Service - Brief disruption of important area Significant effect to non-crucial service area Disruption 1Day Project - Minimal impact to project/ slight delay less than 2 weeks	Complaint from individual/small group	Minor injury or discomfort	Less than £100,000
OPPORTUNITIES	Exceptional	4	Result in major increase in ability to achieve one or more strategic objectives	Major improvement to service, generally or across a broad range	Positive national press National award or recognition by national government	Major improvement in health, welfare & safety	Producing more than £50,000
	Significant	3	Impact on some aspects of the achievement of one or more strategic objectives	Major improvement to service or significant improvement to critical service area	Recognition of successful initiative Sustained recognition and support from local press	Significant improvement in health, welfare & safety	Producing up to £50,000

Scoring Chart for Risk
Scoring Chart for LIKELIHOOD

APPENDIX B

Factor	Score	THREATS - Description	Indicators	OPPORTUNITIES (Favourable Outcome) - Description	Indicators
Very likely	4	>75% chance of occurrence	Regular occurrence Frequently encountered - daily/weekly/monthly	>75% chance of occurrence or achieved in one year.	Clear opportunity, can be relied on with reasonable certainty to be achieved in the short term.
Likely	3	40% - 75% chance of occurrence	Within next 1-2 yrs Occasionally encountered (few times a year)	40% to 75% chance of occurrence. Reasonable prospects of favourable results in one year.	May be achievable but requires careful management. Opportunities that arise over and above the plan.
Unlikely	2	10% - 40% chance of occurrence	Only likely to happen 3 or more years	<40% chance of occurrence or some chance of favourable outcome in the medium term.	Possible opportunity which has yet to be fully investigated by management.
Very unlikely	1	<10% chance of occurrence	Rarely/never before	<10% chance of occurrence	Has happened rarely/never before

Risk Matrix – Likelihood and Impact

Likelihood		THE RISK MATRIX (With Scores)							
Very Likely	4	LOW	MEDIUM	HIGH	HIGH	4	8	12	16
Likely	3	LOW	MEDIUM	MEDIUM	HIGH	3	6	9	12
Unlikely	2	LOW	LOW	MEDIUM	MEDIUM	2	4	6	8
Very Unlikely	1	LOW	LOW	LOW	LOW	1	2	3	4
Impact		Minor 1	Significant 2	Serious 3	Major 4				

CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting:	27 th March 2012
Report of:	Lead Emergency Planning Officer for Cheshire East Council
Subject/Title:	Business Continuity Management Update

1.0 Report Summary

1.1 The purpose of this report is to inform the Committee of the proposed way forward for the future delivery of the Business Continuity Management function.

2.0 Recommendation

2.1 That the Constitution Committee be asked to consider recommending to Council that

- (1) responsibility for considering business continuity management issues be referred to the Sustainable Communities Scrutiny Committee in relation to service issues, together with emergency planning issues, the latter of which at present are not reported through to any committee; and
- (2) business continuity remain on the agenda for the Audit and Governance Committee for risk management purposes as the Committee needs to be made aware of the arrangements in order to form a view on whether they are robust or not and at the very least as part of the training for Members, but possibly not as frequently as at present.

3.0 Reasons for Recommendations

3.1 Traditionally, Business Continuity has been reported through to the Audit and Governance Committee due to its link to risk. However, it is thought appropriate that it might also be better to report to the Sustainable Communities Scrutiny Committee together with emergency planning issues which at present are not reported through to any committee. However, this will not preclude the Audit and Governance Committee needing to be made aware of the arrangements and form a view on whether the authority's business continuity arrangements are robust or not. Business Continuity Management preparedness will still be reported to the Audit and Governance Committee as part of the corporate risk plans but service issues will be considered via the Sustainable Communities Scrutiny Committee.

4.0 Wards affected

4.1 Potentially all.

5.0 Local Ward Members

5.1 Potentially all.

6.0 Policy Implications (including Climate Change/Health)

6.1 The effects of climate change are likely to increase the instances of environmental emergencies such as heatwaves, drought and flooding, and it is important that the Council anticipates and prepares to respond to such events.

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 Effective business continuity planning can lead to reduced costs by protecting assets, working more efficiently, assurance of third party providers of services (who may be required to demonstrate effective resilience as part of any tender), and lower insurance premiums, where the Council can demonstrate proactive management of continuity risks.

7.2. CIPFA's "A Toolkit for Local Authority Audit Committees" addresses the issue of business continuity under training and awareness and it talks about a training regime that authorities should strive to achieve, Under Risk Management it talks about the committee needing to understand the requirements of the Civil Contingencies Act 2004 and how the authority manages its own contingency and business recovery plans.

7.3 In accordance with the Council's Constitution there is nothing specific about business continuity but it would fall under risk management, the Committee being responsible for ensuring any Council's Risk Management arrangements are operating effectively is the Audit and Governance Committee.

7.4 The Council's Risk Management Policy has one of its six key objectives of the approach to risk management is to embed an effective business continuity management framework to provide continuous service delivery in the event of an emergency. These objectives will be achieved by preparing and testing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon the Council's ability to function.

7.5 In terms business continuity going to a Scrutiny Committee, the role of scrutiny is to review policy and challenge whether the executive has made the right decisions to deliver policy goals. This is different from the role of the Governance and Audit Committee which exists to provide assurance that there are adequate controls in place to mitigate key risks.

7.6 The Sustainable Communities Scrutiny Committee will fulfil the functions of an Overview and Scrutiny Committee as it relates to performance management, Corporate Resources and Strategy and in particular but not restricted to Community Strategies, and Crime and Disorder matters as provided by Section 19 of the Police and Justice Act 2006 and the specific portfolio holder responsibilities

of Civil Protection / Emergency Planning and Risk Management It would therefore appear that there seems to be a degree of overlap.

7.7 In summary, business continuity is one aspect of risk management and the Audit and Governance Committee will still need assurance with regard to Risk Management arrangements. At the very least CIPFA is arguing that the Audit and Governance Committee needs to be made aware of the arrangements and form a view on whether they are robust or not. The Borough Treasurer suggests, therefore, that even if business continuity is also reported through to Scrutiny it still needs to remain on the Agenda for the Audit and Governance Committee at least as part of training for Members but possibly not as frequently as present.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 As well as the requirement to be legally compliant, general principles of good governance require that the Council should identify risks which threaten its ability to achieve its strategic aims, and to operate its business, and put into place key controls in the form of business continuity plans to mitigate these risks.

9.0 Risk

9.1 Business Continuity is managed and co-ordinated by the Joint Cheshire Emergency Planning Service and is, an integral part of risk management within the authority.

10.0 Update

10.1 Under recent restructuring in the Places Directorate, the Business Continuity Management responsibilities were transferred to the Joint Cheshire Emergency Planning Team under the auspices of the Lead Emergency Planning Officer for Cheshire East Council, in order to provide a corporate strategic co-ordination role for the function. It is the intention that the officer would deal with corporate business continuity issues and set the framework for its delivery.

10.2 However, it is acknowledged by the Strategic Director for Places and Organisational Capacity that this is a role that cannot be carried out in isolation, and this paper sets out the way forward in order to accommodate this. The weakness of the current arrangements is that business continuity across the organisation was seen as an individual responsibility rather than a common corporate managerial one. It is, therefore, thought necessary to bring together a group of key people to provide a common framework and to ensure that services realise the importance of and the need for effective business continuity planning, and allocate some resource to make this happen.

10.3 Assistance will be provided by designating named individuals to provide this common framework. The CMT has agreed that there will be an officer to support the Places and Organisational Capacity Directorate, and an officer each from Children's Services and Adult Services and one to cover HR, Finance, Business Services and Legal and Democratic Services. It is envisaged that they will assist

individual section heads in preparing their business continuity plans. It is intended to train those officers who require it.

10.4 These four officers, together with the Lead Emergency Planning Officer, will form the nucleus of a proposed Emergency Planning and Business Continuity Task Group, in order to embed emergency planning and business continuity across the authority. The support officers would also be responsible for cascading down the organisation the decisions and requests of the group. In addition, it is also thought appropriate to also have on the task group representatives from IT, Human Resources and Assets, as, invariably, these are the areas that are usually most affected in a business continuity context.

10.5 The support from CMT is crucial to the delivery of business continuity across the Council and consequently, CMT has agreed to inform all Heads of Service of the importance attached to the authority's internal resilience and to ask them to regularly include on DMT/ SMT agenda updates on the progress of individual business continuity plans. The business continuity support officers might also be present at each meeting for this item in order to provide a point of contact with the main group This will be further reinforced, by linking business continuity to inclusion of the production and testing / review of Business Continuity & Emergency Plans in the Directorate service planning cycle, as recommended in the recently released Internal Audit report on major emergency response planning in Cheshire East Council, as this would provide a set a defined framework for its delivery.

10.6 The designation of the Director of Places to be a "champion" of business continuity will greatly assist the process and by also sitting on the Emergency Planning and Business Continuity Task Group will give the group some weight and influence.

10.7 Whilst traditionally Business Continuity has been reported through to the Audit and Governance Committee with its link to risk, it is thought more appropriate that it might be better to report to the Sustainable Communities Scrutiny Committee together with emergency planning issues which at present are not reported through to any committee.

11.0 Joint working with other Local Authorities

11.1 Regular meetings are routinely held with Cheshire West and Chester Business Continuity Representatives and Shared Services representatives to ensure that there are robust continuity plans in place for HR, Finance and IT.

12.0 Access to Information

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

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CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting:	27 th March 2012
Report of:	Director of Finance and Business Services
Subject/Title:	Whistleblowing Policy
Portfolio Holder:	Councillor Michael Jones, Resources

1.0 Report Summary

- 1.1 To provide the Committee with an update on the effectiveness of the Council's Whistleblowing Policy and a breakdown of the number of reports received during 2011/12.

2.0 Recommendations

- 2.1 That the Committee note the report and endorse the proposed actions for the ongoing review of the Council's whistleblowing arrangements.

3.0 Reasons for Recommendation

- 3.1 In June 2011 this Committee received and endorsed an updated Whistleblowing Policy following a review of the document against the *Whistleblowing Arrangements Code of Practice Publicly Available Specification 1998:2008*. This Policy was formally approved by Council in July 2011.
- 3.2 The Audit and Governance Committee is responsible for overseeing the Council's Whistleblowing arrangements and, therefore, needs to be provided with regular updates on the effectiveness of these arrangements.

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 (Authorised by the Director of Finance and Business Services)

7.1 Unless employees have confidence in the Council's Whistleblowing arrangements, they are likely to stay silent where there is a threat to the employer or the wider public interest. Such silence denies the organisation the opportunity to deal with a potentially serious problem before it causes real damage. The costs of such a missed opportunity can be great in terms of fines, compensation or higher insurance premiums.

8.0 Legal Implications

8.1 The Public Interest Disclosure Act 1998 protects employees against detrimental treatment or dismissal as a result of any disclosure of normally confidential information in the interests of the public. The Act only covers protected disclosures under six categories, namely; crime, illegality, miscarriage of justice, damage to health and safety, damage to the environment, and 'cover-ups' about these issues.

8.2 To obtain protection employees must first disclose the information to the employer or to a body prescribed by the Secretary of State for the purposes of receiving such information. A list of the prescribed bodies is available on the government's website, along with a Guide on the Act.

8.3 The Council introduced the Whistleblowing Policy in line with the Act.

9.0 Risk Assessment

9.1 Without clear arrangements which offer employees safe ways to raise a whistleblowing concern, it is difficult for an organisation to effectively manage the risks it faces.

10.0 Background and Options

10.1 Employees are often the first to realise that there may be something seriously wrong within an organisation. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the organisation. They may also fear harassment or victimisation.

10.2 In order to mitigate this risk the Council has a Whistleblowing Policy that is intended to encourage and enable all to raise serious concerns within the organisation rather than overlooking a problem.

10.3 The Public Interest Disclosure Act (PIDA) provides that employers should not victimise any worker who blows the whistle in one of the

ways set out in the legislation. Although there is no statutory requirement in the PIDA for organisations to have a whistleblowing policy the Government expects public bodies to have a policy in place and the whistleblowing schemes in local authorities in England are assessed regularly as part of their external audit and review.

- 10.4 Furthermore, it should also be noted that, under PIDA, the adequacy of an organisation's whistleblowing arrangements is one of the factors that tribunals and courts look at when they consider whether a wider public disclosure is protected under the legislation.
- 10.5 Finally, and importantly, regulators and the courts are increasingly looking at the adequacy of whistleblowing and other risk management arrangements to determine whether an offence has been committed by an organisation under regulatory or criminal laws, and is also a factor when determining the level of fine or penalty.
- 10.6 It is, therefore, necessary to regularly review the effectiveness of the Council's Policy to ensure that it remains compliant with best practice.
- 10.7 In reviewing the effectiveness of the Council's whistleblowing arrangements it is important to consider both the volume and substance of reports that have been received. The difficult question that arises is whether a low number of reports is a good or bad thing. Unfortunately there is no quick answer to this as much depends upon the size of the organisation, the risks faced by it, the robustness of the control environment in place to mitigate these risks and the awareness and confidence that staff have in the arrangements.
- 10.8 During 2011/12 a total of 12 whistleblowing reports have been received by Internal Audit which can be broken down as follows:
 - 6 did not fall under the scope of the policy and were therefore referred to the appropriate service/organisation
 - 4 unsubstantiated following investigation
 - 2 ongoing investigations neither of which would be viewed as significant issues
- 10.9 Managers receive information about poor practice on a regular basis through their normal day to day activities and the majority of these matters will be dealt with without the need for a formal whistleblowing report to be raised. For this reason it is possible that the relatively low number of formal reports received is indicative that strong relationships exist between managers and staff.
- 10.10 However, to mitigate the risk that it is actually an indicator of a worrying culture of silence, Internal Audit is planning to consult with managers to identify whether they feel that their staff are reporting concerns to them

and if they have experienced any issues that they would have expected to have been raised with them at an earlier stage.

- 10.11 A more important consideration than simply the volume of reports received is the substance of those reports as one single well founded concern received over a number of years can more than justify the modest cost of maintaining the whistleblowing arrangements.
- 10.12 It is clear from the breakdown of concerns received during 2011/12 that no serious matters were raised and that in the main the reports were either misdirected or unsubstantiated.
- 10.13 For this reason additional assurance as to the effectiveness of the arrangements will be obtained by Internal Audit upon the completion of an exercise to raise staff awareness of the Whistleblowing Policy and consultation with Heads of Service and senior managers as to their perception of the effectiveness of the arrangements.
- 10.14 The outcome of this additional work will be reported to a later meeting of the Audit and Governance Committee.
- 10.15 In addition, best practice guidance recommends that the following questions are considered in reviewing the effectiveness of whistleblowing arrangements:

<p>Is there evidence that the Committee regularly considers whistleblowing procedures as part of its review of the system of internal control?</p>	<p>A full review of the Whistleblowing Policy was carried out against the <i>Whistleblowing Arrangements Code of Practice Publicly Available Specification 1998:2008</i> which resulted in a revised policy being presented to Audit and Governance Committee in June 2011.</p> <p>The revised policy was subsequently endorsed by Constitution Committee and formally adopted by Council on 21 July 2011.</p>
<p>Are there issues or incidents which have subsequently come to light which would have been expected to have been raised earlier under the Council's whistleblowing arrangements?</p>	<p>Internal Audit is not aware of any such instances, however, it is recommended that this is investigated further by consulting with Heads of Service as part of a wider awareness raising exercise.</p>

<p>Where appropriate, has the internal audit function performed any work that provides additional assurance on the effectiveness of the whistleblowing procedures?</p>	<p>Internal Audit carried out the review of the previous policy against best practice and amended it accordingly.</p> <p>Internal Audit is also responsible for receiving all online reports along with those made to the dedicated whistleblowing email address.</p>
<p>Are there adequate procedures to track the actions taken in relation to concerns made and to ensure appropriate follow up action has been taken to investigate and, if necessary, resolve problems indicated by whistleblowing?</p>	<p>Where an allegation results in an investigation a secure folder is set up on a restricted network drive. This folder contains working papers and correspondence relating to the investigation along with the subsequent report and actions.</p> <p>It is acknowledged that a formal process for recording decisions to not investigate should be developed as currently this is simply a record of emails.</p>
<p>Are there adequate procedures for retaining evidence in relation to each concern?</p>	<p>As previously stated, Internal Audit investigation files are held in a secure folder. Investigations are carried out in conjunction with HR who apply agreed protocols for investigations and subsequent disciplinary action.</p> <p>In retaining information about identifiable individuals it is important to ensure that this is done in line with the requirements of the Data Protection Act. To this end, Internal Audit are in conversation with the Data Protection Officer to ensure that the current arrangements remain compliant.</p>
<p>Have confidentiality issues been handled effectively?</p>	<p>There have been no issues around confidentiality and the policy clearly sets out the safeguards that are in place along with the potential difficulties in retaining confidentiality.</p>

<p>Is there evidence of timely and constructive feedback?</p>	<p>Records of all correspondence are retained in line with Data Protection requirements.</p> <p>Regular feedback is provided to Members via reports to Audit and Governance Committee and meetings of the Fraud Sub Group.</p>
<p>Have any events come to the Committee's attention that might indicate that a staff member has not been fairly treated as a result of their raising concerns?</p>	<p>Whilst there is no evidence to suggest that this is the case it should be acknowledged that no significant concerns have been raised by staff members.</p>
<p>Is a review of staff awareness of the procedures needed?</p>	<p>It is recommended that an exercise is carried out to raise awareness of the Whistleblowing Policy via mediums such as Team Talk and team briefings.</p>

11.0 Access to Information

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

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CHESHIRE EAST COUNCIL

Audit and Governance Committee

Date of Meeting:	27 th March 2012
Report of:	Director of Finance and Business Services
Subject/Title:	Work Plan
Portfolio Holder:	Councillor Michael Jones, Resources

1.0 Report Summary

1.0 To present an updated Work Plan to the Committee for consideration.

2.0 Recommendations

2.1 That the Committee

(1) consider the Work Plan and determine any required amendments;

(2) note the changes made to the plan since it was last discussed in January 2012; and

(3) note that the plan will be periodically 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 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.

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 Director of Finance and Business Services)**

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 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

9.2 A comprehensive Work Plan is necessary to ensure that the Committee fulfils its responsibilities.

10.0 Background and Options

10.1 A forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities has been attached at Appendix A of this report. The Committee is asked to consider the contents of the Work Plan and establish any additional agenda items/training/briefing sessions 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 January 2012:

- Anti Fraud & Corruption – as a result of several reactive investigations it has not been possible to complete the planned review of the Anti Fraud and Corruption Policy. This will now be

carried out during Q1 of 2012/13 and reported to a future meeting of the Committee.

- The report on Regulation of Investigatory Powers Act will be presented to a future meeting following receipt of the planned legislative changes.
- The report on the budget expenditure for the waste site at Lyme Green has been deferred to a later Committee.
- Members will note that the work plan does not address any future meetings at this stage. This is as a result of recent discussions with the Chair and Vice Chair on the most effective means of allocating items which will be discussed further at this meeting.

11.0 Access to Information

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

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<u>Committee Date/Agenda Item</u>	<u>Notes</u>
<u>31 January 2012</u>	
Annual Audit Letter	The Committee received and considered the content of the Audit Commission's Annual Audit Letter.
Opinion Plan	This outlined the findings of the audit of the Council's financial statements and an assessment of the Council's arrangements to achieve value for money in the use of resources. It also identified current and future challenges, and future audit arrangements.
Audit Committee Update	The Committee noted the content of the Audit Commission's Audit Plan which identified the work that is planned by the External Auditor to give an opinion on the Council's Financial Statements for the financial year 2011/12.
2011-12 Closure of Accounts – Progress Report	The Committee considered a report on the progress of the Audit Commission in delivering their responsibilities as external auditors. The report included an update on the externalisation of the Audit Practice and also highlighted key emerging national issues and developments
Annual Governance Statement 2011/12 AGS Action Plan	The Committee noted the progress on the preparations for producing the Statement of Accounts for 2011-12.
Freedom of Information and Data Protection	The Committee noted the progress against the 2010/11 AGS Action Plan and endorsed the process for the production of the 2011/12 Annual Governance Statement.
Compliance with International Auditing Standards	The Committee considered a report which detailed how the Council fulfils its obligations under the Data Protection Act 1998, Freedom of Information Act (2000) and the Environmental Information Regulations (2004) and the processes that the Council has in place to comply with these legislative requirements were noted.
	The Committee noted the report detailing the basis for the written response to the Audit Commission regarding management arrangements for identifying and reporting risk of fraud and complying with relevant laws and regulations

<u>Committee Date/Agenda Item</u>	<u>Notes</u>
<p>Internal Audit Update</p> <p>Risk Management Update</p> <p>Work Plan</p>	<p>The Committee considered a report on progress against the Internal Audit Plan 2011/12 and resolved that the report be noted and the approach identified to achieve adequate audit coverage in the remainder of 2011/12 be endorsed.</p> <p>The Committee considered a report summarising the Key Corporate Risks and risk management work undertaken since the previous report and resolved that in future the Risk Assessment paragraph in all Committee reports should include the risk matrix score.</p> <p>The Committee noted the Work Plan and resolved that a report on the budget expenditure for the waste site at Lyme Green be added to the Work Plan for the next meeting.</p>
<p><u>27 March 2012</u></p> <p>Grants Report to those charged with Governance</p> <p>Internal Audit Plan for 2012/13</p> <p>Audit Committee Self Assessment</p> <p>Risk Management Update</p> <p>Business Continuity Update</p>	<p>External Auditors are required to report annually on the issues, amendments and qualifications arising from certification work of grant claims and returns. This report is important because it gives feedback on how effectively the Authority is managing the grants and subsidies it receives and administers.</p> <p>The Head of Internal Audit must prepare a risk-based audit plan designed to implement the audit strategy that is fixed for a period of no longer than one year. The Committee is responsible for approving (but not directing) the plan.</p> <p>The Committee will be asked to agree the self-assessment – using the CIPFA document “measuring the effectiveness of the Audit Committee”.</p> <p>The Risk Management function will report on whether best practice is being followed in the management of risk and how new risks are identified and existing risks are changing.</p> <p>The Committee will be made aware of how the authority manages its own contingency and business recovery plans.</p>

<u>Committee Date/Agenda Item</u>	<u>Notes</u>
Whistleblowing	The Whistleblowing Policy includes a series of measures designed to encourage staff to raise concerns and the steps to be taken to investigate such concerns. Periodically Management should assure the Committee that the policy is operating effectively.
Work Plan	A forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities.

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