



**Cheshire East Council  
Audit and Governance Committee  
Annual Report 2012/13**

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## Introduction by the Chair of the Audit and Governance Committee



I am pleased to present the second Annual Report of the Audit and Governance Committee which describes the Committee's activity over the municipal year to May 2013.

I hope that this Annual Report helps to demonstrate both to the Council and the wider community in general, the important role that is performed by the Audit and Governance Committee and the particular contribution that it makes to the Council's overall governance and control arrangements.

The reduction in resources and the pace of change within local government makes the importance of effective governance and accountability greater than ever. The past year has seen the Committee exercise robust challenge across its entire remit through the questions raised and the requests made for additional information.

During the year the Committee has considered the key issues affecting the Council's governance framework. Apart

from the substantial work plan, the Committee has also shown that it can be proactive in seeking to understand and review emerging areas of risk and concern.

I welcome the fact that a review of the new procedures set out to deal with complaints relating to the Code of Conduct will be carried out as promised at outset. I hope that any changes recommended will, in the light of experience gained in the last year, improve the process.

This is my final report as Committee Chair as I have taken on a new role. I would like to thank both Members and Officers alike for all they have done to develop the work of the Committee since its inception in 2010. The Members of the Committee have been both supportive and provided constructive challenge to ensure our governance processes are effective and transparent. I would also like to thank Grant Thornton, the Council's External Auditors, for their support and regular attendance at meetings.

Finally, I would like to take this opportunity to wish the new Chair Cllr John Wray every success in continuing the development of the work of the Committee.

***Councillor John Hammond***

**Chair of the Audit and Governance Committee 2012/13**

**November 2013**

## Audit and Governance Committee Background and Review of 2012/13

### Background

#### ***Why do we have an Audit and Governance Committee?***

Audit Committees are an essential element of good governance. Good corporate governance requires independent, effective assurance about the adequacy of financial management and reporting. These functions are best delivered by an Audit Committee, independent from the executive and scrutiny functions.

Effective Audit Committees help raise the profile of internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

#### ***When does it normally meet?***

It meets four times a year and works to a strategic work plan. Membership of the Committee is ten councillors in proportion to the Council's political composition, see **Appendix A** (page 6). All meetings are held in public. Details of future meetings are shown in **Appendix E** (page 17).

#### ***When did it start work?***

The current Committee began in May 2010 after it was decided to decommission the Governance and Constitution Committee and have a separate Audit Committee (named 'Audit and Governance' Committee) and a Constitution Committee. This strengthened the governance framework

by allowing each Committee to focus on its own particular areas.

### Review of 2012/13

#### ***When did it meet in 2012/13?***

There were four scheduled meetings in the year:

- 28<sup>th</sup> June 2012
- 27<sup>th</sup> September 2012
- 31<sup>st</sup> January 2013
- 28<sup>th</sup> March 2013

In addition, there was a special meeting of the Committee, to consider the review of Lyme Green, on:

- 14<sup>th</sup> June 2012

The agenda items covered are shown in **Appendix B** (page 8). Reports and supporting documents are publically available at [www.cheshireeast.gov.uk](http://www.cheshireeast.gov.uk)

#### ***What work did it carry out in 2012/13?***

A work plan was agreed at the beginning of the year and all planned work was completed, including the following:

- Statement of Accounts
- Annual Governance Statement
- Internal Audit Plan
- Internal Audit Annual & Interim Reports
- External Audit Reports to the Council
- Risk Management Reports
- Anti-Fraud and Corruption Arrangements
- Whistleblowing Policy

Details of work carried out are shown in **Appendix B** (page 8).

## Audit and Governance Committee Background and Review of 2012/13

### Review of 2012/13 (continued)

#### ***What key decisions did the Committee take in 2012/13?***

During 2012/13, the Committee made a number of key decisions, including the following:

- Agreed and monitored progress against the Lyme Green Action Plan
- Approved the 2011/12 Statement of Accounts
- Approved the 2011/12 AGS
- Endorsed the updated Risk Management Policy

#### ***Did the Committee cover the right areas?***

To ensure that the Committee met its remit for the year, its activities have been matched to the designated functions of the Committee as set out in the Council's [Constitution](#). The results are set out in **Appendix C** (page 10).

#### ***What is the role of Internal Audit?***

The Internal Audit service carries out reviews throughout the year on the whole of the Council's control environment, comprising risk management, key control and governance processes. This work includes a mix of risk based auditing, regularity, ICT audit, investigations and the provision of advice to officers.

Internal Audit activity is regularly reported to the Committee by the two Audit Managers, Jon Robinson and Neil Taylor, including the annual opinion on the adequacy and effectiveness of the Council's internal control environment.

#### ***Who are the Council's External Auditors?***

The Council's External Auditors from 1<sup>st</sup> June to 31<sup>st</sup> August 2012 were the Audit Commission's in-house Audit Practice.

Following the externalisation of the Audit Commission's work to private sector firms, the Council's new External Auditors became Grant Thornton, with effect from 1<sup>st</sup> September 2012.

Their representatives, led by Engagement Lead, Judith Tench, attend every Audit Committee meeting and report progress on the annual cycle of external audit work.

#### ***Does it meet best practice standards?***

The functions of the Audit and Governance Committee are based on best practice, as featured in the CIPFA (Chartered Institute of Public Finance and Accountancy) publication, *Audit Committees – Practical Guidance for Local Authorities*.

To ensure its ongoing effectiveness in 2012/13, the Committee has been assessed against the detailed checklist included within the CIPFA guidance. The results are shown as **Appendix D** (page 13)) and show that the Committee fully complies with best practice, with the exception of two aspects with which it partially complies.

## Audit and Governance Committee Background and Review of 2012/13

### Review of 2012/13 (continued)

#### ***What training and development is carried out for Members?***

- Induction for new Members of the Committee
- Statement of Accounts
- Annual Governance Statement
- Localism Act 2011: Code of Conduct

The Member/Officer Groups set up in September 2011, continued to meet through 2012/13. The groups enable individual Members to become more involved in specific areas of audit and governance work as a means of developing in-depth knowledge and expertise, and cover the following areas:

- Audit
- Corporate Governance & Annual Governance Statement
- Financial Statements
- Fraud Management
- Risk Management

#### ***What is the Code of Conduct for Members' Complaints procedure?***

In accordance with the Council's Code of Conduct for Members' Complaints procedure, decisions relating to complaints shall be reported to the Audit and Governance Committee.

Cheshire East Council adopted a new Code of Conduct and associated complaints procedure in July 2012. Between July 2012 and April 2013, six complaints (two against Members of Cheshire East Council and four against Members of Parish Councils) were received by the Monitoring Officer which were submitted for

consideration to an Initial Assessment Panel.

#### Decisions of Initial Assessment Panels:

No further action	1
Referred to a Group Leader for informal action	1
Referred for local resolution	4
Referred for formal investigation	-
Referral to a regulatory agency or police	-

Of the four complaints referred for local resolution, one was withdrawn prior to a meeting being convened; in respect of another the Panel concluded there was insufficient information for it to reach a conclusive decision that a breach of the Code had or had not occurred.

In respect of the other two complaints, the Subject Members concerned were found to have been in breach of their respective Codes of Conduct; the Panel applying/recommending the following sanctions:

#### Decisions of the Local Resolution Panels:

Formal censure e.g. through a motion	-
Send a formal letter to the Subject Member	1
Recommend a course of action to the Subject Member's Group Leader/Town/Parish Council	1
Report findings to Council/Town or Parish Council for information	-
Issue a press release of its findings in respect of the Subject Member's conduct	-

**Review of 2012/13 (continued)**

***What is planned for 2013/14?***

The Committee's work plan for 2013/14 is shown as **Appendix E** (page 17). These are the items required to ensure the Committee covers its remit. The work plan is brought to each Committee meeting for update, where necessary, and approval. Members consider the contents of the Work Plan and establish any additional agenda items/training/briefing sessions that will enable it to meet its responsibilities.

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## Audit and Governance Committee Members 2012/13



### **Councillor John Hammond**

Councillor Hammond has been an elected member of Cheshire East Council since its beginning in April 2009. He has served on the Audit and Governance Committee since its inception in June 2010 and became the Chair in May 2011. Councillor Hammond stepped down from the Audit and Governance Committee following the Council meeting on 18<sup>th</sup> July 2013 and was replaced as Chair by Councillor John Wray.



### **Councillor Louise Brown**

Councillor Brown became an elected member of Cheshire East Council in May 2011 and has served on the Audit and Governance Committee as the Vice-Chair from the 2012/13 municipal year.



### **Councillor Sam Corcoran**

Councillor Corcoran became an elected member of Cheshire East Council in May 2011 and has served on the Audit and Governance Committee since then.



### **Councillor Rod Fletcher**

Councillor Fletcher has been an elected member of Cheshire East Council since its beginning in April 2009 and has served on the Audit and Governance Committee since May 2011.



### **Councillor Martin Hardy**

Councillor Hardy has been an elected member of Cheshire East Council since its beginning in April 2009. He has served on the Audit and Governance Committee since its inception in June 2010 and was Vice-Chair from May 2011 to January 2012.



## Audit and Governance Committee Members 2012/13



### **Councillor Steven Hogben**

Councillor Hogben became an elected member of Cheshire East Council in May 2011 and after attending as a substitute in June 2011, he has since served on the Audit and Governance Committee from September 2011 to date.



### **Councillor Andrew Kolker**

Councillor Kolker has been an elected member of Cheshire East Council since its beginning in April 2009. He served as Vice-Chair of the Governance and Constitution Committee for a time and has been on the Audit and Governance Committee from June 2010 to date.



### **Councillor David Marren**

Councillor Marren became an elected member of Cheshire East Council in May 2011 and has served on the Audit and Governance Committee since then, being Vice-Chair from January 2012 until the end of the 2011/12 municipal year. He resigned from the Committee on 19th August 2013.



### **Councillor Lloyd Roberts**

Councillor Roberts became an elected member of Cheshire East Council in May 2011 and has served on the Audit and Governance Committee from the start of the 2012/13 municipal year.



### **Councillor Margaret Simon**

Councillor Simon has been an elected member of Cheshire East Council since its beginning in April 2009. She has served on the Audit and Governance Committee since its inception in June 2010 and was Chair for the 2010/11 year.

## Audit and Governance Committee Activity 2012/13

<b>14<sup>th</sup> June 2012</b>
<b>Items covered:</b> Review of the proposed waste transfer station at Lyme Green.
<b>28<sup>th</sup> June 2012</b>
<b>Items covered:</b> External Audit: Audit Committee Update Draft Statement of Accounts 2011/12: Approval Process Draft Annual Governance Statement 2011/12 Internal Audit Annual Report 2011/12 Annual Report on Risk Management 2011/12
<b>27<sup>th</sup> September 2012</b>
<b>Items covered:</b> Action Plan arising from Internal Audit Report into Waste Transfer Station (Lyme Green) Compliance with Contract Procedure Rules External Audit: Annual Governance Report 2011-12 Final Statement of Accounts 2011-12 Annual Governance Statement (AGS) 2011/12 Code of Corporate Governance and the Governance Framework Update Internal Audit Interim Report 2012/13 Anti-Fraud and Corruption Arrangements Treasury Management Update Risk Management Update Standards Issues and Planning Protocol Audit and Governance Committee Annual Report 2011/12
<b>31<sup>st</sup> January 2013</b>
<b>Items covered:</b> Action Plan arising from Internal Audit Report into Waste Transfer Station (Lyme Green) Annual Governance Report Action Plan – Progress Report and Annual Audit Letter 2011/12 Risk Management Update External Audit: Update and Annual Fee Letter 2012/13 Statement of Accounts 2012/13 – Progress Report Annual Governance Statement (AGS) – 2012/13 Process and Update on 2011/12 Action Plan Treasury Management Strategy and MRP Statement 2013/14 Compliance with Data Protection Act (1998), Freedom of Information Act (2000) and Environmental Information Regulations (2004) Annual Report of Corporate Complaints and Local Government Ombudsman’s Annual Review for year ended 31 <sup>st</sup> March 2012 Internal Audit Interim Report 2012/13
<b>28<sup>th</sup> March 2013</b>
<b>Items covered:</b> External Audit: Certification of Claims and Returns – Annual Report External Audit Plan 2012/13

## Audit and Governance Committee Activity 2012/13

28 <sup>th</sup> March 2013 (continued)
<p>Internal Audit Plan 2013/14</p> <p>Audit and Governance Committee Self-Assessment</p> <p>Whistleblowing Policy</p> <p>Risk Management Update</p> <p>Update on Programme and Project Management and other Compliance Issues</p> <p>Compliance with Regulation of Investigatory Powers (2000) (RIPA)</p>

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## Audit and Governance Committee Functions and Relevant Activity 2012/13

Function of Audit and Governance Committee <i>(per Committee Terms of Reference)</i>	Relevant activity in 2012/13
<b>Annual Report</b>	
Submitting an Annual Report to the Council.	The Committee approved its first annual report, covering the 2011/12 municipal year, at the September 2012 meeting and this report was submitted to Council in October 2012.
<b>Audit</b>	
Overseeing the Council's role and responsibilities in respect of Audit.	<p><i>Internal Audit:</i> The Committee approved the overall strategy and annual programme of audits (March 2013) and monitored progress against the plan (September 2012 &amp; January 2013).</p> <p><i>External Audit:</i> The Committee received and considered the work of the External Auditor (June 2012/September 2012/January 2013 &amp; March 2013).</p>
Supporting the Council's audit function, both internal and external.	See above.
Considering the Head of Internal Audit's Annual Report and opinion and a summary of internal audit activity and the level of assurance over corporate governance arrangements.	The Internal Audit Annual Report, including the annual audit opinion was presented to the Committee in June 2012.
Receiving the Internal Audit Plan and summary reports on performance against the plan.	Internal Audit interim reports against the 2011/12 plan were received in September 2012 and January 2013, with the 2012/13 Internal Audit Plan received in March 2013.
<b>Corporate Governance &amp; Annual Governance Statement</b>	
Overseeing the Council's role and responsibilities in respect of Corporate Governance.	The Committee received and approved the Annual Governance Statement (September 2012), agreed the AGS process (January 2013) and received an update on progress against the AGS Action Plan (January 2013).
Developing a Code of Corporate Governance and to undertake as appropriate an assessment of wider governance issues.	The Committee received and approved an update to the Code of Corporate Governance and also received an update on the Corporate Governance Group's ongoing work on the Governance Framework (both September

## Audit and Governance Committee Functions and Relevant Activity 2012/13

Function of Audit and Governance Committee <i>(per Committee Terms of Reference)</i>	Relevant activity in 2012/13
	2012).
Reviewing and approving the Annual Governance Statement.	The Annual Governance Statement 2011/12 was approved at Committee in September 2012.
<b>Financial Statements</b>	
Supporting the Chief Financial Officer in relation to the performance of their duties.	Reports on the Statement of Accounts, including progress and audit thereof were presented at June 2012, September 2012 and January 2013 Committee meetings.
Approving any Council Statement of Accounts as may be required by the relevant Account and Audit Regulations.	The Statement of Accounts 2012/13 was approved at Committee in September 2013.
Considering External Audit and other external agencies reports to those charged with governance as a source of assurance.	The Annual Audit Letter was reported to Committee in January 2013 by the External Auditor. A progress report on implementation of the 2011/12 Statement of Accounts Action Plan was brought to Committee by Officers in January 2013. The 2011/12 Annual Governance report was reported to the Committee in September 2012.
<b>Fraud Management</b>	
Ensuring the Council has in place appropriate policies and mechanisms to safeguard the Council's resources.	The Committee considered the outcome of a review of Anti Fraud and Corruption arrangements in September 2012.
Reviewing and making recommendations upon the Whistleblowing arrangements process.	An update on the effectiveness of the Policy and the number of reports received during 2012/13 was received by the Committee in March 2013.
Ensuring that the Council maintains a robust counter fraud culture via the implementation of an Anti Fraud and Corruption Policy and Strategy.	The Committee considered the outcome of a review of Anti Fraud and Corruption arrangements in September 2012.
Seeking assurance that Customer Complaint arrangements are robust.	Annual Report of Corporate Complaints and Local Government Ombudsman's Annual Review 2011/12 presented to Committee in January 2013.
<b>Risk Management</b>	
Ensuring any Council's Risk Management arrangements are operating effectively.	Risk Management Update Reports are received at each Committee.

## Audit and Governance Committee Functions and Relevant Activity 2012/13

<b>Function of Audit and Governance Committee</b> <i>(per Committee Terms of Reference)</i>	<b>Relevant activity in 2012/13</b>
<p>Where necessary, overseeing and agreeing the arrangements for Members to be indemnified for and insured against risks and liabilities arising from the performance of their duties as Members of the Council, and as the Council's representatives on outside bodies.</p>	<p>General updates on insurance are reported to the Corporate Risk Management Group as part of their remit to review and monitor risks in relation to specific area needs as and when required e.g. Climate Change, Health and Safety, Insurance and the National Fraud Initiative (NFI). A summary of the key points from the insurance updates are included in the Risk Management Update reports to the Committee and a similar arrangement will continue in 2013/14. Any specific issues relating to Members' indemnity will be reported where necessary.</p>
<b>Standards</b>	
<p>Promoting high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity).</p>	<p>In accordance with Cheshire East Council's Code of Conduct for Members' Complaints procedure, decisions relating to complaints shall be reported to the Audit and Governance Committee. A new Code of Conduct and associated complaints procedure was adopted in July 2012. Audit &amp; Governance Committee Members have attended Complaints Hearings through the year.</p>
<p>Ensuring that Members receive advice and training as appropriate on the Members Code of Conduct.</p>	<p>During the year there have been general training sessions for all Members (August and September 2012) on the Code of Conduct and also a specific targeted session for Members of the Audit &amp; Governance Committee (August 2012).</p>
<p>Granting dispensations under the provisions of the Localism Act 2011 to enable a member or co-opted Member to participate in a meeting of the Authority.</p>	<p>There have been no requests for individual dispensations during 2012/13.</p>

## Audit and Governance Committee Self Assessment

Issue <i>per CIPFA Audit Committees Practical Guidance for Local Authorities Checklist</i>	Y	N	P	Comment
<b>Terms of Reference</b>				
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.
<b>Internal Audit Process</b>				
Does the Committee approve the strategic audit approach and the annual programme?	✓			Internal Audit Strategy approved in Sept 2009, with update in Nov 2010. Updated version scheduled to be taken to Committee in June 2013 based on new Public Sector Internal Audit Standards (agreed at January 2013 Committee). Audit plans approved annually – 2012/13 Plan approved in March 2012.
Is the work of Internal Audit reviewed regularly?	✓			Annual Internal Audit Opinion report received in June 2012. Interim reports received in Sept 2012 and Jan 2013.
Are summaries of quality questionnaires from managers reviewed?	✓			Results of questionnaires reported in interim reports for 2012/13 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 2012.
<b>External Audit Process</b>				
Are reports on the work of External Audit and other inspection agencies presented to the Committee?			✓	External Audit reports: June 2012 – Audit Committee Update Report, Sept 2012 – Annual Governance Report 11-12, Jan 2013 – External Audit Update & Audit Fee Letter 2012/13.  Reports of other inspection agencies e.g. OFSTED do not go to the Audit & Governance Committee but summaries of key issues are presented to the appropriate Scrutiny Committee.
Does the Committee input			✓	As is normal practice, the external audit

## Audit and Governance Committee Self Assessment

Issue <i>per CIPFA Audit Committees Practical Guidance for Local Authorities Checklist</i>	Y	N	P	Comment
into the External Audit programme?				2012/13 plan has been prepared following consultation with Council Officers and will be presented at the March 2013 Committee meeting for the Committee to receive and comment on. Although Members do not directly input into the 'core' audit programme, as this is set by the Audit Commission, there is the opportunity to influence work outside this. Update reports from external audit are regularly brought to the Committee.
Does the Committee ensure that Officers are acting on and monitoring action taken to implement recommendations?	✓			Officers are asked to provide an update report on progress of any actions arising from the previous Committee meeting e.g. Progress on implementing the Statement of Accounts Action Plan was reported to the Committee in Jan 2013, and is discussed at the appropriate specialist Member/Officer Group.
Does the Committee take a role in overseeing: <ul style="list-style-type: none"> <li>• Risk Management strategies</li> <li>• Annual Governance Statement</li> <li>• Anti Fraud arrangements</li> <li>• Whistleblowing strategies?</li> </ul>	✓ ✓ ✓ ✓			Review of Policy in June 2012. Update reports at each meeting. Approved 11/12 AGS in Sept 2012, Process for 12/13 AGS and update on 11/12 AGS action plan in Jan 2013. Reviewed in September 2012.  Review of Policy in June 2011. There are also Annual update reports (latest is March 2013).
<b>Membership</b>				
Has the membership of the Committee been formally agreed and a quorum set?	✓			There are ten members on the Committee and the quorum has been set at three.
Is the Chair free of Executive or Scrutiny functions?	✓			
Are Members sufficiently independent of the other key Committees of the	✓			The Chair and Vice-Chair are free of Executive and Scrutiny responsibilities.



## Audit and Governance Committee Self Assessment

Issue <i>per CIPFA Audit Committees Practical Guidance for Local Authorities Checklist</i>	Y	N	P	Comment
Council?				
Have all Members' skills and experiences been assessed and training given for identified gaps?	✓			The Committee considered training requirements against the CIPFA Better Governance Forum (BGF) 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 each year to new Committee Members and a series of training sessions have been delivered around the IFRS, AGS, Risk and Customer Complaints. In January 2012, five specialist Member/Officer Groups were set up; these meet regularly as a way of individual Members becoming more involved in specific areas of audit and governance work and developing in-depth knowledge and expertise. The Chair attended the BGF 'Influential Audit Committee' seminar in January 2013.
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. In October 2012, the first annual report of the Audit & Governance Committee was submitted to full Council.
<b>Meetings</b>				
Does the Committee meet regularly?	✓			The Committee meets at least 4 times a year. Other meetings are programmed, where necessary.
Are separate, private meetings held with the External Auditor and the Internal Auditor?	✓			External Audit: meetings are held where necessary. 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	✓			

## Audit and Governance Committee Self Assessment

Issue <i>per CIPFA Audit Committees Practical Guidance for Local Authorities Checklist</i>					Y	N	P	Comment
promptly?								
Are agenda papers circulated in advance of meetings to allow adequate preparation by Members?					✓			There has been a continuing conscious effort to make Committee reports more concise 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?					✓			Wide ranging number of officers regularly attend to address various matters on agenda. In addition, the Committee has also invited managers to attend to address specific issues e.g. Strategic Risk Owners.
<b>Training</b>								
Is induction training provided to Members?					✓			See response under 'Membership' regarding the assessment of members' skills and experiences.
Is more advanced training available as required?					✓			As above.
Does the Authority's S151 Officer or deputy attend all meetings?					✓			S151 Officer or deputy normally attends all 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.

**Key:**

Y     **Met**  
P     **Partially met**  
N     **Not met**

## Audit and Governance Committee Work Plan 2013/14

Committee Date/Agenda Item	Description
<b>27 June 2013</b>	
External Audit – Progress Report 12/13	External Audit to report progress against their 12/13 Plan/emerging issues.
Draft Statement of Accounts 12/13	Overview of the key issues within the 12/13 Draft Statement of Accounts.
Draft Annual Governance Statement (AGS) 12/13	Draft AGS 12/13 for comment/agreement; final version to be approved at September meeting.
Internal Audit Annual Report 12/13	Opinion on the overall adequacy and effectiveness of the Council's control environment for 12/13.
Corporate Risk Management Group Annual Report 12/13 & Risk Management Policy Review <i>including Risk Owner Mitigation Plan</i>	Annual Report of the Corporate Risk Management Group, an update of the Risk Management Policy and attendance by a Corporate Risk Owner to explain their mitigation plan (Commissioning and Services Delivery Chains). A copy of the Risk Register from the Welfare Reform Working Group is made available to the Committee.
Compliance with International Auditing Standards	To comply with International Auditing Standards, each year the Council's External Auditors are required to refresh their understanding of how the Audit and Governance Committee gain assurance over management processes and arrangements.
Update on Public Sector Internal Audit Standards (PSIAS) and Audit Charter	To inform the Audit and Governance Committee of the new Public Sector Internal Audit Standards (PSIAS) which came into effect on 1 April 2013, note the implications and further actions necessary to meet compliance with the PSIAS, including the development of an Audit Charter.
Regulation of Investigatory Powers Act (RIPA)	Update following the inspection from the Office of the Surveillance Commissioner outlining the Inspector's findings and recommendations.
Work Plan	Forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities.
<b>26 September 2013</b>	
External Audit – Audit Findings Report 12/13	Summary of findings from the 12/13 audit and key issues identified by External Audit in issuing their opinion on the Council's financial statements and its arrangements for securing economy, efficiency & effectiveness in the use of resources.
Financial Resilience Report	A report from the Council's External Auditors.
Statement of Accounts 12/13 Audited	Approval of the final 12/13 Financial Statements.
Final AGS 12/13	Final AGS 12/13 for approval.

## Audit and Governance Committee Work Plan 2013/14

Committee Date/Agenda Item	Description
Update on Public Sector Internal Audit Standards (PSIAS) and Audit Charter	The Internal Audit Charter defines the internal audit activity's purpose, authority and responsibility.
Treasury Management Update Report	Update report on Treasury Management.
Risk Management Update Report <i>including Risk Owner Mitigation Plan</i>	Update report on Risk Management and attendance by a Corporate Risk Owner to explain their mitigation.
Compliance with Contract Procedure Rules	A report setting out the number of non-compliance instances in the previous period, broken down by Service, and a description of exceptional instances.
Work Plan	Forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities.
<b>28 November 2013</b>	
Annual Report 12/13	Annual Report of the Chair of the Audit & Governance Committee to Council.
External Audit – Annual Audit Letter 12/13	Summary of the External Audit findings from 12/13 audit. The letter will also confirm the level of audit fees.
2012/13 Audit Findings and Action Plan	This report sets out the management response to the 2012/13 Audit Findings Report presented by Grant Thornton to the Audit & Governance Committee on 28 <sup>th</sup> September.
External Audit update report	To consider an update report from Grant Thornton in delivering their responsibilities as external auditors.
Update on Governance Framework and Code of Corporate Governance, 12/13 Action Plan & 13/14 Process	Council's Governance Framework for discussion/ agreement and approval of updates to Code of Corporate Governance. Progress to date on the 12/13 AGS Action Plan and suggested approach for the 13/14 AGS for approval.
Internal Audit Interim Report	Progress report against the Internal Audit Plan 13/14.
Internal Audit Charter	The Internal Audit Charter defines the internal audit activity's purpose, authority and responsibility.
Anti Fraud and Corruption Update	Periodic review of Anti Fraud and Corruption Policy and arrangements against best practice.
Annual Report of Corporate Complaints and Local Government Ombudsman's Annual Review 12/13	Summary of the complaints received by the Council and also those dealt with by the Local Government Ombudsman about the Council for 12/13.
Work Plan	Forward looking programme of meetings and agenda items to ensure comprehensive coverage of the

## Audit and Governance Committee Work Plan 2013/14

Committee Date/Agenda Item	Description
	Committee's responsibilities.
<b>30 January 2014</b>	
External Audit update report	To consider an update report from Grant Thornton in delivering their responsibilities as external auditors.
External Audit – Certification of Claims & Returns	Annual report on the issues, amendments and qualifications arising from certification work of grant claims and returns.
Internal Audit Interim Report	Progress against the Internal Audit Plan 13/14.
Treasury Management Strategy and MRP Statement 2014/15	The CIPFA Code of Practice on Treasury Management requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years. The Treasury Management Strategy is also reported to Cabinet before being presented to Full Council for approval.
Data Protection and Freedom of Information Update	Update on Data Protection and Freedom of Information issues including volumes of requests and trends.
Compliance with International Auditing Standards 2013/14	To comply with International Auditing Standards, each year the Council's External Auditors are required to refresh their understanding of how the Audit and Governance Committee gain assurance over management processes and arrangements.
Review of the CIPFA publication Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition)	A report setting out CIPFA's view on the role and functions of an audit committee and how this may impact on Cheshire East arrangements.
Risk Management Update Report <i>including Risk Owner Mitigation Plan</i>	Update report on Risk Management and attendance by a Corporate Risk Owner to explain their mitigation.
Standards Review	Review of Members Standards Procedures.
Work Plan	Forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities.
<b>27 March 2014</b>	
Compliance with Contract Procedure Rules	A report setting out the number of non-compliance instances in the previous period, broken down by Service, and a description of exceptional instances.
External Audit – Audit Plan 13/14	External Audit's planned work for the audit of financial statements and the value for money conclusion 13/14.

## Audit and Governance Committee Work Plan 2013/14

Committee Date/Agenda Item	Description
Internal Audit Plan 13/14	Approval of risk based Internal Audit Plan for following year.
Audit Committee Self Assessment	Self assessment of the effectiveness of the Committee, which feeds into the AGS process.
Whistleblowing Policy	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 2013/14.
Risk Management Update Report <i>including Risk Owner Mitigation Plan</i>	Update report on Risk Management and attendance by a Corporate Risk Owner to explain their mitigation.
Compliance with Regulation of Investigatory Powers Act (RIPA)	A report on the Council's compliance with the Regulation of Investigatory Powers Act.
Members Code of Conduct Complaints Update	Update on the number and outcome of complaints.
Work Plan	Forward looking programme of meetings and agenda items to ensure comprehensive coverage of the Committee's responsibilities.
	<b><i>The following items may, subject to requirement, be presented to the Committee.</i></b>
Insurance	Where necessary, overseeing and agreeing the arrangements for Members to be indemnified for and insured against risks and liabilities arising from the performance of their duties as Members of the Council, and as the Council's representatives on outside bodies.  To be included in a future Risk Management Update Report.
Anti Money Laundering	Consideration of any updates to the Anti Money Laundering Policy and assurance from management that measures are operating effectively.
Training for Standards Hearings	Hearings training for panel members.