

# CHESHIRE EAST COUNCIL

## REPORT TO: Audit and Governance Committee

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**Date of meeting:** 30 January 2014  
**Report of:** Chief Operating Officer  
**Title:** Proposed Governance, Stewardship and Control Arrangements for the Alternative Service Delivery Vehicles (ASDVs)  
**Portfolio Holder:** Councillor Peter Raynes

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### **1.0 Report Summary**

- 1.1 The purpose of the report is to update the Audit and Governance Committee on the proposed governance, stewardship and control arrangements for the Alternative Service Delivery Vehicles (ASDVs) that are being created by the Council.

### **2.0 Recommendation**

- 2.1 That the Committee endorse the arrangements as set out in Appendix A.

### **3.0 Reasons for Recommendation**

- 3.1 It is important that the Committee is reassured that the overall governance arrangements for the ASDVs, and the role of the Audit & Governance Committee, in respect of those arrangements, is fit for purpose.
- 3.2 The Committee's Terms of Reference includes: "overseeing the Council's roles and responsibilities in respect of Corporate Governance and Audit" and "...to undertake as appropriate an assessment of wider governance issues".

### **4.0 Wards Affected**

- 4.1 All wards.

### **5.0 Local Wards Affected**

- 5.1 Not applicable.

### **6.0 Policy Implications**

- 6.1 Not applicable.

## **7.0 Financial Implications**

- 7.1 There are no additional financial implications, other than those highlighted in this report.

## **8.0 Legal Implications**

- 8.1 The requirements for the Companies Act 2006 have been given due consideration to ensure that the Council's procedure is compliant.

## **9.0 Risk Assessment**

- 9.1 The content of this report aims to mitigate the following key risk and to mitigate/exploit our recognised corporate threat/opportunity risks:-

<b>Key Risks</b>
That Cheshire East Council fails to ensure the adequacy of governance and risk management arrangements over its commercial relationships and other service delivery arrangements, such that it is unable to account for the stewardship of public money and demonstrate its priority of ensuring quality and value of public services, in delivering its planned community outcomes.
<b>Corporate Risk Links</b>
CR6 Opportunity – Evidenced Decision Making CR7 Threat – Reputation CR9 Threat - Workforce CR11 Threat – Commissioning and Service Delivery Chains CR18 Threat – Legal CR19 Threat – Fraud CR20 Threat – Contract and Relationship Management CR22 Threat – ASDV Business Plans

- 9.2 Other risks recognised and being managed around governance and stewardship arrangements includes governance training for Members that are appointed as Non-Executive Directors of the new vehicles.

## **10.0 Background and Options**

- 10.1 As part of strengthening the management response to the 2012/13 Audit Findings Report from the External Auditors, Grant Thornton (which was presented to the Audit & Governance Committee in November 2013), the Chief Operating Officer added, at that meeting: "that a report outlining the proposed governance and stewardship arrangements and particularly the overall control environment for the operation of the new Alternative Service Delivery Vehicles is brought to the Audit and Governance Committee's next meeting in January 2014".

## **11.0 Access to information**

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

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