

Audit & Governance Committee

Date of Meeting: 14 March 2019

Report Title: Committee Work Plan

Senior Officer: Mark Taylor, Interim Executive Director of Corporate Services

1. Report Summary

- 1.1. This report presents a draft Work Plan for 2019/20 (Appendix A) to the Committee for consideration. A draft outline for an Annual Monitoring Officer Report is also provided for the Committee's consideration at Appendix B.

2. Recommendations

- 2.1. That the Committee:
 - 2.1.1. Consider the Work Plan and determine any required amendments;
 - 2.1.2. Note that the plan will be brought back to the Committee throughout the year for further development and approval.
 - 2.1.3. Consider the development of an Annual Monitoring Officer report and agree on it's inclusion in the work plan.

3. Reasons for Recommendations

- 3.1. The Audit and Governance Committee has a key role in overseeing and assessing the Council's risk management, control and corporate governance arrangements. It advises the Council on the adequacy and effectiveness of these arrangements. A forward looking programme of meetings and agenda items is necessary to enable the Committee to fulfil its responsibilities.

4. Other Options Considered

- 4.1. Not applicable

5. Background

- 5.1. Updated Terms of Reference were agreed at the 27th September 2018 meeting of the Committee; these were approved by Council on 13th December 2018 and the Work Plan has been updated to align with these.
- 5.2. In agreement with the Committee Chair, the following reports which had initially been scheduled for the 14th March 2019 meeting have been re-scheduled for future meetings of the Committee.
 - 5.2.1. The Risk Management Update has been deferred. Responsibility for Risk Management will be undertaken by the Interim Executive Director for Corporate Services.
- 5.3. Aspects of the Audit and Governance Committee's agenda are determined by statutory requirements such as the Statement of Accounts and Annual Governance Statement. Outside these agenda items, the Committee should aim to manage its agenda according to its assurance needs to fulfil its terms of reference. The Committee is asked to consider the contents of the Work Plan (Appendix A) and establish any amendments that will enable it to meet its responsibilities.
- 5.4. By identifying the key topics to be considered at the Audit and Governance Committee meetings, and receiving appropriate reports, Committee Members are able to undertake their duties effectively and deliver them to a high standard. In turn, this adds to the robustness of the risk management framework, the adequacy of the internal control environment and the integrity of the financial reporting and corporate governance of the Council.
- 5.5. Members will recognise that some items are brought to Committee on a more regular basis than others and ensure that statutory requirements are complied with. There are also individual requirements of the Committee's Terms of Reference which are only used on an ad-hoc basis. The Work Plan will be re-submitted to the Committee for further development and approval at each subsequent meeting.
- 5.6. A number of local authorities now provide an Annual Monitoring Officer report to their Audit and Governance Committee or equivalent. This annual report would provide assurances to the Committees on a number of the Monitoring Officer's statutory responsibilities over the previous financial year.
- 5.7. Appendix B has been prepared to give the Committee an outline of the suggested content of a Monitoring Officer report for consideration and discussion. The appendix identifies which are existing areas which the

Committee currently receives a separate report on, and which areas would present additional assurances.

5.8. In order to help with their deliberations, Members are asked to consider the following:

5.8.1. care should be taken to avoid duplication and maintain the focus of an audit committee on its core functions as defined by its terms of reference rather than wider issues that are subject to the work of other committees or assurance functions.

5.8.2. there are any time consuming aspects of Committee business that could be more effectively addressed elsewhere, as an audit committee should operate at a strategic level. Care should be taken to avoid straying into matters of operational detail that should be resolved by service managers

5.8.3. the number and frequency of reports should be proportional to the risk in order to give the core business of an audit committee sufficient focus and attention and to avoid lengthy and thus unproductive meetings.

5.9. There were a number of items which remained unscheduled from the 2018/19 Work Plan. It is suggested that these are treated as follows;

5.9.1. Approach to disclosure of Internal Audit Reports; these will be reviewed in the new Municipal Year following elections and the appointment of a permanent Head of Internal Audit.

5.9.2. Counter Fraud report and Anti-Fraud and Corruption Policy; a report on counter fraud activity, including a review of the Council's policy and any required revisions is scheduled for the July 2019 meeting.

5.9.3. Review of the Whistleblowing Policy and Procedure; this report is scheduled for the July 2019 meeting but may be subject to change depending on the Committee's consideration on the development of a Monitoring Officer report.

5.9.4. Update on Internal Audit Report on Land Transactions; a review of management responses to actions agreed in response to the work undertaken by Internal Audit on land transactions will be undertaken early in 2019/20. An update will be provided to the Committee at the earliest opportunity once that review has been completed.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The Work Plan for 2019/20 complies with the requirements of the Accounts and Audit Regulations 2015.

6.2. Finance Implications

- 6.2.1. 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.

6.3. Equality Implications

- 6.3.1. There are no direct implications for equality in this report. The Audit and Governance Committee receives assurances from across the organisation.

6.4. Human Resources Implications

- 6.4.1. Members should be satisfied that the inclusion of each item on its agenda results in added value, as the assurance process has a resource implication to the organisation and should therefore be proportional to the risk.

6.5. Risk Management Implications

- 6.5.1. 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:

- 6.5.1.1. raise awareness of the need for robust risk management, control and corporate governance arrangements and the implementation of audit recommendations,
- 6.5.1.2. increase public confidence in the objectivity and fairness of financial and other reporting
- 6.5.1.3. reinforce the importance and independence of internal and external audit and any other similar review process
- 6.5.1.4. provide additional assurance through a process of independent and objective review

6.6. Rural Communities Implications

- 6.6.1. There are no direct implications for rural communities.

6.7. Implications for Children & Young People/Cared for Children

- 6.7.1. There are no direct implications for children and young people.

6.8. Public Health Implications

6.8.1. There are no direct implications for public health.

7. Ward Members Affected

7.1. All wards affected.

8. Consultation & Engagement

8.1. The proposed Work Plan for 2019/20 was prepared following discussion with key officers who regularly provide updates to the Audit and Governance Committee. The proposed Work Plan has also been discussed with the Committee Chair and Vice Chair and was considered by the Corporate Leadership Team.

9. Access to Information

9.1. Not applicable.

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officers:

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