

# **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Audit and Governance Committee**  
held on Tuesday, 31st July, 2018 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

## **PRESENT**

Councillor G Baxendale (Chairman)  
Councillor M Sewart (Vice-Chairman)

Councillors S Corcoran, T Dean, R Fletcher, P Groves, N Mannion, G Merry  
and A Stott

## **Councillors in attendance**

Councillors P Bates, J Clowes and JP Findlow

## **Officers in attendance**

Jan Willis, Interim Executive Director of Corporate Services  
Frank Jordan, Executive Director of Place (minutes 25 and 26)  
Suzanne Antrobus, Deputy Monitoring Officer  
Alex Thompson, Head of Finance and Performance  
Michael Todd, Principal Auditor  
Josie Griffiths, Principal Auditor  
Jo Wilcox, Finance Strategy & Reporting Manager  
Jo Butler, Business Governance and Risk Manager (minute 27)  
Keith Sutton, ICT Security Project Manager (minute 29)  
Yasmin Somani, ICT Project Manager (minute 29)  
Dominic Oakeshott, Programme Director Best4Business Programme  
(minute 30)  
Juan Turner, Customer Relations and Compliance Officer (minute 31)

## **19 APOLOGIES FOR ABSENCE**

Apologies were received from Philip Gardener.

## **20 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **21 PUBLIC SPEAKING TIME/OPEN SESSION**

No members of the public present wished to speak.

## **22 MINUTES OF PREVIOUS MEETING**

Consideration was given to the minutes of the meeting held on 31 May  
2018 and the following amendment was made:

Minute 6 – Internal Audit Annual Report 2017/18: the second paragraph to be re-formatted to make it easier to understand: -

“In response to questions from Members clarification was given on a number of specific matters including:

- that the current Internal Audit review of the Council’s travel booking system would include travel booked on behalf of Members
- the staffing position in Internal Audit would be resolved upon completion of an ongoing restructure programme
- the reference to overpaid/misspent direct payment monies was not in any way connected to Empower Cards that had previously been used to deliver this service

In response to a question on investigations that had been undertaken during the year further information was provided in relation to the use of purchase cards.”

**RESOLVED:**

That, subject to the above amendment, the minutes of the meeting held on 31 May 2018 be confirmed as a correct record.

**23 EXTERNAL AUDIT FINDINGS AND ACTION PLAN 2017/18**

Grant Thornton presented the Audit Findings on the 2017/18 Audit.

The report identified the key audit risks considered by Grant Thornton on the Financial Statements and Value for Money arrangements and detailed their finding on these, with five recommendations for action being made. The Management Response to these actions was outlined in Appendix B to the report.

The Letter of Representation was circulated to the Committee.

**RESOLVED:** That

- 1 the Audit Findings Report be received;
- 2 the Management Response to the recommendations contained within the Audit Findings Report Action Plan be noted; and
- 3 the Letter of Representation be approved for signature by the Interim Executive Director of Corporate Services.

**24 ANNUAL STATEMENT OF ACCOUNTS 2017/18**

Consideration was given to the 2017/18 Statement of Accounts for Cheshire East Group.

The amendments reported in Appendix C of the Audit Findings Report had been agreed and included in the final Statement of Accounts.

Following approval the final audited version of the Statement of Accounts would be published on the Council's website.

**RESOLVED:** That

- 1 the report be received and the changes made to the draft Accounts in accordance with the Audit Finding Report be noted; and
- 2 the Chairman of the Audit and Governance Committee be given delegated authority to sign off the final Accounts on behalf of the Committee.

## **25 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2017/18**

The Committee considered the draft version of the Annual Report of the Audit and Governance Committee 2017/18.

The report provided details of the work undertaken by the Committee and the assurances received during the year.

Members sought clarification on the staffing levels and restructure of Internal Audit and appointment of a Chief Internal Auditor, and on the Air Quality Internal Audit work.

**RESOLVED:**

That, subject to the typing errors being corrected, the Annual Report of the Audit and Governance Committee 2017/18 be approved for consideration by Council at its meeting on 18 October 2018.

## **26 ANNUAL GOVERNANCE STATEMENT 2017/18**

At its meeting on 31 May 2018 the Committee had considered the draft Annual Governance Statement, which had now been amended to take account of feedback received at that meeting.

Members sought clarification on the following on the awarding of the money to Berkeley Academy Car Park and on the two independent advice phone lines for Whistleblowing and Bullying.

It was requested that paragraph 5.77 on page 18 of the Statement be redrafted so that it did not read ambiguously.

**RESOLVED:**

That, subject to the requested amendments, the Annual Governance Statement 2017/18 be approved.

**27 RISK MANAGEMENT UPDATE REPORT**

Consideration was given to a report on risk management activity since the end of May 2018.

The report detailed the work undertaken in relation to Business Continuity, which included the approval by Cabinet of the Business Continuity Statement and Strategy and the undertaking of Cyber Attack Awareness Exercise.

**RESOLVED:**

That the report be noted.

**28 INTERNAL AUDIT PROCUREMENT REVIEW**

The Committee considered a report on an Internal Audit Review of procurement, which superseded a review initially commenced during 2015 which was paused as a result of a police investigation into the award of contracts.

The report detailed the three risks identified for the review, the findings of Internal Audit and the management response to the findings in relation to Risk 3.

The Committee sought clarification on the 33 contracts passed their expiry date and whether they were all from one department, and discussed how long the Committee should continue to review WARNs.

The Committee, at its next meeting, would be receiving a report on the improved arrangements put in place for contract management and it was suggested that this include the controls put in place by the Procurement Board in relation to WARNs.

**RESOLVED:**

That the content of the report and the management actions agreed as a result of the review be noted.

**29 INFORMATION GOVERNANCE UPDATE**

The Committee considered an update on the progress with the General Data Protection Regulations, which came into force on 25 May 2018.

The next phase of work would look at the processes and practices in place and testing of these. Work would also be undertaken on ICT application such as email, software and hardware to ensure compliance with the Regulations.

It was reported that 87% of staff had completed the mandatory training and that a reminder would be sent out to those who had not completed the training.

The Data Protection Policy had been approved by the Information Governance Group and would shortly be present to the Portfolio Holder for approval.

**RESOLVED:**

That the report be noted.

**30 BEST4BUSINESS PROJECT**

The Committee received a presentation on the governance arrangements for the Best4Business project, which would see the replacement of the Oracle operating system with Unit 4 Businessworld.

The Committee asked about the provision of backup for the Cloud based service, data migration, interface with partner organisation systems and security of the system.

**RESOLVED:**

That the presentation be received.

**31 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT OMBUDSMAN – FEBRUARY – MARCH 2018**

The Committee considered a report on the Decision Notices issued by the Local Government Ombudsman between 1 February and 31 March 2018.

It was reported that two Decision Notices had been issued which concluded that there had been maladministration causing injustice - these were detailed in Appendix 1 to the report.

It was requested in future reports that a link be included to the Decision Notice on the Local Government Ombudsman website.

**RESOLVED:**

That the report be noted.

### **32 COMMITTEE WORK PLAN 2018/19**

Consideration was given to the Committee's Work Plan for 2018/19.

The Committee noted, as stated in the report, that three items scheduled to come to the meeting had been deferred and had been re-scheduled for future meetings.

The unallocated items would be reported back the Committee as and when appropriate.

It was reported that CIPFA had now published their 2018 edition of "Practical Guidance for Local Authorities and Police" and a report would be brought to the Committee in due course to advise on the updated guidance and any implications for the Committee.

It was requested that an item on reviewing the findings and any governance implications from the recent Employment Tribunal Case be brought to the next meeting. In order to avoid duplication of work, the Interim Executive Director of Corporate Services undertook to check with the Chairman of the Staffing Committee to see if that Committee was planning to do a review.

#### **RESOLVED:**

That the Work Plan be approved and that it be brought back to the Committee throughout the year for further development and approval.

### **33 CONTRACT PROCEDURE RULE WAIVERS AND NON-ADHERENCES**

The Committee considered a report on the number and reasons for Waivers and Non-Adherences (WARNs) which had been approved between 1 April and 30 June 2018.

The Committee noted and welcomed the reduction in the number of waivers and non-adherence to the Contract Procedure Rules.

#### **RESOLVED:**

That the report be noted.

### **34 EXCLUSION OF THE PRESS AND PUBLIC**

#### **RESOLVED:**

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 as amended on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 and 2

of Part 1 of Schedule 12A of the Local Government Act 1972 and public interest would not be served in publishing the information.

**35 CONTRACT PROCEDURE RULE WAIVERS AND NON-ADHERENCES**

**RESOLVED:**

That the WARNs be noted.

The meeting commenced at 2.10 pm and concluded at 4.38 pm

Councillor G Baxendale (Chairman)