

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 5th December, 2024 in The Capesthorne Room - Town
Hall, Macclesfield SK10 1EA

PRESENT

Councillor M Beanland (Chair)
Councillor K Edwards (Vice-Chair)

Councillors B Drake, S Adams, A Heler, C Hilliard, G Marshall, P Redstone
and J Snowball and Mrs J Clark.

OFFICERS IN ATTENDANCE

Janet Witkowski, Governance, Compliance and Monitoring Officer
Adele Taylor, Interim Executive Director Resources and S151 Officer
Josie Griffiths, Head of Audit, Risk and Assurance
Michael Todd, Acting Internal Audit Manager
Tom Shuttleworth, Interim Director of Environmental Services and Planning
Nikki Bishop, Democratic Services Officer

ALSO IN ATTENDANCE

Dan Spiller, External Auditor, Ernst & Young
Hassan Rohimun, External Auditor, Ernst & Young

42 APOLOGIES FOR ABSENCE

Apologies were received from Mr Ron Jones.

43 DECLARATIONS OF INTEREST

There were no declarations of interest.

44 MINUTES OF PREVIOUS MEETING

The committee noted the technical issues with the live broadcasting system experienced during the last meeting and that an officer report would be considered by the Corporate Policy Committee in February 2025, in response to a Notice of Motion relating to the broadcasting of public meetings.

RESOLVED:

That the minutes of the meeting held on 30 September 2024 be approved and signed by the Chair.

45 PUBLIC SPEAKING TIME/OPEN SESSION

There were no registered speakers.

46 ACTION LOG

The committee considered the action log. The following updates were provided:

- It was confirmed that further training would be provided for committee members alongside the finalisation of the Statement of Accounts 2023-24. Completion of the final Statement of Accounts for 2022-23 was very near, with one final outstanding issue relating to the Pension Fund, it was anticipated that this matter would be resolved imminently. All other matters raised by Mazars had been confirmed as completed/closed.
- The committee noted the statutory backstop dates introduced by Government earlier this year as a result of growing delays for local authorities across the country to finalise accounts. The backstop date for 2022-23 was nearing (13 December 2024), but it was expected that this deadline would be met. Significant work was underway to meet 2023-24 account deadlines (28 February 2025). Council officers continued to work closely with its external auditors, Ernst & Young (EY) to ensure that backstop dates would not impact the 2024-25 accounts (backstop deadline of 27 February 2026).
- A Teams Channel had been developed for the committee which would contain various helpful documents, good practice notes and guidance for the committee, as previously requested. This channel was still being developed by officers however the channel, along with guidance on how to use it, would be shared with the committee in the near future.

RESOLVED:

That the updates provided be noted.

47 UPDATE ON S106 IMPROVEMENT PLAN (VERBAL UPDATE)

The committee received a verbal update in relation to the internal audit report completed on S106 payments. This no assurance report had identified 30 actions in order to improve the control environment. Out of the 30 actions identified, only one remained outstanding which related to the quarterly reporting of S106 payments to the Environment and Communities Committee, which was anticipated to be resolved by January 2025. A further audit would be scheduled for Summer 2025, once new processes had been embedded across the service, to receive assurances that the actions undertaken had achieved the improvements needed. The Internal Audit Manager took the opportunity to thank staff within the

planning service for their engagement and positive attitude throughout the process.

S106 ward member reports were shared in October 2024, and it was anticipated that these would be issued bi-annually, alongside system access training for members. Once the initial phase of improvement work had concluded, work would progress to move forward with a publicly accessible report on S106.

Concerns were raised in relation to accessing planning applications following a change to a different ICT system. It was confirmed that the service continued to work with its supplier to address initial teething issues since the implementation of the new software. This work would continue over the coming months. It was confirmed that whilst there was a small backlog of planning applications to be published, these did continue to be processed and mitigation measures were in place to ensure that this issue was being proactively addressed. The issues experienced by members of the public related to the ability to display and filter applications. A solution to this had been developed and is undergoing testing. Members queried if there had been a reduction in planning applications since the introduction of the system – officers committed to providing a written response.

RESOLVED:

That the Audit and Governance Committee note the verbal update provided.

48 MONITORING OFFICER ANNUAL REPORT 2023-24

The committee considered the report which provided information and assurance on key aspects of the Monitoring Officer's responsibilities, both statutory and organisationally, during 2023-24.

Work was underway to refresh the Member Development Strategy which would be brought to the Audit and Governance Committee along with a revised training offer for approval, once completed. Members agreed that the committee should have oversight of member training and champion this revised training programme once approved. The committee made a number of comments, as summarised below:

- Training via teams should be recorded and made available where possible, to support current and future elected members. Members agreed that there needed to be flexibility around the scheduling of training to assist those members who had work commitments.
- Scrutiny training was a priority for service committees, and this should be factored into the refreshed strategy.
- Members noted that the revised Whistleblowing Policy would be considered by the committee in March 2025 and that a small working group would be set-up early in the New Year to commence the process.

RESOLVED:

That the Audit and Governance Committee

1. Note the content of the Annual Monitoring Officer Report for 2023-24, and the assurances this provides on the responsibilities of the statutory role.

49 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2023-24

The committee considered the report which set out the proposed Annual Report of the Audit and Governance Committee 2023-24, the final agreed version would be presented to Full Council in February 2025.

The committee welcomed the report and the detail which reflected well the work undertaken over the last year. The committee thanked officers for their support.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Approve the final version of the Annual Report of the Audit and Governance Committee which will be presented at the February 2025 meeting of Full Council.

50 ANNUAL GOVERNANCE STATEMENT 2023-24 UPDATE

The committee considered the report which provided assurance on the progress of actions originally identified within the 2023-24 draft Annual Governance Statement (AGS) in July 2024 to improve governance arrangements and to respond to emerging issues.

The report proposed that the issues relating to Health and Social Care Integration and Planning be removed from future statements, in light of the significant progress being made in these areas as set out within the report. It was confirmed that items that were proposed to be removed from the AGS would continue to be closely monitored by the appropriate senior officer to ensure effective governance and compliance in these areas.

The committee raised concerns in relation to this proposal. Members felt that the technical issues relating to the new planning software and the national pressures affecting adult's health and social care were significant and needed to remain on the AGS to ensure the committee had oversight in these areas.

It was proposed that these items remained as significant governance issues within the Annual Governance Statement. This was supported by the committee as a friendly amendment.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Approve the updates provided on the significant issues reported in the draft 2023-24 Annual Governance Statement, subject to the significant items relating to Health and Social Care Integration and Planning remaining on future statements.

51 MINUTES OF SUB COMMITTEES

The committee received the minutes of the Hearing Sub Committee held on 8 December 2024.

It was acknowledged that there had been a delay in the committee receiving the minutes of this Sub Committee however moving forward, any Hearing Sub Committee minutes would be routinely reported back to the Audit and Governance Committee in future as set out within the Constitution's Procedural Rules.

RESOLVED:

That the minutes of the Hearing Sub Committee held on 8 December 2021 be received and noted.

52 WORK PROGRAMME

The committee considered the Work Programme. The following updates were noted:

- Update on Planning System Implementation – the committee agreed it would be helpful to receive an update on the implementation of the new planning software, following initial teething issues as discussed in today's meeting. It was agreed that this should be added to the Work Programme.
- Revised Member Training Strategy / Programme – the committee welcomed the opportunity to have oversight and champion the revised strategy / programme and requested that this be added to the Work Programme for consideration at the appropriate time.
- The committee discussed the recent decision taken by the Children and Families Committee in relation to school catering and raised concerns in relation to the governance process this had followed, and its subsequent impact on the Adults and Health Committee. The Monitoring Officer confirmed that appropriate governance processes were in place and set out in the Constitution for matters that covered more than one service committees remit. The Monitoring Officer committed to investigating this specific issue and reporting back to the committee.

RESOLVED:

That the Work Programme be received and noted.

53 URGENT ITEM OF BUSINESS - EXTERNAL AUDIT PLANNING REPORT 2023-24

In accordance with Section 100B(4)(b) of the Local Government Act 1972, the Chair had agreed that this item could be considered as an item of urgent business as it could not wait until the next scheduled meeting of the Committee to ensure that the committee undertook its duty, as set out within the Constitution and Committee Terms of Reference, to consider the external auditor's annual letter and relevant reports.

The committee considered the report, which set out the proposed approach and scope for the 2023-24 external audit. A summary of the significant accounting and auditing matters were outlined, along with an overview of the external auditor's risk identification for the upcoming audit. In light of the Council's financial position and not yet having reached a balanced budget position for 25-26, the inappropriate allocation of revenue expenditure to unusable reserves was identified as a key risk.

It was noted that the planning materiality had been assessed. Due to the overall risk, proximity to S144, an increase in demand of scrutiny and interest in the council and the subsequent increase of risk to EY, the overall materiality rate had been set at 1% of the council's growth revenue expenditure. Performance materiality had been set at 50% as a default for the first audit year. The committee noted and accepted the materiality figures. The committee noted the EY would report all uncorrected misstatements greater than £5k to the Audit and Governance Committee.

The report set out the initial assessment and work undertaken to date to identify risks of significant weakness in the council's arrangements for ensuring there were proper arrangements to secure economy, efficiency and effectiveness on its use of resources. Risks of significant weakness included, financial sustainability, children's services, the corporate peer challenge and insourcing of wholly owned companies.

RESOLVED:

That the External Audit Planning Report 2023-24 be received and noted.

The meeting commenced at 10.00 am and concluded at 12.30 pm

Councillor M Beanland (Chair)