

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 6th December, 2018 at Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Sewart (Vice-Chair, in the Chair)

Councillors S Corcoran, M Deakin (substitute for Cllr G Baxendale),
R Fletcher, P Groves, A Kolker, N Mannion, G Merry and A Stott

Councillors in attendance

Councillors P Bates and J Clowes

Officers in attendance

Mark Taylor, Interim Executive Director of Corporate Services
Dan Dickinson, Acting Director of Legal Services and Monitoring Officer
Alex Thompson, Head of Finance and Performance (Section 151 Officer)
Michael Todd, Principal Auditor
Josie Griffiths, Principal Auditor
Juan Turner, Compliance and Customer Relations Officer (minute 60 only)
David Leadbetter, Corporate Manager, Children's Commissioning (minute 60
only)
Lianne Halliday, Senior Manager – Procurement (minutes 62 and 64 only)
Rachel Graves, Democratic Services Officer

External Auditors

Gareth Davies, Mazars

52 APOLOGIES FOR ABSENCE

Apologies were received from Councillors G Baxendale and T Dean.

53 DECLARATIONS OF INTEREST

No declarations of interest were made.

54 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present.

55 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 27 September 2018 be approved
as a correct record.

56 EXTERNAL AUDIT PLAN - 2018/19

The Committee considered the Audit Plan for the year ending 31 March 2019, which set out the work to be carried out by the Council's External Auditors Mazars.

Gareth Davies of Mazars outlined the work, detailed in the Appendix to the report, which included auditing identified significant risks, Value for Money arrangements and the audit fees.

RESOLVED:

That the Audit Plan for 2018/19 be received and the audit fees be noted.

57 DRAFT TREASURY MANAGEMENT STRATEGY AND MINIMUM REVENUE PROVISION STATEMENT 2019/20

The Committee considered an update on the Council's draft Treasury Management Strategy and the Minimum Revenue Provision Statement 2019/20.

The Treasury Management Strategy detailed the activities of the Treasury Management function in the forthcoming year 2019/20. The Strategy reflected the views on interest rates of leading market forecasts by Arlingclose, the Council's advisor on treasury matters.

The Treasury Management Strategy formed part of a range of financial strategies which would be reported as part of the Medium Term Financial Strategy to Cabinet and full Council in February 2019.

RESOLVED:

That the draft Treasury Management Strategy and Minimum Revenue Provision Statement 2019/20 be received.

58 ANNUAL GOVERNANCE STATEMENT AND CODE OF CORPORATE GOVERNANCE REVIEW

The Committee considered an update on the issues reported in the 2017-18 Annual Governance Statement and on the process for the production of the 2018-19 Annual Statement and the review of the Council's Code of Conduct.

Appendix A to the Report detailed the progress on the items included in the 2017/18 Annual Governance Statement. Table 1 in the report set out a summary of the recommendations to the Committee on which items should be considered as completed or managed, and can be monitored via local monitoring arrangements and which required further monitoring via the Annual Governance Statement.

The 2018/19 Annual Governance Statement would be prepared in line with the requirements of updated CIPFA/SOLACE guidance and carried out against the principles identified in the current Code of Corporate Governance, which was approved by Cabinet in January 2017.

RESOLVED: That the Committee

- 1 note and endorse the updates provided on the issues reported in the 2017/18 Annual Governance Statement, including the recommendations to the Committee on whether items remain in the Statement; and
- 2 endorse the process for the production of the 2018-19 Annual Governance Statement, including the proposals for reviewing the Code of Corporate Governance.

59 MANDATORY DECLARATIONS OF INTEREST

The Committee considered a report on whether or not any outside organisation should be considered as being organisations which, by virtue of solely being members of the same, Councillors must declare and/or register an interest in under the Council's Code of Conduct.

In response to the invitation at the last meeting to suggest any organisation which should be included and why, three representations had been received. One representation was against prescribing particular organisations as members were responsible for making appropriate declarations under the existing provisions of the Code. The two other representations related solely to Freemasonry and that membership of the Freemasons should trigger a mandatory declaration/registration of interest under the Code.

The Committee attention was drawn to the European Court of Human Rights decision in *Grande Oriente d'Italia di Palazzo Guistiniani v Italy* (no.1) and *Grande Oriente d'Italia di Palazzo Guistiniani v Italy* (no.2) that a law requiring candidates who had been nominated for public office to declare whether they were freemasons violated Articles 11 and 14. In the light of these decisions the policy for requiring similar declarations of successful candidates for judicial appointments was withdrawn by the then Lord Chancellor.

It was noted that the review of the Constitution had considered whether any amendments should be made to the Code of Conduct and had concluded that no mandatory declarations/registrations on account of simple membership of any particular organisation was required.

RESOLVED: That the Committee

- 1 note that there were adequate provisions in the Member Code of Conduct to appropriately deal with conflicts of interest that may arise in decision making; and
- 2 decline to particularise any outside organisation as being organisations which, why virtue solely of being members of same, Councillors must declare and/or register an interest in under Cheshire East Council Member Code of Conduct.

60 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN: JUNE – AUGUST 2018

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

It was reported that one Decision Notices had been issued which concluded that there had been maladministration causing injustice – details of which were set out in Appendix 1 to the report. It was confirmed that the Education, Health and Care Plan assessment had now been carried out.

RESOLVED:

That the report be noted.

61 COMMITTEE WORK PLAN 2018/19

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

It was noted that the Committee's updated terms of reference would be considered by Council on 13 December and until approved the previous terms of reference remained in place.

A number of items had been rescheduled for the March 2019, details of these were set out in paragraphs 5.7.1 and 5.7.2 of the report.

RESOLVED:

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

62 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 – 30 September 2018.

RESOLVED:

That the report be noted.

63 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, 2 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and the public interest would not be served in publishing the information.

64 CONTRACT PROCEDURE RULE WAIVERS AND NON ADHERENCES

RESOLVED:

That the WARN be noted.

The meeting commenced at 2.00 pm and concluded at 3.27 pm

Councillor M Sewart (Vice-Chair, in the Chair)