

CHESHIRE EAST COUNCIL

Minutes of a virtual meeting of the **Audit and Governance Committee**
held on Wednesday, 11th November, 2020

PRESENT

Councillor R Fletcher (Chairman)
Councillor R Bailey (Vice-Chairman)

Councillors C Bulman, D Edwardes, S Hogben, M Houston, A Kolker,
M Sewart and M Simon

Independent Co-opted Member

Mr P Gardiner

External Auditor

Mr M Dalton, Mazars

Councillors in attendance

Councillors J Clowes, A Harewood, A Moran, D Murphy, J Rhodes,
L Smetham, A Stott and L Wardlaw

Officers in attendance

Jane Burns, Executive Director Corporate Services
David Brown, Director of Governance and Compliance
Alex Thompson, Director of Finance and Customer Services
Josie Griffiths, Head of Audit and Risk
Michael Todd, Acting Internal Audit Manager
Sophie Thorley, Risk and Business Continuity Business Manager
Juan Turner, Compliance and Customer Relations Officer
Lianne Halliday, Senior Manager Procurement
Rachel Graves, Democratic Service Officer

44 APOLOGIES FOR ABSENCE

Apologies were received from Councillor B Evans.

45 DECLARATIONS OF INTEREST

No declarations of interest were made.

46 PUBLIC SPEAKING TIME/OPEN SESSION

Sue Helliwell stated that within the Council's Constitution the Members Code of Conduct referred to disclosable pecuniary interests and personal interests. A member's code of conduct also applied to Town and Parish Councils and it appeared that the Monitoring Officer dealt with these

complaints. Within the Government legislation it stated that Councillors must declare any employment, office, trade, profession carried for profit or gain, which either the councillor, or their spouse or civil partner, undertakes. She asked if the Committee could confirm that Councillors do not need to declare that they sit on Town and Parish Councils when it came to discuss the Council Tax Precept at Cheshire East Council meetings? She also asked if all Cheshire East Councillors, who sit on Town and Parish meetings, should declare they are members of Cheshire East Council at the beginning of any Town and Parish Council meetings if there were any business on the agenda, members motions, or amendments to motions they put forward that related to Cheshire East Council.

David Brown, Director of Governance and Compliance responded that the Council's Constitution contained a list of standing dispensations which were renewed by the Audit and Governance Committee in July 2020. It is up to each Councillor concerned to decide whether the business for the meeting impacted on the need to make a declaration. The important factor to be considered was that the public interest test needed to be applied. The Localism Act required the Council to maintain a Register of Interests and a Councillor's declaration of interest must include other interest, which included membership of a town or parish council.

47 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 24 September 2020 be confirmed as a correct record.

48 EXTERNAL AUDIT FINDINGS AND ACTION PLAN 2019/20

Mark Dalton of Mazars presented the draft Audit Completion Report to the Committee, which summarised the findings from the 2019/20 audit.

The report detailed the status of the audit work, significant finding from the audit, the internal control recommendations, audit adjustments, the value for money conclusion and the Auditor's opinion on the financial statements.

RESOLVED:

That the Audit Completion Report for the year ending 31 March 2020 be received.

49 STATEMENT OF ACCOUNTS 2019/20

Consideration was given to the 2019/20 Statement of Accounts for Cheshire East Group.

The amendments reported in Section 5 of the Audit Completion 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 Completion 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.

50 ANNUAL GOVERNANCE STATEMENT 2019/20

The Committee considered the Annual Governance Statement which explained how the Council makes its decisions, manages its resources and promotes high standards of conduct and behaviour.

A draft Annual Governance Statement had been considered by the Committee in July 2020 and was now brought to the Committee for approval. Once approved the Statement would be signed by the Leader of the Council and the Chief Executive and published on the Council's website.

Several amendments were suggested, and these included:

Paragraph 5.5 and 5.14 - ensure that the correct years for the MTFS are quoted

Paragraph 5.29 – to be updated to include the training taken place

Paragraph 5.53 – refer to Little Bus Service to be checked if should read Flexi Bus

Paragraph 5.73 – the full name for ANSA to be included

Paragraph 5.74 - the wording of the last sentence needed to be made easier to understand.

It was proposed the Chairman of the Audit and Governance be given delegated authority to sign off the Annual Governance Statement once the amendments had been made.

RESOLVED: That

- 1 subject to the proposed amendments the Annual Governance Statement be approved; and
- 2 the Chairman of the Audit and Governance Committee be given delegated authority to sign off the final Annual Governance Statement.

51 DRAFT TREASURY MANAGEMENT STRATEGY AND MINIMUM REVENUE PROVISION STATEMENT 2021/22

The Committee considered an update on the Council's draft Treasury Management Strategy and the Minimum Revenue Provision Statement 2021/22.

The Treasury Management Strategy focused on the management of the Council's investment and cash flows; its banking, money market and capital transactions; the effective control of the risks associated with these activities, and the pursuit of optimum performance consistent with the risks

The Strategy formed part of a range of financial strategies which would be reported as part of the Medium-Term Financial Strategy to Corporate Scrutiny, Cabinet and then Council in February 2021.

It was noted that the figures in Table 1 and Table 2 in the Report had not been completed and the Committee was informed that these figures were not yet available. It was also noted that the furlough scheme, as mentioned in paragraph 2.6 of the report, had now been extended until the end of March 2021.

RESOLVED:

That the draft Treasury Management Strategy and the Minimum Revenue Statement 2020/21 be received.

52 COVID-19 - UPDATE ON RESPONSE AND RECOVERY

The Committee considered the Cabinet report on the Covid-19 - Update on Response and Recovery.

The Committee sought clarification was sought on the costs for school transport, which differed from previous reports and the Director of Finance and Customer Services agreed to provide a written response. Questions were also asked in relation to grant funding received, the amount spent to date and access to the 2nd wave grants.

RESOLVED:

That the report be noted.

53 QUARTER TWO REVIEW OF THE STRATEGIC RISK REGISTER 2020/21

The Committee considered the outcomes of the review of the Strategic Risk Register 2020/21 at the end of Quarter 2.

The report detailed the highest rated strategic risks on the Register, the new risks added, the risks on the 'watch list' and any significant changes to the score since the last quarterly review and provided an overview of the Council's operational response to Covid and associated winter risks.

RESOLVED:

That the Quarter Two Review of the Strategic Risk Register 2020/21 be noted.

(The Committee adjourned for a short break at 4.05 pm and resumed at 4.15 pm)

54 AUDIT AND GOVERNANCE COMMITTEE COMPOSITION AND STRUCTURE

The Committee considered a proposal to establish a working group to consider the future composition and structure of the Audit and Governance Committee prompted by the recommendations of the Corporate Peer Review and the term of office of the current co-opted independent member completing in March 2021.

RESOLVED: That

- 1 a working group be established, with the Term of Reference and Membership as set out in the report;
- 2 the working group be asked to recommend to the Audit and Governance Committee for such changes as appear to be desirable in order to address the relevant recommendations from the Corporate Peer Review and the proposed move to the Committee System of governance; and
- 3 following considering of the Working Group's recommendation, the Audit and Governance Committee makes such recommendations for Constitutional change to the Constitution Committee as appear to be desirable.

55 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN: APRIL - AUGUST 2020

The Committee consider a report on the Decision Notices issued by the Local Government Ombudsman between 1 April 2020 and 30 August 2020

It was reported that three decision notice had been issued which concluded that there had been maladministration causing injustice - details of which were set out in Appendix to the report.

It was noted that a question had been asked at Council on 21 October 2020 on the development of a KPI around the Local Government and Social Care Ombudsman findings of maladministration to enable a comparison over time. It was reported that full details of the number of complaints received by the Council, including a comparison to the previous year, were reported as part of the Monitoring Officer's Annual Report. Details of specific cases of findings of maladministration and recommendations, actions taken by services and lessons learnt were reported regularly to the Committee and service officers were in attendance to answer questions.

The number of referrals to the Ombudsman during 2019/20 had been previously reported in Annual Report of the Monitoring Officer in July 2020. Following receipt of the Ombudsman's Annual Report, the figures had been updated to account for the 39 cases they had decided not to investigate. Appendix 2a and 2b provided a breakdown of the services areas for which complaints had been submitted and a comparison to the previous year.

RESOLVED:

That the content of the report be noted.

56 COMMITTEE WORK PLAN

The Committee considered the Work Plan for 2020/21.

Paragraph 5.5 of the report set out the changes to the Work Plan since it was last considered by the Committee.

It was reported that an additional meeting of the Audit and Governance Committee would take place on Thursday 28 January 2021.

RESOLVED:

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

57 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 September and 30 September 2020.

A total of 2 Waivers had been issued during this period and that a total of 22 WARNs had been issued to date in 2020/21.

RESOLVED:

That the Committee notes the number and reasons for the 2 further WARNs approved between 1 September and 30 September 2020.

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

59 WAIVERS AND NON-ADHERENCES

The Committee considered the WARNs.

RESOLVED:

That the WARNs be noted.

The meeting commenced at 2.00 pm and concluded at 5.05 pm

Councillor R Fletcher (Chairman)