

# **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Audit and Governance Committee**  
held on Monday, 17th January, 2022 in the Council Chamber, Municipal  
Buildings, Earle Street, Crewe CW1 2BJ

## **PRESENT**

Councillor M Simon (Chair)  
Councillor D Marren (Vice-Chair)

Councillors R Bailey, C Bulman, A Harewood, M Houston, P Redstone and  
M Sewart

## **EXTERNAL AUDITORS**

Mark Dalton- Mazars (via Microsoft Teams)  
Muhammed Uzair Khan- Mazars (via Microsoft Teams)

## **OFFICERS IN ATTENDANCE**

Jane Burns- Executive Director of Corporate Services.  
David Brown- Director of Governance and Compliance and Monitoring Officer  
Alex Thompson- Director of Finance and Customer Services and Section 151  
Officer  
Andrew Ross- Director of Infrastructure and Highways  
Michael Todd- Acting Internal Audit Manager (via Microsoft Teams)  
Alan Ward- Complaints Officer (via Microsoft Teams)  
Lianne Halliday- Procurement Officer (via Microsoft Teams)  
Helen Davies- Democratic Services Officer

## **48 APOLOGIES FOR ABSENCE**

Apologies of absence were received from Councillor Byron Evans.

## **49 DECLARATIONS OF INTEREST**

In the interests of openness and transparency, Councillor David Marren declared a pecuniary interest as a Director of Orbitas for item six and seven on the agenda. Councillor Marren advised he would leave the meeting for both these items and not take part in any of the debate or vote.

In the interests of openness and transparency, Councillor Carol Bulman declared that as a Middlewich Town Councillor, complaints about the smells and odours from ANSA had been reported through to her, and she knew one of the complainants but this would not pre-determine her view in any way towards ANSA.

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

There were no members of the public present who wished to speak.

## **51 MINUTES OF PREVIOUS MEETING**

Councillor Patrick Redstone noted that on page seven, the paragraph before the resolution should read:

*Reference was made to the audit work undertaken in schools and the council services offered to schools and it was proposed that briefing session be arranged on these matters.*

RESOLVED:

That subject to the paragraph amendment above, the minutes of the meeting held on 25 November 2021 be approved as a correct and accurate record.

## **52 ACTION TASKS**

The Committee reviewed the action tasks from the previous meeting.

There was some discussion that related to:

- the detail on items purchased via purchase cards/credit cards above £500 and this was satisfactorily resolved by the Director of Finance and Customer Services and Section 151 Officer; and
- the accessibility of Council buildings for members of the public and the need for clear external messaging on doors to ensure the council is perceived as welcoming.

In relation to item 10, the Internal Audit Progress Report, the action had been for a briefing session to be arranged for the Committee on the Provision of Services to Schools. The Committee heard that this was planned ahead of the next meeting, or failing that, early in the new financial year.

RESOLVED:

That the item be received and noted.

## **53 UPDATE ON THE LOCAL WARD BUDGETS AND 'TOP UP' SERVICE PILOT SCHEME**

Andrew Ross, Director of Infrastructure and Highways attended the meeting via Microsoft Teams to present an oral update to the Committee and answer any questions.

The Committee heard that the Highways Local Ward Member Budget was established in June 2021, with an agreement to provide the Highways and Transport Committee with update report at an appropriate time, to include a full conclusion and any recommendations. This report had now been received and debated at the Highways and Transport Committee and summarised a number of responses and funded schemes to date, there had been a number of issues with the scheme ranging from operational to limitations on how the budget could be

spent and the level of funding involved. A further report would be received by the Highways and Transport Committee in September to reflect on progress since the end of the pilot.

The scheme would continue into 2022 and the deadline for pilot spending was 30 June 2022.

The Committee had some discussion and noted that within the report that the scheme had been opened up to Town and Parish Councils to enable them to buy additional highway services if they wished, however this was not part of the original council decision.

In total there were 26 viable schemes (these were not necessarily all individual Members), but many schemes were rejected as being not compliant with policy.

The Director of Infrastructure and Highways advised the Committee that the allocation of highways funding to local ward budgets was decided at full council prior to the change of governance to the committee system, at that time proposals to take schemes forward received sign-off with the Portfolio Holder which is why it was rolled out as a pilot.

The Committee expressed concern that the pilot roll out had not been done in the spirit of the original amendment and that whilst it was understood government criteria for this specific grant pot would apply, that those rules had been interpreted differently by the council.

There was some discussion on:

- whether the £4,200 per Member was enough funding to make a significant difference to communities whilst balancing the loss of that budget from the overall highways revenue budget;
- the implication that there would be funding increases next year;
- the assurance of the governance of the scheme; and
- who would conduct a review of the pilot?

RESOLVED:

That the report be received and noted and that the Director of Infrastructure and Highways attend a future meeting with a further update on the scheme.

## **54 ANNUAL AUDIT LETTER 2020/21 AND CERTIFICATION REPORT**

Alex Thompson, Director of Finance and Customer Services and Section 151 Officer attended the meeting to introduce the item.

Councillor David Marren left the room at this point in the meeting.

Mark Dalton and Muhammed Uzair Khan from Mazars attended the meeting by Microsoft Teams to given further context and a brief summary of the key highlights contained within the report and then answered any questions the Committee had.

Mark thanked finance officers for a good set of accounts.

The Committee recognised the accounts were reflective of working within a pandemic, there was some discussion about whether the Council was at risk of overclaiming grants associated with Covid-19. Mark advised that Covid grants were accurately reflected within the accounts but there were no issues identified in overclaiming.

There was some discussion about the need for further assurance on value for money, Mark advised this detail would be available inside the next two months (which was inside the three month extension allocated for the return of accounts) but acknowledged the shortage of experienced auditors within the public sector at present.

The Committee asked what approach Mazars took to governance, Mark agreed to share details of the sub criteria/key questions that are considered against the Value for Money specified reporting criteria. These points are as follows:

Governance: how the body ensures that it makes informed decisions and properly manages its risks, including:

- how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud
- how the body approaches and carries out its annual budget setting process
- how the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed
- how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee
- how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

RESOLVED: That the Audit Completion Report for the year ending 31<sup>st</sup> March 2021 be received and noted.

## 55 **STATEMENT OF ACCOUNTS 2021/22**

Councillor David Marren returned to the meeting.

Alex Thompson, Director of Finance and Customer Services and Section 151 Officer attended the meeting to introduce the item.

The Committee were advised there had been capacity issues linked to covid and a change to the core reporting system.

Thanks were given to the internal teams that worked together and external auditors for supporting officers.

The Committee asked to record its thanks to all those involved in the audit team and external audit team and congratulations to their excellent partnership working.

RESOLVED: That:

- a) the changes to the draft Accounts in accordance with the Audit Completion Report be received and noted; and
- b) the Chairman of Audit and Governance Committee be given delegated authority to sign off the final Accounts on behalf of the Committee, in consultation with the Director of Finance and Customer Services.

## **56 ANNUAL GOVERNANCE STATEMENT - PROGRESS UPDATE**

Michael Todd, Acting Internal Audit Manager attended the meeting via Microsoft Teams, he introduced the item, gave some context to the report advising the Committee that there had been no significant changes from September 2021. The Committee were given the opportunity to ask any questions.

The Committee reflected that when questions are asked within a Committee, where officers promise written answers, there should be assurance that these responses are distributed in correspondence to the whole Committee not just the person who asked the question. The council should maintain a good communication policy and any drift or delay in responding should be avoided.

The Committee noted the list of training contained within the report and queried if this was monitored to ensure it was completed by Members.

Jane Burns, Executive Director of Corporate Services noted that Member training was overseen by the Member Input Panel who could judge effectiveness of Member Training.

The Committee gave thanks to staff working so hard and so well over the pandemic.

RESOLVED (Unanimously):

That the Annual Governance Statement 2020/21 be approved.

## **57 HEARING SUB COMMITTEE FINDINGS**

This item had been deferred until the Audit and Governance Committee Meeting on 10 March 2022.

## **58 UPHELD COMPLAINTS TO THE LOCAL GOVERNMENT OMBUDSMAN**

Alan Ward, Complaints Officer attended the meeting via Microsoft Teams to introduce the report. The Committee were advised there had been five complaints between Aug-Nov 2021. Three related to Special Educational Needs and Disabilities (SEND), one to Licensing and one Children's Social Care.

Helen Rawlinson, Business and Data Manager for SEND, also attended the meeting via Microsoft Teams to answer any questions from the Committee, she gave assurance to the Committee that the SEND department had undergone significant change and a restructure. There was now a permanent complaints officer and tribunals officer, that ensured there was consistency and lessons learned.

Councillor Bulman noted that the recent Ofsted inspection was assured there had been improvements.

There was some discussion by the Committee about the accountability and potential links to performance appraisal for the Chief Executive in relation to upheld complaints by the Local Government Ombudsman (LGO).

Jane Burns, the Executive Director of Corporate Services noted that this was not current practice. The council has implemented a new Customer Experience Strategy with an emphasis on improving consistency for customers and learning and apologising when things go wrong. The Chief Executive has given a personal commitment to championing customer services.

The Committee considered if there was potential to add an item to the Committee's Work Programme on the general customer experience.

The Complaints Officer and Business and Data Manager for SEND were thanked for their attendance and input to the Committee.

RESOLVED:

That the report be received and noted.

## 59 COVID-19 UPDATE

Jane Burns, Executive Director of Corporate Services and presented the report to the Committee.

The Committee were advised that the report was retrospective and had been presented to Corporate Policy Committee. The key highlights included the fact that Cheshire East had extremely high infection rates, which is worrying, although there had been positive vaccination and booster uptake in 80% of the borough with some low pockets of younger people in Crewe. Pop up clinics and walk in vaccination centres had been scheduled for areas within Crewe to address this point. There had been business grants made available to support eligible business in hospitality and leisure sector. The Contain Outbreak Management Fund had now been extended into 2022/23.

The Committee reflected on comments in the report on known issues with delays within the planning department. The Finance, risk and governance issues were of concern to this Committee. Currently the Executive Director of Place was leading a deep dive review of the Planning Department, in tandem with a Member Advisory Panel chaired by Councillor Tony Dean reporting to the Environment and Communities Committee.

RESOLVED:

That the ongoing implications of Covid-19 and Cheshire East Council's response be received and noted.

## 60 **WORK PROGRAMME**

The Committee reviewed its Work Programme.

It was noted that on page 146 the item should read:

To receive an update from the Council's External Auditors in relation to the 2021/22- external audit report and other issues

not 2020/21 as printed.

RESOLVED:

That the Work Programme be received and noted.

### **(a) Highways Funding**

David Brown, Director of Governance and Compliance and Monitoring Officer advised the Committee there were a number of items it needed to schedule for the forthcoming meetings. There had been some discussion earlier in the meeting that related to Local Ward Member Budgets and Customer Experience Strategy that could be scheduled once the main business of the Committee had been resolved via the Work Programme.

RESOLVED:

That the Director of Governance and Compliance and Monitoring Officer, Head of Audit and Risk and Democratic Services Officer schedule time to shape the Work Programme and bring it back to Committee for approval.

### **(b) Partnerships Governance**

Jane Burns, Executive Director of Corporate Services presented the scoping report to the Committee that focussed on governance and assurance.

There was some discussion by the Committee that included the changes and developments as a result of the Cheshire and Merseyside Integrated Care System (ICS) and the governance and scrutiny of that. On reflection, the Committee felt that a review would be premature.

RESOLVED: That

a) the scope and phasing of the review of the governance and assurance arrangements for significant partnerships or collaborations be noted but not taken forward at this point.; and

b) the Director of Governance and Compliance and Monitoring Officer circulate a note to the Chair and Committee on governance arrangement in shared service.

## 61 **CONTRACT PROCEDURE RULE NON-ADHERENCES**

Alex Thompson, Director of Finance and Customer Services and Section 151 Officer introduced the item and Lianne Halliday, Procurement Officer attended the meeting via Microsoft Teams to answer any questions the Committee had.

RESOLVED: That:

- a) the reason for 17 waivers approved between 1st September 2021 and 30th November 2021 (27 in total in 2021/22) be received and noted; and
- b) it be noted that the Finance Sub-Committee, on the 5th January 2022, reviewed the Waivers for this period as part of their responsibility for the pipeline of procurement activity.

## **62 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 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 the served in publishing the information.

## **63 WAIVERS AND NON-ADHERENCES**

Alex Thompson, Director of Finance and Customer Services and Section 151 Officer introduced the item and Lianne Halliday, Procurement Officer attended the meeting via Microsoft Teams to answer any questions the Committee had.

The Procurement Officer advised the Committee there were a number of waivers signed off in May and July in 2021, this was due to an internal error with date coding when logged but steps had been taken to ensure this error was not repeated again.

RESOLVED:

That the report be received and noted.

The meeting commenced at 2.00 pm and concluded at 5.27 pm

Councillor M Simon (Chair)