

OPEN

Audit and Governance Committee

4 December 2025

Officer Decision Records – Internal Audit Briefing

Report of: Kevin O’Keefe, Interim Director of Law and Governance

Report Reference No: AG/34/25-25

Ward(s) Affected: NA

Purpose of Report

- 1 The aim of this report is to provide the Audit and Governance Committee with a briefing on the findings of a recent internal audit review of Officer Decision Records (ODRs).
- 2 The report sets out the background to the review, the key risks identified, findings, recommended actions, and progress against these actions.

Executive Summary

- 3 As part of the Internal Audit Annual Opinion report received by Audit and Governance Committee in July 2025, it was reported that a review of the ODR process had resulted in a Limited Assurance opinion.
- 4 In response the Committee requested a more detailed report setting out the scope of the work, the findings, and assurance that actions were being taken to improve the control environment.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Receive the findings of the internal audit review on the Officer Decision Records, noting the "Limited Assurance" opinion.

2. Determine whether, based on the identified improvement actions, and the arrangements for the oversight of their implementation described, there is any further assurance required.

Background

- 5 Internal Audit undertook a review of the policies, systems and processes in place to manage ODRs as part of the 2024/25 Internal Audit Plan.
- 6 During the financial years 2022/23 and 2023/24 a total of 147 decisions were published on the Council's website, of which 41 were identified as 'significant' decisions, as defined within the Constitution.
- 7 The definition of a Significant decision in the Constitution was the same over the period of the audit testing, with the exception of the sentence highlighted in bold which was added in December 2024, as being:

"a decision which is likely to result in the Council incurring non-routine expenditure which is, or the making of non-routine savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, and/or is likely to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the Council.

For these purposes, savings and expenditure are "significant" if they are equal to or greater than £1 million, unless the context requires otherwise.

*For clarification, **significant decisions must be made by a Committee, Full Council or delegated to an officer by a Committee or Full Council**, no decision previously approved by the Finance Sub-Committee, and no treasury management decision, shall constitute a Significant Decision".*

- 8 The key change made in December 2024 means that significant decisions can no longer be made by officers; all significant decisions will now be made by Committees and appear on the Council's Forward Plan.
- 9 In recognition of these changes, and after an initial draft of the internal audit report was completed, additional testing was undertaken on ODRs published during 2024/25. This identified that 44 were published prior to December 2024, with a further 24 up to the end of the financial year.

- 10 The review identified inconsistencies in the understanding and application of ODR processes, posing risks to governance and transparency. A “Limited Assurance” opinion was provided, and recommendations were raised and agreed with the Interim Director Law and Governance to improve the control environment.
- 11 It is, however noted, that work was already underway to address many of the findings and that officers are working collaboratively with internal audit to achieve the desired improvements. The changes to process which are being implemented, are being designed to ensure that they also meet the requirements of the Leader and Cabinet model of governance that is being introduced.
- 12 The outcome of the review was reported to the Committee as part of the Chief Audit Executive Opinion Report 2024/25, and further information was requested to provide Members with a better understanding of the identified issues, and assurance that steps were being taken to address the weaknesses.
- 13 The review considered the following key risks:
 - a. Risk 1 - ODRs not completed (at all) for decisions which meet the criteria either under openness regs or internal guidance.
 - b. Risk 2 - ODRs for decisions have been completed but not recorded (and published where necessary) in a timely way.
 - c. Risk 3 - Decisions have been made without the required delegated approval to the decision maker being in place.

Key Findings

- 14 The review identified inconsistent understanding and application of ODR processes across all departments. This included uncertainty about when an ODR is required and which of the three ODR forms should be used for a particular decision.
- 15 There was a risk that by not producing an ODR, or by selecting the incorrect form, the decision may not have been subject to the required level of transparency and scrutiny.
- 16 Testing identified instances where there had been delays in the publication of ODR's and some instances where ODR's had not been published at all.
- 17 There was therefore a risk that decisions were not subject to the appropriate level of transparency and challenge along with potential breaches of the Openness Regulations and the Council's Constitution.

- 18 Testing identified decisions that had been made without the appropriate delegated authority. This included instances where decisions were made by officers without the appropriate level of delegated authority, or where schemes of delegation were not up to date and it was not therefore possible to confirm that appropriate delegations were in place.
- 19 There was no evidence to suggest that any of the decisions made were inappropriate or that there was any attempt by officers to deliberately bypass due process.
- 20 The review identified that the lack of centralised systems for tracking and managing ODRs was a contributing factor to the lack of clarity around whether decisions should be shared with members for potential call in and subsequently published.
- 21 There was therefore a risk that decisions were not subject to the appropriate level of transparency and challenge, along with potential breaches of the Openness Regulations and the Council's Constitution.

Recommended Actions

- 22 A total of 17 actions were raised in the internal audit report, all of which were agreed with the Acting Governance, Compliance and Monitoring Officer at the time, and have been reviewed and re-confirmed with the current Interim Director of Law and Governance.
- 23 The actions addressed the following areas:
 - Review and simplify the ODR process supported by the development of a set of comprehensive procedure notes.
 - Streamlining of the ODR process with a view to simplifying it by the adoption of a single form
 - Develop accessible training modules.
 - Create a centralised email and workflow system for ODR submissions.
 - Ensure Finance and Legal inputs are consistently documented.
 - Publish Local Schemes of Delegation for all departments.
 - Implement a central repository for all ODRs.
 - Regularising issues relating to specific decisions identified during internal audit testing.

Response to Recommended Actions

- 24 Prior to the completion of the internal audit review, Democratic Services had commenced a full review of the ODR process with a view to simplifying and streamlining its operation. This has continued in collaboration with internal audit to ensure that all the identified weaknesses are addressed and the associated risks mitigated.
- 25 A new, single form for recording ODR's has been developed that clearly sets out what information is required to support the decision and ensures that legal and finance comments are recorded and appropriately signed off along with details of the decision maker and any required consultation.
- 26 In addition to the new forms, modern.gov will be utilised for the submission of ODR's, in line with the process for committee reports. This will provide a clear audit trail and central record, ensure that Democratic Services are sighted on all decisions and are able to check each ODR for completeness and publication requirements. It is anticipated that the new process will go live in January 2026.
- 27 Detailed procedure notes are being developed, along with training materials which will ensure consistency in approach, and that officers are clear as to their responsibilities when making decisions. These are particularly important given the change to the Leader/Cabinet model of decision making and will support a smooth transition.
- 28 Following the issue of the internal audit report, a meeting was held with the Interim Director of Law and Governance, and the Executive Director Resources (s151) to discuss the issues identified with specific decisions identified during the internal audit testing.
- 29 It was agreed that any decision that potentially breached Openness Regulations, or the Constitution, would be revisited and regularised.
- 30 This will lead to the publication of historic decisions that have already been enacted, but members should note that these decisions will not be subject to the 5-day referral period or further scrutiny by members.
- 31 Internal audit is satisfied that all the actions raised in the report are being addressed in a timely and collaborative manner and that going forward, the risks associated with the ODR process will be mitigated by these improvements in the robustness of the control environment. Monitoring of these actions will continue in line with our follow up processes, and the Committee will continue to be made aware of the implementation of actions within agreed timescales or otherwise.

- 32 A further internal audit review of decision making will be undertaken following the move to the Leader/Cabinet model of governance to ensure that the changes implemented have achieved their intended goals. This is will be scheduled for the second half of 2026/27.

Consultation and Engagement

- 33 There has been consultation with the Council's Corporate Leadership Team and Democratic Services.

Reasons for Recommendations

- 34 One of the key roles of the Audit and Governance Committee is to receive reports and assurances from across the organisation, and in doing so, consider the effectiveness of the arrangements described, identifying further information needed, and or making recommendations for improvements and additional action required.

Other Options Considered

- 35 None applicable.

Option	Impact	Risk
Do nothing.	Failure to address the issues identified by the internal audit review.	Ineffective decision making that is not compliant with the Constitution and the Openness Regulations

Implications and Comments

Monitoring Officer/Legal/Governance

- 36 Robust governance arrangements are essential for the effective operation of local authorities and a key element of this is open and accountable decision making.
- 37 The Openness of Local Government Bodies Regulations 2014 set out the legal framework and requirements for the publication of decisions made by officers under delegated authority. Failure to comply with the regulations may constitute a breach of statutory duty and may leave the Council vulnerable to legal challenge and reputational damage.
- 38 By addressing the issues identified by internal audit and implementing the recommended actions, these risks will be minimised and the overall governance of the Council strengthened.

Section 151 Officer/Finance

- 39 There are no direct financial impacts arising from this report and any costs associated with changes in processes resulting from the internal audit recommendations will be met from existing budgets.

Human Resources

- 40 There are no direct human resources implications.

Risk Management

- 41 Although there are no direct risk management implications arising from this report, failure to address the issues identified by the internal audit review would increase the risk of ineffective decision making that is not compliant with the Constitution and the Openness Regulations.

Impact on other Committees

- 42 There are no direct impacts on other Committees

Policy

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Commitment 3: An effective and enabling council

Equality, Diversity and Inclusion

- 44 There are no equality, diversity and inclusion implications.

Other Implications

- 45 There are no other implications.

Consultation

Name of Consultee	Post held	Date sent	Date returned
Statutory Officer (or deputy) :			
Ashley Hughes	S151 Officer	13/11/25	13/11/25

Kevin O'Keefe	Interim Monitoring Officer	13/11/25	13/11/25
<i>Legal and Finance</i>			
Jennie Summers Chris Benham	Head of Legal Director of Finance	24/11/25	24/11/25

Access to Information	
Contact Officer:	Michael Todd, Internal Audit Manager Michael.todd@cheshireeast.gov.uk
Appendices:	NA
Background Papers:	NA