

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Tuesday, 30th July, 2019 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors D Edwardes, B Evans, A Gregory, S Handley, S Hogben,
M Houston, A Kolker and M Sewart

Councillors in attendance

Councillors J Clowes, S Corcoran, J Rhodes and A Stott

External Auditors

Alastair Newall, Mazars

Officers in attendance

Alex Thompson, Director of Financial and Customer Services
Deborah Nickson, Deputy Monitoring Officer
Josie Griffiths, Head of Audit and Risk Management
Gareth Pawlett, Head of ICT Services and Chief Information Officer (minute 21 only)
Michael Todd, Acting Internal Audit Manager
David Malcom, Head of Development Management (minute 20 only)
Juan Turner, Compliance and Customer Relations Officer (minute 20 only)
Sophie Thorley, Corporate Services Business Support (minute 23 only)
Lianne Halliday, Senior Manager – Procurement (minutes 27 and 29 only)
Rachel Graves, Democratic Services Officer

13 APOLOGIES FOR ABSENCE

Apologies were received from Philip Gardener.

14 DECLARATIONS OF INTEREST

No declarations of interest were made.

15 PUBLIC SPEAKING TIME/OPEN SESSION

The Chairman read a statement submitted by Mr Graham Goodwin relating to a complaint Mr Goodwin had submitted in March 2019 regarding the conduct of two Members. Mr Goodwin stated that he had not been informed why the matter was taking so long to be dealt with or what form the investigation process was taking. Mr Goodwin asked if this

was an acceptable timescale or way of dealing with code of conduct complaints.

In response, the Deputy Monitoring Officer responded that code of conduct complaints were dealt with confidentially and she was unable to comment on Mr Goodwin's complaint.

16 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 30 May 2019 be approved as a correct record.

17 EXTERNAL AUDIT FINDINGS AND ACTION PLAN 2018/19

Alastair Newall of Mazars presented the Audit Findings on the 2018/19 Audit.

The report detailed the 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 Findings Report be received.

18 ANNUAL STATEMENT OF ACCOUNTS 2018/19

Consideration was given to the 2018/19 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.

19 ANNUAL REPORT OF THE MONITORING OFFICER (2018/19)

The Committee considered the first Annual Report of the Monitoring Officer.

The Annual Report provided background on the role of the Monitoring Officer's statutory duties and an overview of the following areas:

- Member Code of Conduct
- Register of Members' Interests
- Register of Gifts and Hospitality
- Member Training and Development
- Dispensations
- Information and Data Protection
- Complaints including Local Government and Social Care Ombudsmen Referrals
- Regulation of Investigatory Powers Act
- Whistleblowing
- Constitution/Decision Making Process.

Members sought clarification on a number of issues, including whether Officers' declarations of interest and receipt of gifts were recorded. In response the Committee was informed that officers were required to register these details but they were not published. Questions were also asked if all new members of the Council had completed code of conduct training and the average time taken to deal with code of conduct complaint and how many were outstanding for over three months. As the details were not available at the meeting, a response to the questions would be provided to Committee members by the Monitoring Officer.

RESOLVED: That

- 1 the first Annual Monitoring Officer's Report be noted; and
- 2 responses to question be provided by the Monitoring Officer.

20 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN: MARCH – APRIL 2019

The Committee considered a report on the Decision Notices issued by the Local Government Ombudsman between 1 March 2019 and 30 April 2019.

It was reported that two 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.

RESOLVED:

That the report be noted.

21 ANNUAL INFORMATION GOVERNANCE UPDATE 2018/19

The Committee considered a report which provided an update on the Council's Information Assurance and Data Management (IADM) programme.

The IADM programme was ensuring that appropriate governance and processes were in place for the Council to manage and handle information so that risks were treated and opportunities to share and use information were realised. The Council had established an Information Governance Group to oversee the arrangements around Information Management in the Council.

The report detailed the development of six core principles as part of the assurance framework, the training provided to Head of Service and staff and the development of a new e-learning package to ensure consistent and compliant management of information across the authority.

An Email retention policy of two years for staff had been approved. This would remove duplicate information held in the email system and support the requirements of GDPR.

RESOLVED:

That the progress made on the Information Assurance Programme during 2018/19 be noted.

22 INTERNAL AUDIT ANNUAL REPORT 2018/19

Consideration was given to the Internal Audit Annual Report for 2018/19 on the overall adequacy and effectiveness of the Council's control environment. The report supports the Annual Governance Statement.

The Internal Audit team opinion on the Council's framework of risk management, control and governance for 2018/19 had been assessed as Adequate.

RESOLVED: That

- 1 the content of the Internal Audit Annual Report be noted; and
- 2 the Internal Audit opinion on the Council's framework of risk management, control and governance for 2018/19 as 'Adequate' be noted.

23 ANNUAL RISK MANAGEMENT REPORT 2018/19

The Committee considered the Annual Risk Management report which recorded the work for the year in reviewing the development, maintenance and implementation of the Council's risk management framework, including monitoring and reporting arrangements. The report listed those risks removed from the Register during 2018/19 and the new corporate

risks added. A summary of the current Risk Register was appended to the report.

It was requested that a heat map of the threats and opportunities be included in the scoring methodology, as had been included in previous reports to the Committee.

Clarification was sought on where changes to Capital Projects were reported and the Committee was informed that this was reported in the Quarterly Performance reports which went to Overview and Scrutiny, Cabinet and Council.

RESOLVED: That

- 1 the Annual Report on Risk Management be noted; and
- 2 a heat map of the threats and opportunities be included in the scoring methodology in future reports.

24 ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE 2018/19

The Committee considered the draft version of the Annual Report of the Audit and Governance Committee 2018/19.

The report provided details of the work undertaken by the Committee and the assurances received during the year.

It was agreed that consideration of the Annual Report would be deferred until the next meeting on 3 October 2019 and members were asked to forward any comments on the Annual Report to the Head of Audit.

RESOLVED:

That consideration of the Annual Report of the Audit and Governance Committee 2018/19 be deferred until the next meeting on 3 October 2019.

25 ANNUAL GOVERNANCE STATEMENT 2018/19

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.

Two items previously recognised in the Annual Governance Statement had been identified for removal – Governance of the Local Enterprise Partnership and the Council's Investigation and Disciplinary Committee, as sufficient progress had been made on these to remove them from future statements and be reviewed through local management and monitoring arrangements. Two new governance issues had been added – Proposed

Changes to the Committee system of Governance and Replacement of the Council's Core Financial System.

Clarification was sought on the appointment of one director for Cheshire Residents First Ltd and, as this officer also commissioned services from the ASDVs, and is was queried if there was a potential conflict in governance arrangements. The Director of Financial and Customer Services undertook to look into this and respond to members.

RESOLVED: That

- 1 the Annual Governance Statement 2018/19 be approved; and
- 2 the Director of Financial and Customer Services provide a response to the query on the appointment of the director of Cheshire East Residents First Ltd.

26 **COMMITTEE WORK PLAN**

Consideration was given to the Committee's Work Plan for 2019/20.

The Annual Report of the Committee would be added to the Work Plan for the October meeting.

It was requested a report on S106 monies be brought to the December Committee meeting on the implementations of the Internal Audit review findings.

RESOLVED:

That, with the additions of the Annual Report in October 2019 and S106 Monies in December 2019, the Work Plan be noted and that it be brought back to the Committee throughout the year for further development and approval.

27 **CONTRACT PROCEDURE RULE NON-ADHERENCES**

The Committee considered a report on the number and reasons for Waivers and Non-Adherences (WARNs), which had been approved between 1 May 2019 and 30 June 2019.

RESOLVED:

That the report be noted.

28 **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 3 of the Schedule 12 A of the Local Government Act 1972 and the public interest would not be served in publishing the information.

29 CONTRACT PROCEDURE RULE NON-ADHERENCES

RESOLVED:

That the WARNs be noted.

The meeting commenced at 2.00 pm and concluded at 4.24 pm

Councillor R Fletcher (Chairman)