

# **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Audit and Governance Committee**  
held on Thursday, 12th March, 2020 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

## **PRESENT**

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

Councillors B Evans, S Handley, S Hogben, M Houston, A Kolker, D Marren,  
M Sewart and M Simon

## **Independent Co-opted Member**

Mr P Gardener

## **External Audit**

Mark Dalton, Mazars

## **Councillors in attendance**

Councillors A Critchley, J Rhodes and A Stott

## **Officers in attendance**

Jane Burns, Executive Director Corporate Services  
Alex Thompson, Director of Finance and Customer Services  
Jan Bakewell, Director of Governance and Compliance  
Josie Griffiths, Head of Audit and Risk Management  
Michael Todd, Acting Internal Audit Manager  
Helen Sweeney, Senior Compliance & Customer Relations Officer  
Juan Turner, Compliance and Customer Relations Officer  
Jacky Forster, Director of Education and 14-19 Skills  
Jacquie Sims, Director of Children's Services Social Care  
David Malcolm, Acting Head of Planning  
Rick Hughes, Trading Standards  
Lianne Halliday, Senior Manager Procurement  
Rachel Graves, Democratic Services Officer

## **61 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

## **62 DECLARATIONS OF INTEREST**

No declarations of interest were made.

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

The Chairman read a statement submitted by Mr Graham Goodwin relating to the requirement in the Council's Code of Conduct Complaints Process for complainants to agree to the complaints process being confidential preventing them from disclosing the contents of the decision notice even if the complaint is upheld. Mr Goodwin stated that other local authority complaint processes did not have this confidentiality clause. Mr Goodwin asked that the Committee to review the Complaint Policy to bring it in line with the intentions of the Nolan Principles (openness and transparency) and natural justice.

In response, the Chairman stated that Committee could consider this request under Item 13 – Committee Work Programme.

### **64 MINUTES OF PREVIOUS MEETING**

#### **RESOLVED:**

That the minutes of the meeting held 5 December 2019 be confirmed as a correct record.

### **65 URGENT DECISION – GENERAL DISPENSATION**

The Committee considered a report which informed of an urgent decision taken by the Acting Chief Executive, in consultation with the Chairman of the Audit and Governance Committee, which needed to be taken before the next meeting of this Committee.

#### **RESOLVED:**

That the Urgent Decision taken by the Acting Chief Executive in consultation with the Chairman of the Audit and Governance Committee to grant an additional dispensation for inclusion in the Council's list of general dispensations be noted.

### **66 EXTERNAL AUDIT 2019/20 PROGRESS AND UPDATE REPORT**

Mark Dalton of Mazars provided an update on the work being undertaken by the External Auditors in relation to the External Audit Plan for 2019/20.

He reported that work was progressing as planned with no delays or unforeseen circumstances and from the work carried out to date there were no issues to report to the Committee.

The National Audit Office had published the final draft of the Code of Audit Practice, which had been laid before Parliament for approval. The Committee would be briefed on the new Code once it had received approval and came in force.

**RESOLVED:**

That following consideration of the report the Committee noted the content.

**67 AUDIT AND GOVERNANCE COMMITTEE SELF ASSESSMENT**

The Committee considered the results of an initial self-assessment of the effectiveness carried out by the Chairman and the Vice-Chairman using the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities and Police (2018 Edition)'.

Tables 1 and 2 in the report gave a resume of the assessment against (1) the Good Practice questions, and (2) Evaluation of the Effectiveness of the Audit Committee; whilst Appendix 1 provided details of self-assessment questions and responses.

Actions identified in the assessment included:

- providing of further training on the roles and responsibilities of the Audit and Governance Committee to all members of the Council
- consideration to be given to the inclusion of additional independent members during the 2020/21 committee year
- consideration of opportunities for the Committee to work with partner audit committees following reports on partnership governance in 2020/21

An Action Plan would be developed and brought back to the Committee.

The Committee asked that consideration be given to how the Committee's Annual Report was considered at full Council, and the Transparency Code and availability of previous declaration of interest forms

**RESOLVED:**

That the actions arising from the Self-Assessment be endorsed.

**68 RISK MANAGEMENT FRAMEWORK UPDATE**

The Committee considered the updated Risk Management Framework and updated Corporate Risk Register.

To ensure continued effectiveness of the Council's risk management arrangements, the Risk Management Framework had been reviewed. The review had identified the need to update and consolidate existing documentation which formed the Risk Management Framework, and to ensure once updated, that it was communicated across the organisation. The Committee was asked to recommend to Cabinet the approval of the revised Risk Management Framework.

The Corporate Risk Register had been reviewed in January 2020 and Table 1 in the report summarised the changes made following this review.

The Committee noted that the Risk Register was as at January 2020 and that the score for CR11 Pandemic virus was as for the situation then and not as present and recommended that the Risk be upgraded to high risk.

**RESOLVED:** That

- 1 Cabinet be recommended to approve the revised Risk Management Framework; and
- 2 Risk CR11 Pandemic Virus be recommended to be upgraded to High Risk to reflect the current position.

## 69 INTERNAL AUDIT INTERIM REPORT OCTOBER – DECEMBER 2019

The Committee considered an update on the progress against the Internal Audit Plan 2019/20 and received the updated Internal Audit Charter for approval.

The Update Report detailed the work undertaken to the end of December 2019, including the issues identified and actions required from each review carried out.

The Committee sought clarification on the timeframe for auditing of maintained schools and were informed that it was due to a capacity issue that audits were undertaken every three years and that a consolidated report of findings and recommended actions was shared with head teachers and chairs of governors.

With regards to the implementation of audit recommendations, it was asked what happened if agreed recommendations were not implemented. In response It was stated that an internal audit officer would highlight any unacceptable risk to the Council if a recommendation was not implemented and the Executive Director would be asked directly to formally explain why the recommendation was not supported or implemented, and details would be included in the update report to the Committee.

The Internal Audit Charter had been reviewed and updated to reflect that the Head of Audit and Risk reported directly to the Director of Governance and Compliance and to remove the section relating to the Interim Management arrangements.

**RESOLVED:** That

- 1 the contents of the Internal Audit Interim Update be noted; and
- 2 the updated Internal Audit Charter be approved.

## 70 DRAFT INTERNAL AUDIT PLAN 2020/21

The Committee received the draft Internal Audit Plan 2020/21 for approval.

The draft Internal Audit Plan 2020/21 detailed the assignments to be carried out, their respective priorities and the estimated resources required. The draft Plan was based on the current Internal Audit team structure and the proposed audit activities were matched against the resources available and prioritised accordingly.

**RESOLVED:** That

- 1 The Internal Audit Plan 2020/21 be approved; and
- 2 it be noted that the Plan will be developed and refined throughout the forthcoming year as a number of factor progress and the impact on the current structure and level of resources become known.

## 71 REVISED RIPA POLICY AND PROCEDURES

The Committee considered a report which detailed the changes made to the Council's Regulation of Investigatory Powers Act (RIPA) Policy and Procedures in order to comply with the recommendations made by the Investigatory Powers Commissioner's Office and changes in legislation.

As a result of the desktop inspection by the Investigatory Powers Commissioner's Office the Council's RIPA policy and procedure had been amended to incorporate paragraphs 2.18 to 2.26 of the revised Code of Practice for Covert Surveillance and Property Interference 2018. Also Paragraphs 3.10 to 3.17 of the revised Code of Practice for Covert Surveillance and Property Interference 2018 had been considered when Section 10 of the Policy and Procedure had been reviewed.

The Council had also reviewed the authorising officers for RIPA and CHIS surveillance applications and they were now authorised by a Director listed in Schedule 1 of the Policy and Procedure.

**RESOLVED:**

That the revised Regulation of Investigatory Powers Act (RIPA) Policy and Procedures be approved.

## **72 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN – SEPTEMBER – NOVEMBER 2019**

The Committee consider a report on the decision notices issued by the Local Government Ombudsman between 1 September 2019 and 30 November 2019.

It was reported that seven 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.

The Director of Education and 14-19 Skills, the Director of Children's Social Care, the Acting Head of Planning and the Trading Standards Manager were in attendance for this item.

In relation to the SEN complaints, the Committee sought clarification on staffing resources. The Director of Education and 14-19 Skills responded and stated that at the time of the complaints the service had been under resourced. Since then there had been a restructure to ensure the right capacity of staffing, recruitment of permanent staff rather than reliance on agency staff, better training for staff and the introduction a tracker system to support the timeliness of plan at each stage of the process.

### **RESOLVED:**

That the contents of the report be noted.

## **73 COMMITTEE WORK PLAN**

The Committee considered the draft Work Plan for 2020/21.

The Monitoring Officer referred to the statement from Mr Goodwin read out by the Chair in Public Speaking Time/Open Session and reported to the Committee that the Code of Conduct had last been reviewed and revised arrangements approved by Council in December 2017. At that time the Council had taken the opportunity to strengthen the confidentiality requirements in the agreed Procedure for Handling Complaints which is published on the Council's website. The complaints process was confidential at each stage of the process. Matters were dealt with in confidence up to, and in some cases including, the Hearing Sub Committee to determine the complaint. The Monitoring Officer confirmed that complainants were given the opportunity in section 6 of the complaint form to request that their name be withheld and provide reasons to the Monitoring Officer for doing so.

The Committee agreed that a review of the Code of Conduct would be added to the Committee's Work Plan and that it should be linked to the

Local Government Association publication of a revised Model Code of Conduct expected to be published in July 2020.

It was noted that during the meeting, the following items were to be added to the Work Plan:

- Implications of the National Audit Office Code of Audit Practice and this would be included as part of the External Auditors update to the Committee
- Action Plan for Committee's Self-Assessment, which would be an item on the agenda for the May Committee
- Mandatory Training for Elected Members, which would form part of the Self-Assessment Action Plan and be an item on the agenda for May Committee
- Fraud in Planning Matters would be included in the Internal Audit work plan under a review of fraud risk registers and an overview of issues arising will be provided to the Committee.
- How the Committee's Annual Report was dealt with at Council, which would form part of the Annual Report of the Committee
- An update on the Transparency Code to be included on the Work Plan under unallocated

The Committee was asked to send any further comments to the Head of Internal Audit.

**RESOLVED:** That

- 1 the Work Plan be approved and amended to include the items suggested, and
- 2 the Plan be brought back to the Committee throughout the year for further development and approval.

#### **74 WAIVERS AND NON ADHERENCES**

The Committee considered a report on the number and reasons for Waivers and Non-Adherences (WARN), which had been approved between 31 October 2019 and 31 January 2020.

**RESOLVED:**

That the report be noted.

#### **75 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 involved the likely disclosure of exempt information as defined in Paragraph 3 of

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

**76 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 5.00 pm

Councillor R Fletcher (Chairman)