

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 27th May, 2021 at Council Chamber, Municipal Buildings,
Earle Street, Crewe CW1 2BJ

PRESENT

Councillor M Simon (Chair)
Councillor T Fox (Vice-Chair)

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

External Auditor

Mark Dalton, Mazars (via remote link)

Councillor in attendance

Councillor J Clowes

Officer 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
Lianne Halliday, Senior Manager Procurement
Rachel Graves, Democratic Services Officer

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillor M Houston.

2 DECLARATIONS OF INTEREST

No declarations of interest were made.

3 PUBLIC SPEAKING TIME/OPEN SESSION

There were no public speakers.

4 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 11 March 2021 be confirmed as a correct record, subject to the following amendment:

Delete Councillor A Harewood from the list of 'Councillors in Attendance' as she was present as a member of the Committee.

5 TERMS OF REFERENCE

The Committee considered the Committee's Terms of Reference.

It was suggested that as part of the Work Programme the effectiveness of the risk management arrangements could be included as concerns had previously be raised that the Risk Register received at meetings was retrospective. The effectiveness of the governance and assurance arrangements for significant partnerships and collaborations was also suggested to be included in the Work Programme.

For clarification it was asked if examples could be provided of where members of the Audit and Governance Committee may not review decisions they had made as a member of another committee. In response it was stated that if a member had made a decision on a services committee then they should not review that decision at Audit and Governance Committee and leave the meeting for that item - decisions could relate to funding or finance matters. Members were reminded that they needed to be aware of this risk.

It was explained that the reference in the Terms of Reference relating to the consideration amendments to the Constitution was because the Committee was responsible for the Members Codes of Conduct and the Officer/Member Protocol.

RESOLVED:

That the Audit and Governance Committee's Terms of Reference be noted.

6 EXTERNAL AUDIT STRATEGY MEMORANDUM

The Committee considered the External Audit Strategy Memorandum.

The document set out the external auditor's audit approach, highlighted significant audit risks and areas

It was queried if some wording was missing from first sentence of the description of the significant risk '*Net defined benefit liability valuation*'. It

was confirmed that words '*balance sheet*' was missing and that the paragraph should read '*The net pension liability represents a material element of the Council's Balance Sheet. The Council is an admitted body of the Cheshire Pension Fund (CPF) which had its last triennial valuation completed as at 31 March 2019*'.

RESOLVED:

That the External Audit Strategy Memorandum be noted.

7 ANNUAL REPORT OF COUNCIL'S COVID-19 RESPONSE AND RECOVERY

The Committee considered the Annual Report of Council's Covid-19 Response and Recovery, which had been considered at the meeting of Cabinet on 4 May 2021.

Clarification was sought on the verification done on application for the various business grants and in response it was stated that they were checked against the records in the business rates systems, the bank details of the business applying were verified and that audit processes were set up in advance to ensure that applications could be dealt with as quickly as possible. The whole process would be reviewed by internal audit afterwards and by the external auditors and the Council has had to make continuous reconciliation returns to the Dept of Housing, Communities and Local Government. The Committee recorded their thanks to the Business Grants Teams.

It was asked on behalf of another Councillor who was unable to attend the meeting if assurance could be given that the £500,000 specific pothole grant, provided by central government, had been spent on potholes and if it had been allocated across the whole of Cheshire or just to specific wards. It was agreed that a response would be provided.

RESOLVED:

That the Annual Report of Council's Covid-19 Response and Recovery be noted.

8 RECRUITMENT OF CO-OPTED INDEPENDENT MEMBERS FOR THE AUDIT AND GOVERNANCE COMMITTEE

The Committee considered the report which set out the approach for the recruitment of co-opted independent members to the Committee.

One of the outcomes from the review of the composition and structure of the Committee was the inclusion of two co-opted independent members, on a fixed term membership of 4 years, in the Committee's composition.

The report set out the approach for the advertisement, recruitment, and selection to these roles. It was proposed that a recommendation will be made to Council on 21 July 2021 for approval of the chosen co-opted independent member.

RESOLVED:

That the approach set out in the report for the recruitment of co-opted independent members be approved, and authority be delegated to the Director of Governance and Compliance (in consultation with the Chair of the Audit and Governance Committee) to progress the recruitment.

9 APPOINTMENT OF HEARING SUB COMMITTEES

The Committee considered the report which sought the establishment of the Hearings Sub Committee to deal with complaints that a councillor had breached the Code of Conduct for Members, as required by the Council's arrangements under the Localism Act 2011.

RESOLVED:

That in accordance with the adopted Terms of Reference, the Audit and Governance Committee establish the Hearing Sub Committee of its membership comprising –

- a) the standing Chair of the Committee
- b) 2 further voting members of the Committee; and
- c) 1 Independent Person whose views will be sought by the Sub Committee before reaching a decision.

10 COMMITTEE WORK PLAN

The Committee considered the Work Plan for 2021/22.

Additional items for the Work Plan from the meeting in relation to risk deep dives, audit trails on Covid-19 funding and grants, partnership governance and assurance on processes to prevent homelessness. Discussion were to take place outside of the meeting to consider what was expected to be brought to the Committee in relation to these items.

RESOLVED:

That the additional items be added to the Work Plan for 2021/22 and the Plan brought back to the Committee throughout the year for further development and approval.

11 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 February and 31 March 2021.

A total of 3 waivers to the Contract Procedural Rules had been issued in this period, which brought the total of WARNs to 25 for 2020/21, with 11 of these being COVID exemptions.

RESOLVED:

That the Committee note the reasons for the 3 further waivers approved between 1 February and 31 March 2021.

12 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 would not be served in publishing the information.

13 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 3.43 pm

Councillor M Simon (Chair)