

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 30th September, 2021 in the Council Chamber, Municipal
Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor M Simon (Chair)

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

External Auditor

Muhammad Uzair Khan, Mazars (via remote link)

OFFICERS IN ATTENDANCE

Jane Burns, Executive Director Corporate Services

David Brown, Director of Governance and Compliance (via remote link)

Alex Thompson, Director of Finance and Customer Services

Gareth Pawlett, Head of ICT Services and Chief Information Officer (via
remote link)

Josie Griffiths, Head of Audit and Risk

Helen Sweeny, Senior Compliance & Customer Relations Officer (via remote
link)

Alan Ward, Compliance and Customer Relations Officer (via remote link)

David Malcolm, Head of Planning (via remote link)

Paul Reeves, Flood Risk Manager (via remote link)

Rachel Graves, Democratic Services Officer

14 APOLOGIES FOR ABSENCE

There were no apologies for absence.

15 DECLARATIONS OF INTEREST

In the interests of openness, Councillor D Marren declared that he was the
Chair of Orbitas Bereavement Services Ltd, which was mentioned in the
reports for Items 7, 8 and 9 of the agenda.

16 PUBLIC SPEAKING TIME/OPEN SESSION

There were no public speakers.

17 MINUTES OF PREVIOUS MEETING

Consideration was given to the minutes of the previous meeting held on
27 May 2021.

Item 7 – Annual Report of Council’s Covid-19 Response and Recovery.

The Head of Audit and Risk provided a summary of the response received from Highways in relation to money for potholes. It was agreed that this would be forwarded to committee members and to the member who raised the question and clarification sought on whether there had been a separate additional £500k allocated to the Council for potholes.

Item 10 Committee Work Plan

An additional item had been requested to be added to the Committee’s Work Plan which had not been included in the minutes, which was a request that the Committee commence work on Highways finance item which had been on the work programme for a while and include in this the Pilot Town and Parish Council Top Up scheme. It was agreed that the minutes be amended to include this item.

RESOLVED:

That the minutes of the meeting held on 27 May 2021 be approved, subject to the above amendment.

18 APPOINTMENT OF VICE CHAIR

Following the registration of previous Vice Chair, the Committee was asked to approve the pro tempore appointment of Councillor David Marren as Vice Chair until the formal appointment was made by Council.

RESOLVED:

That Councillor David Marren be appointed pro tempore as Vice Chair of the Audit and Governance Committee.

19 EXTERNAL AUDIT UPDATE REPORT

Muhammad Uzair Khan of Mazars provided an update on the work being undertaken by the External Auditors in relation to the External Audit Plan.

He reported that they had received the draft financial statements and would be providing an update report on progress at the next meeting, and that the Value for Money conclusion would be reported at a later date but within three months of the date of the audit opinion.

RESOLVED:

That the update provided by the Council’s external auditors be noted.

20 COVID-19 UPDATE

The Committee considered the Covid Update Report, which had been considered at the meeting of Corporate Policy Committee on 7 September 2021.

In consider the report, the Committee asked about delays in access to the Registration Services to register births due to covid restrictions and was this a risk as this could lead to a delay in accessing child benefits and obtaining a passport and asked about the performance of the Service. In response it was stated that the Service had been under significant pressure due to changes with regulations on face-to-face meetings and particularly death registrations and it was agreed that the information would be shared with to the committee members.

It was asked if the Council has spent all the £3.4m received in July for grants and if the Council received all the money it had claimed from Government. In response it was confirmed that the Council had received the money and the intention was to spend all of the grant in accordance with the conditions imposed by Government and details would be included in the Mid-Year Review.

Reference was made to the difficulty of getting through to the Call Centre and it was asked how many calls were received, how many disconnected or failed to be answered and if this information could be shared with the Committee. In response it was reported that the numbers were recorded but the reasons for abandoned calls were not known and it was agreed that the figures would be provided to committee members.

Whilst it was going to be mandatory for care home staff to be vaccinated, it was asked if there any plans for future staff recruitment to include a requirement that they had to have had the covid vaccination. In response it was reported that there were no plans for this but staff would be encouraged to take up the vaccination.

In relation to the future Workplace Strategy, it was asked if there could be an update on this and a separate briefing for all councillors on this once agreed.

It was raised in relation to the changes to social distancing and removal of extra funding for home to school transport and along with the late allocation of post-16 bus passes, was seriously compromising families and it was suggested that work be undertaken by audit on this.

Reference was made issues with the collection of garden waste and food waste and that there was concern amongst some residents that the food waste was in the brown bin for longer than the decreed fortnight and suggested that this could be an item for the Work Plan.

RESOLVED: That

- 1 the report be noted; and
- 2 consideration be given by officers to the matters raised and suggested items for the Committee's Work Plan.

21 DRAFT PRE-AUDIT STATEMENT OF ACCOUNTS 2020/21

The Committee received a presentation on the Draft Pre-Audit Accounts for 2020/21.

The presentation set out the important dates for the approval process for the Statement of Accounts, and provided summarised details of income and expenditure, assets and liabilities, level of reserves and indebtedness, and the Balance Sheet.

The accounts would be available for public inspection for 30 working days between 1 October to 11 November 2021. The final audited Statement of Accounts would be presented to the Committee on 25 November in time for publication by the deadline of 30 November 2021.

The Committee sought assurance that the Council would be able to meet reporting timescales on the Statement of Accounts if the extension to the timetables were removed next year and asked if this considered for a future agenda item.

RESOLVED: That

- 1 the summarised position of the accounts for the year ended 31 March 2021, based on the presentation at the meeting, be noted; and
- 2 the dates in relation to the approval process for the Statement of Accounts be noted.

22 DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

The Committee considered the Annual Governance Statement which explained how the Council makes its decisions, manages its resources, and promotes values and high standards of conduct and behaviour.

The Annual Governance Statement covered 2019/20 and needed to be current at the time of publication and approval so matters relating to Covid-19 had been included, along with the Council's response, in the Statement and added as a new issue in section 8.

Section 7 of the draft Annual Governance Statement set out the progress against items previously recognised in the Annual Governance Statement and would be further updated before the issue of the final Statement.

During consideration of the item, the Committee asked if the number of Local Ombudsman Decision Notices should be included in the Statement and officers agreed to consider this suggestion.

Reference was made to the Brighter Futures Together Programme, in paragraph 5.34 of the Statement, and it was suggested that the wording should be made clearer on the roles of the committees in relation to this Programme.

It was asked if the Council was preparing for the creation of the Integrated Care System and were informed that report would be going to the November meeting of the Corporate Policy Committee and reference would be made in the final version of the Statement.

RESOLVED: That the Committee

- 1 notes the draft Annual Governance Statement 2019/20; and
- 2 notes that the final statement will be considered by the Committee by the end of November 2020, prior to its approval and publication on the Council's website.

23 ANNUAL INFORMATION GOVERNANCE UPDATE 2020/21

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

It was reported that based on the Gartner's Enterprise Information Management Maturity assessment tool, the Council had achieved a maturity rating of 'Somewhat Balanced'. The aim of the programme was to increase the maturity and move the overall assessment to a level of 'Highly Balanced' over the seven themes of vision, strategy, metrics, governance, organisation and roles, lifecycle, and infrastructure.

RESOLVED:

That the progress made on the Information Assurance Programme during 2020/2021, and future vision to support on-going compliance be noted.

24 ANNUAL INTERNAL AUDIT REPORT 2020/21

Consideration was given to the Internal Audit Annual Report for 2020/21 on the overall adequacy and effectiveness of the Council's control environment. The report supported the Annual Governance Statement.

The Internal Audit team opinion on the Council's framework of risk management, control, and governance for 2020/21 had been assessed as Adequate.

The Committee asked if Internal Audit carried out a check on the 'follow up' actions to ensure that they had been actioned. The Head of Audit and Risk responded that this happened informally but would discuss with the Audit Team to see if could be made more formal process.

It was asked if the purchases made by Purchase Cards were included in £500 report and also how many Cards were in use and if guidance on their use was provided. Officers undertook to look into these queries and provide a response.

Questions were asked about the rationale for the internal audit assurance opinions and the difference between 'satisfactory' and 'reasonable'. It was agreed that a copy of the opinions and ratings would be circulated to the committee members for information.

The report referred to internal audit work carried out for PATROL and it was asked if information could be provided on PATROL and the role of Cheshire East Council.

Internal Audit had provided advice and guidance in relation to the Covid-19 Winter Grant and it was asked how information on this grant and other grants were reported. In response it was stated that information was included in the Covid-19 Update Reports and to the relevant service committees. It was suggested that consideration could be given to providing the committee with information such as value, expected use and conditions on the different grants.

It was noted that staffing resources had been limited for Internal Audit in 2020/21 as a result of vacancies arising during the year due to retirements, maternity leave and staff leaving the services and it was suggested that matter be included on the Committee's work plan as could have an impact on the Council's work.

RESOLVED: That the Committee

- 1 notes the contents of the Internal Audit Annual Report 2020/21;
- 2 notes the Internal Audit opinion on the Council's framework of risk management, control, and governance for 2020/21 as 'Adequate'.

25 MALADMINISTRATION DECISION NOTICES FROM LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN - FEBRUARY - JULY 2021

The Committee consider a report on the Decision Notices issued by the Local Government Ombudsman between 1 February 2021 and 31 July 2021.

It was reported that six decision notices had been issued during this period, which concluded that there had been maladministration causing injustice – details of which were set out in Appendix to the report.

RESOLVED:

That the contents of the report be noted.

26 ANNUAL REPORT OF THE MONITORING OFFICER 2020/21

The Committee considered the Annual Report of the Monitoring Officer for 2021/21.

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.

The Committee noted that the number of complaints received in relation to Development Management and Enforcement had increased significantly and it was suggested that an audit of the service's performance be included in the work programme.

It was asked if the cost of investigation Code of Conduct complaints was collected and in response it was reported that it was not collated for the Monitoring Officer's Annual Report but could be for future reports.

It was suggested that the Monitoring Officer's Annual Report be sent to all councillors for information.

RESOLVED:

That the Committee notes the Annual Monitoring Officer's Report 2020/21.

27 ANNUAL RISK MANAGEMENT REPORT 2020/21

The Committee considered a report which provided an overview on the Council's risk management arrangements during 2020/21 and reported the outcomes of the review of the Strategic Risk Register at the end of Quarter 2 2020/21.

The Committee asked that Risk Management training be arranged and that it also be offered to all councillors to help them understand risk management.

The Committee suggested that Climate Change and flooding as an area for them to look at the risk in detail and for this to take place outside of the committee meeting cycle.

RESOLVED:

That the Annual Risk Management Report 2020/21 be received.

28 COUNCILLOR CODE OF CONDUCT

The Director of Governance and Compliance provided an update on the work of the Councillor Code of Conduct Working Group and the progress with consideration on whether to adopt the LGA model Code of Conduct.

A draft of the proposed Code of Conduct had been shared with Town and Parish Councils and Audit and Governance Committee members. It was expected that the revised Code of Conduct would be brought to the meeting of the Committee on 17 January 2022 for consideration and recommendation to Council.

RESOLVED:

That the verbal update be noted.

29 COMMITTEE WORK PLAN

The Committee considered the Work Plan for 2020/21.

Paragraph 5.5. of the report set out the changes to the Work Plan since it was last considered by the Committee and it was reported that following today's meeting agenda item in relation to the Code of Conduct would be allocated on the Work Plan to the January 2022 meeting and the Committee would also receive the revised Whistleblowing Policy at that meeting.

Additional items suggested for the Work Programme from the meeting included:

- bringing forward the work on Highways Allocation and Use of Funding
- Implementation of the Pilot Town and Parish Council Top Up Scheme with no policy decision
- review of Home to School Transport
- assurance that the Council would be able to meet the reporting timescales on the Statement of Accounts if the extension to the timetables were removed next year
- assurance on food waste collections
- vacancies within Internal Audit
- increase in complaints in Development Management and Enforcement

- training to be provided for Committee members on Risk Management, Annual Governance Statement and Statement of Accounts

Two further items were suggested:

- the Committee be provided with assurance on the implementation of the Ward Member Budgets for highways maintenance
- reassurance that the charges made to maintained schools were justified and value for money.

It was proposed and agreed that a scoping document be produced on the above matters to guide the work required.

RESOLVED: That

- 1 the Work Plan be note and a scoping report be prepared on the suggested additional items; and
- 2 the plan be brought back to the Committee throughout the year for further development and approval.

30 **WAIVERS AND NON-ADHERENCES**

The Committee considered a report on the number and reason for Waivers and Non-Adherences (WARNs), which had been approved between 1 April 2021 to 31 August 2021.

It was reported that the Finance Sub Committee was responsible for looking at the procurement pipeline, of which waivers was part of that process. The Finance Sub Committee would receive under Part 2 the same information as received by the Audit and Governance Committee. In order to avoid duplication of work, it was proposed that Audit and Governance Committee would continue to receive non-adherences and receive statistical information on the WARNs.

The Committee had concerns about the proposal as whilst the Finance Sub Committee had the oversight function and the Audit and Governance Committee the assurance function, it was the Committee's function to have the assurance on waivers and non-adherences and be able to identify any trends from seeing the details. It was proposed that consideration on the proposal be deferred until the next meeting.

RESOLVED:

That consideration of the report be deferred until the next meeting.

31 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 1000(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 would not be served in publishing the information.

32 WAIVERS AND NON-ADHERENCES

RESOLVED:

That consideration of the WARNs be deferred until the next meeting.

The meeting commenced at 2.00 pm and concluded at 5.50 pm

Councillor M Simon (Chair)