

# **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Audit and Governance Committee**  
held on Monday, 28th July, 2025 in The Capesthorne Room - Town Hall,  
Macclesfield, SK10 1EA

## **PRESENT**

Councillor M Beanland (Chair)  
Councillor B Drake (Vice-Chair)

Councillors S Adams, L Braithwaite, R Fletcher, P Redstone, J Snowball,  
R Jones and J Clark

## **OFFICERS IN ATTENDANCE**

Josie Griffiths Head of Audit, Risk and Assurance  
Janet Witkowski, Acting Governance, Compliance and Monitoring Officer  
Ashley Hughes, Executive Director of Resources and S151 Officer  
Sal Khan, Interim Director of Finance  
Tracy Baldwin, Finance Manager  
Michael Todd, Acting Internal Audit Manager  
Julie Gibbs, Information Rights Manager  
Kim Evans, Customer Service Manager  
Helen Charlesworth-May, Executive Director of Adults, Health and Integration  
Nikki Bishop, Democratic Services Officer

## **ALSO IN ATTENDANCE**

Hassan Rohimun, Ernst & Young Ltd – External Auditor

The Chair paid tribute to the late Councillor Chris Hilliard who had served on the Audit and Governance Committee. The Chair asked all to stand for a minute of silent reflection in memory of Councillor Hilliard.

## **10 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor A Heler.

## **11 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **12 MINUTES OF PREVIOUS MEETING**

The committee considered the minutes of the previous meeting. A typing error was highlighted on Page 7. Officers agreed to correct this.

The committee noted that in relation to the recruitment of co-opted Independent Members, Full Council had approved the recommendations of the Audit and Governance Committee and Mr R Jones had agreed to continue in the role until 2027. The Chair thanked Mr R Jones.

**RESOLVED:**

That the minutes of the meeting held on Thursday 29 May 2025 be approved as a correct record.

**13 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no registered speakers.

**14 ACTION LOG**

The committee received an update on the action log. The following was noted:

- CIPFA Standards committee briefing: It was reported that this would be arranged after the summer period.
- Accounts Payable Unit4 Report – this had now been circulated/shared with all committee members in confidence.
- Whistleblowing Policy – it was agreed that this would be added onto the Work Programme for September 2025.

**RESOLVED:**

That the committee action log and updates provided be received and noted.

**15 CQC LOCAL AUTHORITY ASSURANCE OUTCOME**

The committee received the report which provided an overview of the outcome of a recent assurance visit by the Care Quality Commission (CQC) of the delivery of adult social care functions. The committee were pleased to learn that the Council had received a 'Good' rating score of 75% and that this was one of the highest scores for Council's deemed 'Good'.

It was noted that the Council had undertaken a self-assessment which was reflective of the findings of CQC. It was evident that the service knew itself well, was clear on areas for improvement and its strengths, as well as staff feeling supported by leaders and safe to practice within a culture of learning.

The committee noted the areas of improvement which had been identified and queried what arrangements were in place to learn from authorities with even higher ratings. It was reported that CQC and the Association of Directors of Adult Social Care had undertaken a significant amount of work to identify things that stood out as being different/excellent practice. It was likely that the authority would next be inspected in four-years. An improvement framework had been developed and put in place, focussing upon the key areas of improvement which would allow the service to regularly measure levels of improvement.

The committee congratulated the Executive Director – Adults, Health and Integration and all her staff on the inspection outcome and all their hard work. The committee were supportive of the ambition to achieve a future rating of 'Outstanding'.

**RESOLVED:**

That the Audit and Governance Committee

1. Note and support the rating and feedback of the Cheshire East Council CQC LA Assurance Assessment of Adults Social Care and the initial response from the directorate.

**16 VERBAL UPDATE FROM THE EXTERNAL AUDITORS ON PROGRESS ON 2023/24 STATEMENT OF ACCOUNTS FINALISATION AND PROGRESS ON 2024/25 STATEMENT OF ACCOUNTS AUDIT PLAN**

The committee received a verbal update on the 2023-24 Statement of Accounts and 2024-25 Statement of Accounts Plan from External Auditors, Ernst & Young (EY).

EY provided an update on the progress of the four objections that had been received in relation to the 2023-24 Statements and reported that this process was nearing conclusion. A draft response to each objection had now been shared with the Public Sector Audit Appointments Ltd (PSAA). It was anticipated that EY would be in a position to issue responses to objectors and the Council, in the next couple of weeks. Once responses had been issued a 28-day period would then commence allowing either party to respond seeking clarification. Following this period EY would undertake closing procedures to conclude the 2023-24 audit.

EY reported that the 2024-25 audit plan had previously been presented to the Audit and Governance Committee in May. The time schedule had been amended, pushing back the final plan from July to November, with a view to completing in time for the February 2026 backstop date. It was requested that an updated timeline be shared with the Committee for the 2024-25 audit.

It was highlighted that the provisional audit plan for 2024-25 presented to the committee in May 2025 highlighted the valuation of land and buildings, including investment property, as a significant risk. It was confirmed by EY that if a full evaluation of assets was undertaken, this would assist in building back assurance quicker.

**RESOLVED:**

That the Audit and Governance Committee note the verbal update provided.

**17 DRAFT PRE-AUDITED STATEMENT OF ACCOUNTS 2024/25 AND OUTTURN UPDATE 2024/25**

The committee considered the report which provided an update on the draft pre-audited Statement of Accounts 2024-25 and Outturn Update 2024-25. It was noted that the publication of the pre-audited Statement of Accounts for the year ended 31 March 2025 had been delayed and would be published on the Council website on 31 July 2025.

The committee noted the pre-audited outturn position 2024-25 which had been presented to the Finance Sub Committee on 2 June 2025. The committee noted the Capital Programme underspend. It was confirmed that a review of the capital programme was undertaken during the 2024-25 financial year, this included projects that would be funded through borrowing, and some work was undertaken

to reprofile capital expenditure into 2025-26 and later years. This was a planned approach to reduce borrowing however not all expenditure was funded through borrowing, this included a mixture of grant funding and external contributions. The committee requested a detailed breakdown of the capital programme and the profiling of expenditure. Officers agreed to providing a written response.

**RESOLVED:**

That the Audit and Governance Committee

1. Note the summarised position of the accounts for year ended 31 March 2025 based on the information provided at this meeting.
2. Note the dates in relation to the approval process for the Statement of Accounts.
3. Note the overall financial performance of the Council in the 2024/25 financial year, as contained within the report, as follows: A Net Revenue Overspend of £17.6m against a revised budget of £365.8m (4.8% variance) funded by (£17.6m) conditional Exceptional Financial Support (Capitalisation Direction) via borrowing. b) General Reserves closing balance of £6.3m. c) Capital Spending of £88.4m against an approved programme of £215.8m (59% variance).
4. Note the public inspection period where local taxpayers can inspect the accounts and request further information on any invoices, contracts, income received etc in the period will commence on 1 August 2025 to 12 September 2025 subject to publication on 31 July 2025.

**18 DRAFT FINANCIAL STATEMENTS – WHOLLY OWNED COMPANIES 2024/25 AND OUTTURN UPDATE 2024/25**

The committee considered the Wholly Owned Companies 2024-25 draft financial statements and outturn update.

The committee noted that, for Orbitas Bereavement Services Limited, there had been an increase in the cost of sales during 2025 which was reflected in a reduction in gross-profit. For ANSA Environmental Services Limited, the costs of sales had reduced by 2%, gross profit had increased by 2% and administration costs had also increased by 2%. The committee sought assurance that these variances were monitored and managed by the company Directors. Officers committed to seeking a written response from the WOCs.

**RESOLVED:**

That the Audit and Governance Committee

1. Note the summarised position of the WOC Financial Statements for year ended 31 March 2025 based on the information provided at this meeting and included in this report at Appendix 1.
2. Note the dates in relation to the approval process for the Financial Statements.
3. Note the overall financial performance of the WOC's in the 2024/25 financial year, as contained within the Appendix 1, as follows:

- a. ASDV Reserves increased by £0.334m, retained reserves are £0.848m
- b. Wholly Owned Companies Net Core Contract Spending was £43.611m.

## 19 MEMBER TRAINING AND DEVELOPMENT PLAN

The committee considered the report which set out a revised Member Training and Development Plan, which in part addressed the Local Government Association Corporate Peer Challenge of the Council, undertaken in March 2024; three of the LGA's recommendations related directly to Member training.

The committee queried the council's capacity to deliver the programme and the potential costs. It was clarified that both would be regularly reviewed, some training would be funded by the relevant service area; others could be done without additional cost. Officers committed to providing a written response to provide clarity on the budget implications.

It was queried if the training proposed within the plan would comply with the Equalities Act 2010 and if adjustments had been made to ensure neurodiverse Members were properly considered, particularly in regard to online learning. It was confirmed that officers would seek to ensure that all Members were able to take-up the training offer fully and that any specific Member concerns or requests for additional support should be raised directly with Democratic Services.

The committee and officers agreed that consideration should be given to joint Member and Officer development/training to allow both officers and members to come together.

A friendly amendment was proposed and supported by the committee, in relation to Recommendation 4, as summarised below.

'Invite the Constitution Working Group to consider changing the Constitution, to make the mandatory elements of the committees' training programmes compulsory for its membership, *and to ensure that Democratic Services assist with any accessibility issues that occur*'.

### **Resolved (unanimously):**

The Audit and Governance Committee

1. Approve the Cheshire East Council Member Training and Development Plan, supplementary Committee training programmes, and the Member Development Strategy 2025- 2027, and that these documents be adopted with immediate effect.
2. Grant delegated authority to the Governance, Compliance and Monitoring Officer to make changes to the Member Training and Development Plan and/or Member Development Strategy 2025- 2027 as they consider are required, to ensure that future training priorities/training needs are addressed.

3. Agree that periodic reviews of the Member Training and Development Plan and the Member Development Strategy be carried out by the Audit and Governance Committee, such reviews to be included in the Committee's work programme.
4. Invite the Constitution Working Group to consider changing the Constitution, to make the mandatory elements of the committees' training programmes compulsory for its membership, and to ensure that Democratic Services assist with any accessibility issues that occur.
5. Agree that an annual report be submitted to the Audit and Governance Committee for the purpose of monitoring compliance with any key performance indicators set out in the Member Development Strategy.
6. Agree that individual Member attendance at mandatory training events (including non-attendance) be recorded and published annually on the Council's website, recording to commence in July 2025 for publication by end July 2026.

## **20 INTERNAL AUDIT OPINION 2024-25**

The committee considered the report which set out the Internal Audit Opinion on the overall adequacy and effectiveness of the Council's control environment. The committee noted that the Internal Audit Opinion for 2024-25 was assessed as 'Limited'.

The committee noted that, during the programme of Internal Audit Reviews, that of the 80 actions raised, 31% related to a failure to apply existing controls, with a further 36% relating to design controls that could be improved/strengthened and 9% identifying an absence of an expected or actual control. The committee queried that steps that were being undertaken by management to address this and noted that the Internal Audit team regularly attended Directorate Management Team meetings to ensure effective engagement to achieve the desired impact from internal audit reviews. It was clarified that 94% of all due internal audit actions had been implemented.

The committee requested an update on the completion of the Audit Report of Officer Decision Records. It was confirmed that the draft report was nearing conclusion, and a briefing/summary would be shared with the committee at the earliest opportunity.

### **RESOLVED:**

That the Audit and Governance Committee

1. Note and consider the contents of the Internal Audit Opinion Report 2023-24 (Appendix A).
2. Note the Internal Audit Opinion on the Council's framework of risk management, governance, and internal control for 2024-25.

## **21 RISK MANAGEMENT REPORT 2024-25**

The committee considered the report which provided a summary of risk management activities during 2024-25 and details of current risk profiles.

The committee queried a number of Strategic Risk, including the Dedicated School Grant Deficit, which had an end of year net score of 16 in both 2023-24 and 2024-25. It was clarified that the Strategic Risk Register was in a transitional phase and strategic risks needed to be refreshed following the publication of the Cheshire East Plan 2025-29. Significant changes to the register were anticipated which would provide assurance to the Audit and Governance Committee that the Council was proactively ensuring that its Risk Register remained relevant and proportionate.

**RESOLVED:**

That the Audit and Governance Committee.

1. Note the report as a summary of risk management activities during the year 2024-25.

## **22 DRAFT ANNUAL GOVERNANCE STATEMENT 2024-25**

The committee received the draft Annual Governance Statement (AGS) for 2024-25 and noted that the draft AGS would be further updated to cover activity up to the date of approval of the Council's Statement of Accounts.

The committee considered the proposal to remove the significant governance issue of 'ASDV Governance'. It had been proposed that this issue be removed from the AGS as a result of significant progress being made in this area. An amendment was proposed, seconded and subsequently carried by a majority in relation to recommendation 3. It was agreed that retaining this governance issue was important to ensuring oversight until such a time that the final accounts were received.

Amendment – Recommendation 3 (proposed by Cllr Beanland)

That the Audit and Governance Committee agree to retain the significant governance issue in relation to ASDV Governance in future statements until the final accounts are received.

**RESOLVED (unanimously):**

That the Audit and Governance Committee

1. Note the draft AGS 2024/25, noting that the final proposed AGS will be provided to a future meeting of the committee for approval.
2. Approve the proposed changes to the significant issues detailed in Sections 7 and 8 of the draft Statement.

**RESOLVED (by majority):**

That the Audit and Governance Committee

3. Agree to retain the significant governance issue in relation to ASDV Governance in future statements until the final accounts are received.

## **23 COMPLAINTS AND COMPLIMENTS ANNUAL REPORT 2024-25**

The committee received the Annual Report which provided an overview of the complaints and compliments received by the Council during the period 1 April 2024 – 31 March 2025.

The committee noted that satisfaction surveys were issued following the completion of a formal complaint. However; the response rates were not significant, and this was often influenced by the outcome of the complaint and individual perceptions.

The committee were pleased to note the number of compliments received by the Council, particularly the Adults and Health Directorate which had received 472 compliments during 2024-25.

### **RESOLVED:**

That the Audit and Governance Committee

1. Note the complaints and compliments data, and the briefing material in this report relating to 2024/25.
2. Note the issues raised and improvements made in respect to the management of complaints across the Council contained within the briefing material in this report.
3. Note the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman.

## **24 REGULATION OF INVESTIGATORY POWERS ACT (RIPA) – OUTCOME OF IPCO INSPECTION**

The committee received the report which set out the outcome of a remote inspection by the Investigatory Powers Act 2000 (RIPA).

The committee were pleased that the inspection, which inspected the local authorities use of RIPA powers every three years, did not identify any areas for improvement or non-compliance. No further inspection would be required until 2028.

The committee queried the use of the powers by the Council, noting that the Council had limited use of powers and most uses were by the Council's Trading Standards team, typically, once a year.

### **RESOLVED:**

That the Audit and Governance Committee

1. Note the outcome of the IPCO inspection and the assurance that the Council is compliant with RIPA legislation.



## **25 WORK PROGRAMME**

Consideration was given to the Committee Work Programme. It was agreed that the next meeting should be held in Crewe, subject to room availability.

### **RESOLVED:**

That the Work Programme be received and noted.