

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 4th December, 2025 in the Committee Suite 1, 2 and 3,
Delamere House, Delamere Street, Crewe, CW1 2JZ

PRESENT

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

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

OFFICERS IN ATTENDANCE

Chris Benham, Director of Finance
Nikki Burn, Democratic Services Officer
Josie Griffiths, Head of Audit, Risk and Assurance
Lianne Halliday, Head of Procurement
Sal Khan, Director of Financial Improvement
Kevin O'Keefe, Interim Director of Law and Governance – Monitoring Officer
Michael Todd, Internal Audit Manager

41 APOLOGIES FOR ABSENCE

Apologies were received from Councillors L Braithwaite and A Heler. Councillor A Kolker was present as substitute. Apologies were also received from Councillor K Edwards (due to substitute for Councillor L Braithwaite).

42 DECLARATIONS OF INTEREST

During consideration of item 16, Procurement Compliance Part 2 appendices, Councillor A Kolker, in the interests of openness and transparency, declared that he was the Chairman of Everbody Health and Leisure.

43 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 29 September 2025 be agreed as a correct record and signed by the Chair.

44 PUBLIC SPEAKING TIME/OPEN SESSION

There were no registered speakers.

45 AUDIT AND GOVERNANCE COMMITTEE ACTION LOG

The Committee received an update on the action log and noted the following:

- Cyber and AI Briefing arranged for the Committee: 5 December 2025, 10am via Microsoft Teams.
- Transfer of the Council's change of governance: Briefings arranged for all Members (11 December, 5pm and 12 December, 12noon). This would provide an opportunity for Members to ask questions in relation to any potential risk of delay.
- Whistleblowing Policy had been rescheduled for February 2026 meeting.
- It was noted that the Association of Monitoring Officers (AMO) had recently been established. The Committee requested that the Monitoring Officer raise the issue of external professional bodies available, such as the Local Government Association, for the Audit and Governance Committee to assess itself against, with the AMO and report back to the Committee.

RESOLVED:

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

46 STATEMENT OF ACCOUNTS 2023/24

The Committee received an update on the finalisation of the 2023/24 Statement of Accounts and Ernst & Young LLP's Audit Completion Report. The external auditors confirmed that, due to time constraints and insufficient evidence, a disclaimed audit opinion would be issued in line with national arrangements to address the local audit backlog.

The report highlighted significant weaknesses in governance, financial sustainability, and internal controls, alongside value-for-money concerns, including reliance on reserves and exceptional financial support as previously reported to the Committee in February 2025. The Committee noted that once the final audit opinion was issued, the Statement of Accounts would be signed and published, as previously delegated to the Section 151 Officer.

The Committee noted that the audit work for 2024-25 began in November 2025 and that the External Auditors were working towards completion of the audit in order to meet the 27 February 2026 back-stop date.

RESOLVED:

That the Audit and Governance Committee

1. Note the final Audit Completion Report 2023/24 provided by Ernst & Young LLP and the Audit findings contained within.

47 ANNUAL MONITORING OFFICER REPORT 2024/25

The Committee considered the Monitoring Officer's Annual Report 2024-25, which provided assurance on statutory and governance responsibilities. The Committee noted that the report updated on key areas including the Members' Code of Conduct, registers of interests and gifts, member training and

development, dispensations, complaints (including Ombudsman referrals), and compliance with the Regulation of Investigatory Powers Act.

The Committee noted that the report demonstrated ongoing compliance with legal requirements and highlighted actions taken to maintain high standards of conduct and governance across the Council. The Committee welcomed the clarification that there was a Code of Conduct for Officers and equally, both gifts and hospitality and officer interests were recorded internally.

The Committee reference training and development and noted the attendance for mandatory training for Elected Members. It was queried if a record of attendance for mandatory training was maintained. Officers committed to providing a written response.

Following the work of the Councillor Harassment, Intimidation and Abuse Task and Finish Group, the Committee queried if future Annual MO reports should include detail surrounding incidents of abuse towards Members. Officers agreed to take this away for further consideration however stated that there would need to be sufficient data internally in order to do this.

RESOLVED:

That the Audit and Governance Committee

1. Note the content of the Annual Monitoring Officer report for 2024/25, and the assurances this provides on the responsibilities of the statutory role.

48 INTERNAL AUDIT PLAN UPDATE

The Committee received an update on progress against the 2025/26 Internal Audit Plan, covering work completed in quarters 1 and 2, ongoing reviews, and planned audits for the remainder of the year.

The Committee noted that three final reports had been issued to date, with two receiving Limited Assurance (SEND Self-Evaluation Framework and Leavers – equipment and system access) and one rated Good (ICT Gemini Programme Phase 2). The Committee welcomed the improved implementation of audit recommendations, continued grant certification work, and preparations for compliance with the new Global Internal Audit Standards.

The Committee noted that, at the end of September 2025, only 12% of actions were overdue for implementation and 37 were still outstanding, but not yet due. Assurance was provided that those actions 'not yet due' were making satisfactory progress and that regular updates were sought from the action owners to ensure deadlines would be met, and to identify early on any issues that could delay the implementation of actions. Any issues impacting implementation would result in a review of the level of risk resulting from the delay and where necessary, mitigating actions would be identified.

RESOLVED:

That the Audit and Governance Committee

1. Note the update on progress against the 2025/26 Internal Audit Plan.

49 OFFICER DECISION RECORDS - INTERNAL AUDIT BRIEFING

The Committee received a detailed briefing on the recent internal audit review of Officer Decision Records (ODRs), which resulted in a Limited Assurance opinion.

The Committee noted that the review identified inconsistencies in understanding and applying ODR processes, delays in publication, and instances where decisions lacked clear delegated authority. While no evidence of inappropriate decisions had been found, risks to transparency and compliance with the Openness Regulations were noted. Seventeen improvement actions had been agreed, including streamlining the process, introducing a single form for ODRs, creating a central repository, and implementing training and workflow systems.

The Committee noted that the audit undertaken had been a significant piece of work, and that work was underway to implement the required changes, with a new process expected to go live in January 2026. These changes would also be fit-for-purpose within the new Leader/Cabinet governance arrangements. A further review would be undertaken to ensure that the new arrangements within the Cabinet/Leader governance framework were implemented and working well.

The Committee welcomed the report and the actions identified to improve the recording and publishing of decisions going forward. A friendly amendment was proposed by the Chair as summarised below:

- 1. That the Committee receive a further update upon the completion and publication of all historic ODRS and that the report be shared with all Members.*

RESOLVED:

That the Audit and Governance Committee

1. Note the findings of the internal audit review on the Officer Decision Records, noting the "Limited Assurance" opinion.
2. That the Committee receive a further update upon the completion and publication of all historic ODRS and that the report be shared with all Members.

50 RISK MANAGEMENT UPDATE

The Committee considered the report summarising risk management activity for 2025/26 to date, including the latest Strategic Risk Register reviewed by the Corporate Leadership Team.

The Committee noted that the key risks remained around financial sustainability, organisational change, children's services improvement, capital project delivery, and information security. The report highlighted interdependencies between the risks and the need for continued monitoring and mitigation.

The Committee noted that the Corporate Policy Committee, at its meeting on 27 November 2025, resolved to undertake a deep-drive of Strategic Risk 15 – Capital Projects Management and Delivery at its March 2026 meeting.

The Committee noted the completion rates for assessments and approvals as set out within Table 3 of the officer report. It was queried if rates would improve during 2026-27. It was clarified that achieving a 100% rate would be unrealistic (due to staff leave, absences and staffing changes) but rates would be monitored closely.

RESOLVED:

That the Audit and Governance Committee

1. Note the report and summary of risk management activities during the year 2025/26 to date.

51 GLOBAL INTERNAL AUDIT STANDARDS SELF ASSESSMENT/INTERNAL AUDIT CHARTER

The Committee received an update on the implementation of the new Global Internal Audit Standards (GIAS) effective from April 2025. The Committee noted that a self-assessment against the standards had been completed, identifying actions to strengthen compliance, including clearer responsibilities for the Audit and Governance Committee and Corporate Leadership Team.

The updated Internal Audit Charter for 2025/26 was presented for approval, reflecting the requirements of GIAS. The Committee noted that an independent external assessment would be scheduled in due course and agreed that progress on the action plan would be monitored.

The Committee welcomed the report and thanked the Head of Audit, Risk and Assurance and her team for the significant work that had been undertaken to implement the changes required to date.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Note the update on the implementation of the Global Internal Audit Standards in the Public Sector.
2. Approve the Internal Audit Charter (Appendix A of the report) for 2025/26.

52 FINANCIAL LEADERSHIP IMPROVEMENT PLAN (FLIP) UPDATE

The Committee received an update on the Financial Leadership Improvement Plan, which aimed to strengthen financial governance, budgetary control, and leadership capability across the Council. It was noted that the report had been presented to the Finance Sub Committee in September.

The Committee noted progress on key actions, including enhanced budget holder training, improvements to financial systems (such as the rollout of Unit4 FP&A tools), and measures to support compliance with the Medium-Term Financial Strategy. The Committee noted that the plan was integral to addressing financial sustainability challenges and would continue to be monitored to ensure timely delivery of improvements.

The Committee queried the relationship between the FLIP and the scoring of the MTFS within the Strategic Risk Register and noted that within the Strategic Risk Register, the MTFS had a scoring of 16 at Quarter 2 2025-26. It was clarified that the MTFS would remain a high-risk for the Council for a number of years until such a time that the Council had achieved financial sustainability and fully achieved its transformation programme.

RESOLVED:

That the Audit and Governance Committee

1. Note the content and progress made against the Finance Leadership Improvement Plan.

53 WORK PROGRAMME

The Committee considered the updated Work Programme. The Committee noted that at its next meeting in February 2026, the Committee would receive the final Audited Statement of Accounts 2024-25, alongside the Final Annual Governance Statement 2024-25, prior to the 26 February 2026 back-stop date.

RESOLVED:

That the Work Programme be received and noted.

54 PROCUREMENT COMPLIANCE

The Committee considered an update on procurement compliance, reviewing adherence to the Council's Contract Procedure Rules and relevant legislation. The Committee noted progress in strengthening controls, improving transparency, and addressing risks identified in previous audits. Key areas included monitoring of procurement activity, supplier engagement, and compliance with the new Procurement Act requirements.

The Committee noted the actions taken to enhance governance and ensure robust processes were in place to mitigate risks of non-compliance and that the report had been considered by the Finance Sub Committee in June. The report set out procurement activity over £1m and noted that, in accordance with the Procurement Act, this information was now published on the Central Digital platform.

The Committee queried the tendering process and noted that the approval process was dependent upon the contract value and that there were processes in place to ensure that each tendering verification was undertaken by an independent procurement officer.

The Committee requested further information relating to the Grayling Communications Ltd six-month contract (£100k). Officers committed to providing a written response.

RESOLVED:

That the Audit and Governance Committee

1. Note the reason for 12 waivers approved between 1 December 2024 and 31 July 2025.
2. Note the pipeline projects in Appendix 1 of the report.
3. Note the contracts awarded since April 2025, Appendix 2 of the report.

55 EXCLUSION OF THE PRESS AND PUBLIC

That the press and public be excluded from the meeting during consideration of the final item on the agenda pursuant to Section 100(A) 4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 of the Local Government Act 1972 and the public interest would not be served in publishing the information.

56 PROCUREMENT COMPLIANCE

The Committee considered the Part 2 appendices.

RESOLVED:

That the Part 2 appendices be received and noted.

The meeting commenced at 10.30 am and concluded at 12.40 pm

Councillor M Beanland (Chair)