

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 7th March, 2024 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Beanland (Chair)
Councillor K Edwards (Vice-Chair)

Councillors S Adams, R Bailey, A Heler, C Hilliard, G Marshall, P Redstone
and J Snowball, Mr R Jones and Mrs J Clark.

OFFICERS IN ATTENDANCE

David Brown, Director of Governance and Compliance
Alex Thompson, Director of Finance and Customer Services
Michael Todd, Acting Internal Audit Manager
David Malcolm, Head of Planning
Samantha Oakden, Principal Accountant
Nikki Bishop, Democratic Services Officer

11 APOLOGIES FOR ABSENCE

There were no apologies for absence.

12 DECLARATIONS OF INTEREST

There were no declarations of interest.

13 MINUTES OF PREVIOUS MEETING

Mr Ron Jones requested that an item be added to the committee action log, as discussed at the previous meeting, for good practice briefing notes to be developed for the committees use.

RESOLVED:

That the minutes of the meeting held on Thursday 7 December 2023 be approved as a correct record and signed by the Chair.

14 PUBLIC SPEAKING TIME/OPEN SESSION

Ms D Jamieson spoke in relation to the minutes of the previous meeting (land transactions internal audit investigation report). Ms Jamieson asked the committee a number of questions, summarised below:

- 1) Did the committee receive the internal audit land transactions report, and were any comments subsequently raised with officers.
- 2) Did the committee consider it necessary to review the process by which members of the public raised concerns with the council in relation to facts presented during asset disposal decisions that did not involve pre-determined individuals.
- 3) Did the committee acknowledge the process of acting up arrangements across the senior management team and the potential conflict this had.

In response, the Chair confirmed that the committee had received the internal briefing report and that no queries had been raised by Members as a result. It was highlighted that any member of public could attend a meeting of the Audit and Governance Committee to bring matters of concern forward. The Chair stated that scrutiny of decision-making was a role for individual committees and that acting up arrangements were in line with the requirements of the Constitution. It was noted that those officers acting up were not responsible for reviewing decisions made in their previous role, prior to acting up. It was clarified that the internal audit review considered all of the points raised by Ms Jamieson and that the report was considered by the Chief Executive and Monitoring Officer.

15 ACTION LOG UPDATE

The committee reviewed the action log, the following updates were provided:

Cost of Member Enquiries and Complaints

The Monitoring Officer confirmed that this overdue action would be followed up as a matter of urgency, with a written response being circulated prior to the next committee meeting.

External Auditors – Audit Progress Report

It was confirmed that the issues raised at the December 2023 meeting would be picked up in the meeting, under the External Audit Findings and Action Plan 2022-23 report.

Committee Skills Audit

It was confirmed that work was underway to review the skills audit material and that an update would be circulated to the committee prior to the next meeting. The committee requested that consideration be given to how more permanent and ongoing training materials could be provided for committee members to refer back to.

16 EXTERNAL AUDIT FINDINGS AND ACTION PLAN 2022/23

The committee considered the Audit Completion report, presented by the council's external auditors, Mazars, covering the period 2022-23. The report identified key issues considered by Mazars prior to issuing their

opinion on the Council's financial statements and its arrangements for securing economy efficiency and effectiveness in the use of resources.

The committee queried the progress of the B4B system since its introduction to the council, including assurance of the control measures in place. Members were particularly interested to know the income generated from schools. Officers committed to providing a written response.

A written response from ICT colleagues was requested in relation to the control measures in place for those staff leaving the authority to ensure access to systems was removed promptly.

Mazars stated that the final Statement of Accounts would be published at the end of March/early April, alongside the Value for Money report. It was also confirmed that Mazars would handover its external auditor responsibilities to Ernst and Young for the 2023-24 audit period and that the handover procedure had commenced.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Receive the Audit Completion Report for the year ending 31 March 2023.
2. Delegate authority to the S151 Officer to:
 - a. Sign off the Statement of Accounts for 2022-23, once the audit had concluded, and;
 - b. Notify the Audit and Governance Committee of the final signed Accounts being published on the council website.

17 CERTIFICATION OF HOUSING BENEFIT SUBSIDY CLAIM 2022/23 AND TEACHERS PENSIONS RETURN 2021/22

The committee considered the report which provided an update on the outcome of the external auditors' process for the 2022-23 Housing Benefit Subsidy claim and the 2021-22 Teachers' Pension End of Year certificate.

RESOLVED:

That the Audit and Governance Committee

1. Note that, as a result of the audit testing of the 2022/23 Housing Benefit Subsidy claim, no errors or exemptions were found and no recommendations for improvements were made to the DWP.
2. Note that following the audit of the 2021/22 Teachers' Pension End of Year Certificate, one minor finding was reported to management.

18 RISK MANAGEMENT UPDATE Q2 2023-24

The committee considered the Q2 2023-24 risk management report which updated members on the effectiveness of risk management arrangements across the council. Members queried the timing of reports and noted that the Corporate Policy Committee would consider the Q3 2023-24 report at its next meeting in March, and that a link to this paper would be circulated to the committee once published.

The committee raised questions in relation to the following strategic risks:

- SR12: Stakeholder expectation and communication. The committee requested a written response providing more detail on this risk. The committee agreed that this was an important risk to investigate further to ensure the council met the needs and expectations of stakeholders.
- SR09 – Members acknowledged that there were a number of acting up arrangements in place across the council and sought further assurance on this.
- The committee suggested that the Risk Officer be present at future meetings where risk would be discussed. Officers agreed to extend the invitation for future meetings however highlighted that the committee would need to indicate which risks they wished to explore further to ensure the appropriate risk owner was also invited.
- SR4 – the committee agreed that DSG presented a major risk to the authority's finances and requested that officers from children and families be invited to the May 2024 Audit and Governance Committee meeting to provide assurance on the internal control plans introduced via a verbal update.

RESOLVED:

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

19 DRAFT INTERNAL AUDIT PLAN 2024/25

The committee considered the Internal Audit Plan for 2024/25.

Councillor Liz Wardlaw addressed the committee as a visiting member. Cllr Wardlaw referred to point 5.3 within the draft plan which stated that a key theme within the 2024-25 Internal Audit Plan included assurance on the effective and efficient use of resources in key areas of service delivery to residents to support the council in managing the current financial situation. Cllr Wardlaw stated that the most significant resource for the council was staff and referred to some of the recent statistics arising from the latest staff Pulse Survey. Cllr Wardlaw asked that the Audit and

Governance Committee take on the role of overseeing and scrutinising staffing matters.

The committee requested that the Head of HR attend the next Audit and Governance Committee to provide a full briefing on the HR function and to allow the committee to identify areas where they should seek assurance on the oversight of staffing matters, It was suggested that recruitment, retention and the procedure of exit interviews and how the key themes arising were recorded.

RESOLVED (unanimously):

That the Audit and Governance Committee

1. Approve the Internal Audit Plan 2024/25.
2. Note that the plan details priority work during quarters 1 and 2 along with additional areas for consideration during quarters 3 and 4. Progress against the plan and the priorities for the last 6 months of 2024/25 will be reported back as part of the regular updates to the Committee.

20 FINAL ANNUAL GOVERNANCE STATEMENT 2022/23

The committee considered the proposed final Annual Governance Statement (AGS) 2022/23 for signature by the Leader of the Council and the Chief Executive. Once approved and signed, the AGS would accompany the Statement of Accounts and be published on the Council's website.

It was proposed that the significant governance issue relating to the safeguarding children's partnership be removed from future statements as a result of DfE confirmation of systems and processes being in place to protect children and JTAI monitoring being stepped down.

The committee highlighted that the CIPFA review recommended that committee members be given the opportunity to input into the preparation of the Annual Governance Statement. Officers agreed to take this recommendation into consideration once the preparation for the 2023-24 AGS began.

RESOLVED (by majority, 4 in favour, 1 against, 4 abstentions)

That the Audit and Governance Committee approve the Annual Governance Statement 2022-23.

Councillor Rachel Bailey voted against this recommendation.

RESOLVED (unanimously)

That the Audit and Governance Committee agree the proposed removal of the Cheshire East Safeguarding Children's Partnership significant issue from future Annual Governance Statements.

21 SECTION 106 - AUDIT REVIEW UPDATE

It was proposed, seconded and subsequently carried that the press and public be excluded from the meeting for this agenda item, pursuant to Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972 on the grounds that it involved the likely disclosure of exempt information.

The committee received a verbal update on the Internal Audit Review – Section 106.

22 WORK PROGRAMME

The committee considered the Work Programme. The following was agreed:

- Internal Audit review timeline and recommendations for S106 to be updated and scheduled for the July 2024 Audit and Governance Committee meeting.
- Risk Management Update Q3 2023-24 to be added to the Work Programme for May 2024.
- DSG – appropriate officer from Children and Families to attend the May committee meeting to provide a verbal briefing on internal controls and risk SR04.
- Assurance update from HR relating to Strategic Risks Leadership Capacity S07 and Recruitment & Retention S09 to be scheduled for the May committee meeting.

The meeting commenced at 10.00 am and concluded at 2.06 pm

Councillor M Beanland (Chair)