

# **CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Audit and Governance Committee**  
held on Thursday, 31st May, 2018 in Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

## **PRESENT**

Councillor G Baxendale (Chairman)

Councillors S Corcoran, R Fletcher, L Gilbert, A Kolker, N Mannion, G Merry,  
A Stott and S Edgar and A Stott.

## **Members in attendance:**

Councillors P Bates, J Clowes, L Durham and P Findlow.

## **Officers in attendance:**

Suzanne Antrobus – Legal Services Team Manager  
Joanne Butler – Business Governance and Risk Manager  
Josie Griffiths – Principal Auditor  
Gareth Pawlett – Chief information Officer  
Sandra Smith – Compliance and Customer Relations Manager  
Alex Thompson – Head of Finance and Performance  
Michael Todd – Principal Auditor  
Juan Turner - Compliance and Customer Relations Officer  
Joanne Wilcox – Finance Lead Corporate  
Jan Willis – Interim Executive Director of Corporate Services  
Cherry Foreman – Democratic Services Officer

## **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors T Dean and  
M Sewart.

## **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3 PUBLIC SPEAKING TIME/OPEN SESSION**

No members of the public were present.

## **4 MINUTES OF PREVIOUS MEETING**

Consideration was given to the minutes of the meeting held on 15 March  
2018 and the following amendments were made:

- Minute 52 (Members Code of Conduct: Standards Report) added  
that Members had requested that complaints be dealt with quickly

- Minute 53 (Informing the Risk Assessment for Cheshire East Council) amended the final sentence of para 4 of the preamble to say “*The possibility of fraud in the planning process*”
- Minute 61 (Contract Procedure Rule Non-Adherences) added that the reduction in the number of WARNs was welcomed

## **RESOLVED**

That subject to the above amendments the minutes of the meeting held on 15 March 2018 be approved as a correct record.

## **5 EXTERNAL AUDIT PROGRESS AND UPDATE REPORT**

Consideration was given to the report of Grant Thornton for the year ended March 2017; an interim audit had been completed and work on the final accounts was due to begin on 1 June. Progress on their work to date was set out.

The Committee also considered the summary report of Grant Thornton on a formal objection to the accounts in respect of sleep-in payments. The Committee was advised that the External Auditors had not upheld the objection but did agree with the Internal Audit investigation findings that some aspects could have been handled better. The report included a small number of actions arising from the findings which reflected lessons learned from the review. Members were informed that Cheshire East had been one of the first Councils to regularise its position in relation to this matter as the Mencap case progressed and that the actions of the Council were in line with, if not ahead of, other Councils. It was also acknowledged that there remained some uncertainty around whether back payments should be made over two or six years and that this would be finalised following the conclusion of the Mencap appeal.

The Committee was also informed that External Audit had found no evidence of dishonesty of holding matters back and that the Council had kept a watching brief for the right reasons.

## **RESOLVED**

That the report be received.

## **6 INTERNAL AUDIT ANNUAL REPORT 2017/18**

Consideration was given to the Internal Audit Annual Report for 2017/18 on the overall adequacy and effectiveness of the Council's control environment. Despite a limited audit resource it was reported that the team had delivered sufficient coverage to an appropriate standard to enable an informed opinion to be provided and the Council's framework of risk management, control and governance had been assessed as Adequate.

In response to questions from Members clarification was given on a number of specific matters including that the current Internal Audit review of the Council's travel booking system would include travel booked on behalf of Members, the staffing position in Internal Audit would be resolved upon completion of an ongoing restructure programme, and that the reference to overpaid/misspent direct payment monies was not in any way connected to Empower Cards that had previously been used to deliver this service. In response to a question on investigations that had been undertaken during the year further information was provided in relation to the use of purchase cards

#### **RESOLVED**

That the Internal Audit Report, and the opinion on the Council's framework of risk management, control and governance for 2017/18, be noted.

#### **7 COMPLIANCE WITH THE FREEDOM OF INFORMATION ACT (2000), ENVIRONMENTAL INFORMATION REGULATIONS (2004) AND THE DATA PROTECTION ACT 1998**

The Committee considered this report on the performance of the Council in responding to requests for information under the above Acts. Included in it were the number of requests received, details relating to the increase in the number of complex cases being dealt with, and the key changes and implications of new legislation both legally and financially. For the first time the annual report also included statistics in respect of refusal notices being issued.

#### **RESOLVED**

That the performance of the Council in responding to requests for information, and the ongoing and future developments, be noted.

#### **8 COMPLIANCE WITH THE REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Committee considered an update on how the Council has complied with the RIPA legislation during 2017/18 and the number of applications authorised in that period. It was also reported that the next inspection of the Council's use of and compliance with the legislation was next due in Spring 2019.

#### **RESOLVED**

That the performance of the Council in respect of compliance with the Regulation of Investigatory Powers Act 2000, and the ongoing and future developments, be noted.

## **9 CUSTOMER FEEDBACK - COMPLAINTS, COMPLIMENTS AND REFERRALS TO THE LOCAL GOVERNMENT OMBUDSMAN 2017/18**

This report summarised the formal feedback received from customers during 2017/18 and administered under the Council's Corporate Compliments, Suggestions and Complaints Policy, and also the Council's Adults and Children's Social Care Complaints Policies. The report also summarised the cases dealt with by the Local Ombudsman and provided a breakdown of the investigations in which maladministration causing injustice was found.

The number of complaints, compliments and suggestions received across the different service areas were compared with those for previous years and it was reported that the majority were resolved in their first stage. An appendix detailed the most frequent complaints and clarification was given in respect of increases in complaints concerning waste and recycling which largely related to a lengthy period of adverse weather conditions and to the relocation of recycling points. In discussing the increase in complaints for children's services it was explained that some of these related to a shortage of educational psychologists which had resulted in the delayed production of education and health plans. In all cases the report indicated what actions were being taken to ameliorate the situation in both the short and long term; it was also confirmed that where maladministration had been found subsequent training sought to prevent any re-occurrence.

### **RESOLVED**

That the report be noted.

## **10 ANNUAL AUDIT AND GOVERNANCE COMMITTEE SELF ASSESSMENT**

The Committee considered the results of a self assessment of its effectiveness carried out by the Chairman and the Vice-Chairman using CIPFA guidance. It was noted that this guidance had been updated after the assessment had been done and any additional actions required to ensure the Committees continued compliance would be reported to a future meeting.

In discussing specific points set out in Appendix A (Good Practice) it was agreed that, with reference to point (18) relating to feedback, if the Minutes of the Council meeting where the Annual Report of the Committee was considered demonstrated that the scope of the debate had been limited then it would be moved from 'Yes' to 'Partly'.

## **RESOLVED**

1. That, subject to the amendment set out above, the self assessment be approved.
2. That the actions arising from the assessment be endorsed and that a further report on the progress of these actions be considered at a future meeting of the Committee.

## **11 ANNUAL RISK MANAGEMENT UPDATE**

Consideration was given to this annual report which recorded the work for the year in reviewing the development, maintenance and implementation of the Council's risk management framework, including monitoring and reporting arrangements. The report included key corporate and operational risks and specialist areas including those relating to ICT and cyber threat. It also detailed the related business continuity planning which was ongoing and the establishment of a Joint Business Continuity and Emergency Planning Liaison Group.

## **RESOLVED**

1. That the Annual Report on Risk Management be noted.
2. That Cabinet be recommended to approve the updated Risk Management Policy and Appetite Statement, and the Business Continuity Policy Statement and Strategy attached as Annex A and Annex B of the report.

## **12 DRAFT PRE-AUDIT STATEMENT OF ACCOUNTS 2017/18**

Consideration was given to the draft pre audit Statement of Accounts for 2017/18, to be published on the Council's website along side the draft Annual Governance Statement by 31 May. In addition a presentation was given on the accounts for the Cheshire East Group of Companies and for the single entity of Cheshire East Borough Council and this enabled Members to see an early summary of the accounts ahead of their formal responsibility to approve them.

Members were advised that the accounts had been prepared to accord with new reporting deadlines which involved the Statement of Accounts being approved after the completion of the External Audit and before 31 July 2018.

## **RESOLVED**

1. That the summarised position of the accounts for the year ended 31 March 2018 be noted.

2. That the relevant dates for the approval of the Statement of Accounts be noted.

### **13 DRAFT ANNUAL GOVERNANCE STATEMENT 2017/18**

The Committee considered the draft Annual Governance Statement which explained how the Council makes its decisions, manages its resources and promotes high standards of conduct and behaviour. This report related to 2017/18 but by the time it became final at the end of July Members were informed it would include information up to then.

Members considered the draft in detail and suggested some areas for clarification including details relating to the pre-budget consultations and the need to be consistent in the use of interim/acting in post descriptions. The committee welcomed the report and felt it offered a balanced view of actions in that time. It was requested that the documents used for future budget consultations should be more user friendly and it was confirmed that the communications team were already looking at ways to do this.

#### **RESOLVED**

That the report be received and the final statement be considered by the Committee at its next meeting and prior to publication on 31 July.

### **14 INFORMATION GOVERNANCE UPDATE**

The Committee considered an update on key achievements of the Information Assurance and Data Management Team in relation to information governance and the introduction of the General Data Protection Regulations (GDPR) which had come into force on 25 May. It was reported that there had not been any Information Commissioners Office data protection incidents nor any enforcement actions or monetary penalties. The number of data breaches reported in the last year had, however, increased since although this had been anticipated due to increased awareness resulting in increased reporting.

In considering GDPR, and in response to a question concerning historic information on the planning portal, it was agreed that the Legal Services Team Manager would investigate as a matter of urgency.

#### **RESOLVED**

That the Information Assurance and Data Management Team's activities and progress in delivery of Information Governance, and the assurance on progress and delivery of activities in relation to the General Data Protection Regulations, be noted.

**15 AUDIT AND GOVERNANCE COMMITTEE WORK PLAN 2018/19**

Consideration was given to the Work Plan for 2018/19.

**RESOLVED**

That the Work Plan be approved and that it be brought back to the Committee throughout the year for further development and approval.

**16 CONTRACT PROCEDURE RULE 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 2018.

**RESOLVED**

That the report be noted and the reduced number of incidences be welcomed.

**17 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 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

**18 CONTRACT PROCEDURE RULE WAIVERS AND NON-ADHERENCES**

**RESOLVED**

That the WARNs be noted.

The meeting commenced at 2.00 pm and concluded at 5.10 pm

Councillor G Baxendale (Chairman)