

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Audit and Governance Committee**
held on Thursday, 29th September, 2022 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Simon (Chair)
Councillor J Nicholas (Vice-Chair)

Councillors C Bulman, A Harewood, M Houston, P Redstone, I Macfarlane,
J Saunders and A Kolker

OFFICERS IN ATTENDANCE

David Brown- Director of Governance and Compliance and the Monitoring
Officer
Helen Davies- Democratic Services Officer
Helen Gerrard, Head of Customer Services Josie Griffiths- Head of Audit and
Risk
Jane Burns- Executive Director of Corporate Services
Alex Thompson- Director of Finance and Customer Services and Section 151
Officer
Alan Ward- Complaints Support Officer

33 APOLOGIES FOR ABSENCE

Apologies of absence were received from Councillor Rachel Bailey
(Councillor Jos Saunders was substituting); Councillor Mark Goldsmith
(Councillor Iain Macfarlane was substituting); and Councillor Mike Sewart
(Councillor Andrew Kolker was substituting).

34 DECLARATIONS OF INTEREST

There were no declarations of interest received.

35 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present who wished to speak.

36 MINUTES OF PREVIOUS MEETING

Councillor Bulman noted the wording on page five in the table that related
to the Action Log, the action said:

“Councillor Carol Bulman noted at the bottom of Page 11, there was a
paragraph that related to closures between Pym's Lane and Flowers Lane
Hospital Campus. Councillor Bulman had been made aware than an open

letter had been sent on this matter and she felt this should be shared with the Committee.”

This wording had also been used on page 4 of the supplementary pack that contained the minutes of the last meeting.

Councillor Bulman clarified that the wording was not quite accurate and she was referring to the reply written by the Chief Executive Lorraine O'Donnell in response to the open letter by Councillors: Rachel Bailey; Patrick Redstone; and Margaret Simon.

RESOLVED:

That subject to the change to the wording agreed above, that the minutes be approved as a correct and accurate record.

37 ACTION LOG

The Chair went through each of the actions on the Action Log for the Committee to track progress.

1) The Chair and Vice Chair to meet Tom Moody, Director of Infrastructure and Highways via Microsoft Teams to discuss potential items for this Committees Work Programme and shared with the Committee.

Previously a date had been found in early September and the Chair and Vice Chair attended the Teams meeting. Unfortunately the Director of Highways and Infrastructure was unable to join, so a new date had been sought.

2) The response letter the reply written by the Chief Executive Lorraine O'Donnell in response to the open letter by Councillor Bailey as requested by Councillor Bulman.

As clarified under minutes of the previous meeting, Councillor Bulman advised the Committee it was the reply to an open letter from Councillors: Bailey; Redstone; and Simon by the Chief Executive that she wanted the Committee to review.

The Monitoring Officer noted that when a Chief Executive is in communication with a Councillor/s there was an expectation of confidentiality.

The Chair agreed to defer the item and speak with the Monitoring Officer outside of the meeting.

3) Cllr Houston asked about the measures in place to ensure that staff attend and participate in this training (in respect of Special Educational Needs and Disability (SEND) officers).

Councillor Houston thanked Brian Reed, Head of Democratic Services and Governance, for chasing up the response and Laura Rogerson Head Teacher of Virtual Schools, for providing a response.

38 MONITORING OFFICER REPORT

This report had been deferred from the last meeting and was for the Committee to note.

The report was part of governance assurance and outlined the ten areas it covered which included Members' Code of Conduct, Register of Gifts and Hospitality and Member Training and Development.

David Brown, the Director of Governance and Compliance and the Monitoring Officer advised the Committee that notable parts of the report included: the Information Commissioner upheld minimal number of complaints; and that the key elements of the Corporate Plan were aligned to the approach at Cheshire East for transparency. Of the 157 formal meetings scheduled during 2021/22, only 27 were held in closed session or required to go into exempt session at the end.

The Committee considered the report and there were items added to the action log to feedback to the Committee at the next meeting.

The following item was suggested as an item for the work programme:

- the Use of Covert Human Intelligence Source (CHIS) and the vetting and authorisation of officers to remain confidential. The Director of Governance and Compliance noted that whilst he couldn't give details of the process, test purchasing had recommenced and could be given to Members as a separate briefing in relation to Regulation of Investigatory Power (RIPA).

The Chair thanked the Monitoring Officer for a comprehensive report.

RESOLVED: That:

- a) the Annual Monitoring Officer's Report 2021/22 be received and noted; and
- b) the additional items be added to the Work Programme.

39 EXTERNAL AUDIT PROGRESS AND UPDATE REPORT

Muhammed Uzair Khan, the External Auditor presented the report to the Committee, he advised that Section 1 concentrated on delivering responsibilities and Section 2 was for information and included national publications.

Mazars were unable to offer an audit opinion on the Progress report for 2021/22, because the national evaluation issue (previously identified that related to the value of infrastructure assets) was still an ongoing issue.

The initial planning work had been completed on the 2021/22 financial statements and had been presented to the July meeting, there was no change to the risk assessment since issuing the memorandum.

RESOLVED:

That the External Audit Progress and Update Report be received and noted.

40 DRAFT ANNUAL GOVERNANCE STATEMENT 2021/22

Josie Griffiths, Head of Audit and Risk presented the retrospective report for 2021/22, subject to review before the Final Annual Governance Statement could be presented to this Committee in November with an overview of changes.

The Committee noted that the covering report would usually have covered removal and changes but the timescales were later at this point in the cycle.

There was some discussion about the governance of an Urgent Item that had been considered by the Children and Families Committee on 23 September 2022 in respect of an All-Age Carers Hub. The Committee agreed to add an item to the Action Log for the Director of Governance and Compliance to feedback a detailed briefing note to the Committee.

Clarity was given in respect of the Alternative Service Delivery Vehicle (ASDV) review taking place, work was being done to arrange the first working group meeting but it was envisaged it would take several months to go through the paperwork.

RESOLVED (Unanimously) That:

- a) the draft Annual Governance Statement 2021/22 be received and noted;
- b) the proposed changes to the Significant Governance Issues as detailed in Section be approved;
- c) the proposed additional Significant Governance Issue as detailed in Section 8 be approved;
- d) the final statement will be considered by this Committee by the end of November 2022, prior to its approval and publication on the Council's website be received and noted.

41 AUDIT & GOVERNANCE COMMITTEE ANNUAL REPORT

The Head of Audit and Risk presented the report and the Committee were given the opportunity to ask questions.

It was noted that the use of hyperlinks for electronic copies did not translate to hard-copies, and for the purposes of accessibility weblinks were requested on future paper correspondence.

The Chair extended the thanks of the Committee to the Officers involved in writing the report and clarified that because Councillor David Marren was the Vice Chairman of the Committee when the report was drafted, he would be declaring that interest at Council.

RESOLVED (Unanimously) That:

- a) The draft report for 2021/22 at Appendix A be received and noted; and
- b) the final version, to be presented at the next meeting of Council, be agreed.

42 STANDING ITEM: UPHELD COMPLAINTS TO THE LOCAL GOVERNMENT OMBUDSMAN

Alan Ward, Complaints Supports Officer joined the meeting.

The Director of Governance and Compliance introduced Helen Gerrard, Head of Customer Services to the Committee. The Committee was advised that the Local Government Ombudsman complaints area of work had been moved to align with the Customer Services Team to enable transparency across complaints as a whole.

The Committee asked for clarity on the process taken to make changes to procedures specifically when in relation to the complaints and compensation paid.

The Head of Customer Services noted that where issues could arise on the subject of recruitment, lessons learned needed to be widely shared across the Council, which was not happening as well as it could be at present.

RESOLVED (Unanimously) That:

- a) the content of the report and the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman be received and noted;
- b) the report be provided to the Chair of each Service Committee; and
- c) That a move to a 6-monthly report of Upheld Ombudsman Decisions be agreed, thereby allowing more time for analysis and provision of context for the complaints.

43 STANDING ITEM: WORK PROGRAMME 2022/23

The Head of Audit and Risk noted salient points of the Committee's Work Programme:

It was agreed that items be added on the subject of:

- Land Transactions (expected at Committee in March 2023); and
- the Hearing Sub-Committee report.

The Committee queried correspondence some Members had received on Section 106 funding. The Head of Audit and Risk clarified that an internal audit was taking place on Section 106 funding and that this Committee would be kept updated on progress through the Internal Audit Update Reports. Findings could then be considered either by this Committee or the Environment and Communities Committee in due course.

Two items were agreed to be added to the Committee Action Log.

The Head of Audit and Risk noted that by the Chartered Institute of Public Finance and Accountancy (CIPFA) had started work to prepare for a review of this Committee. A Document Review was in progress with time scheduled to meet Members in January 2023 with a final report back to Committee in March 2023.

RESOLVED: That

- a) the Work Programme be received and noted; and
- b) a briefing on the Customer Services Review be added to the Committee Work Programme with a report back from the Head of Customer Services at the next meeting in November.

44 STANDING ITEM: COMPLIANCE WITH CONTRACT PROCEDURE RULES

The Director of Finance and Customer Services and Section 151 Officer presented the Waivers and Non-Adherences (WARNs) report, the Committee were reminded that Finance Sub-Committee had the overarching responsibility, and that no serious concerns were raised when reviewed. The Finance Sub-Committee did note that the numbers of Waivers was still high but this was attributed to legacy issues during the pandemic and health related emergency responses.

The Audit and Governance Committee received the reports to ensure governance control.

The Committee was advised that in July, the Finance Sub-Committee formed a Working Group to retrospectively review a number of specific procurements. Three cross-party Councillors met to meet with the Manager of the Procurement Team. Feedback was positive and the professionalism of officers was noted. The feedback was included within the report for assurance purposes.

RESOLVED (Unanimously) That:

- a) the reason for 7 waivers approved between 1st June 2022 and 31st August 2022 (13 in total in 2022/23) noted; and
- b) the Finance Sub-Committee, having reviewed the Waivers for this period as part of their responsibility for the pipeline of procurement activity (on the 7th September 2022), be noted.

45 EXCLUSION OF THE PRESS AND PUBLIC

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 Page 15 Schedule 12A of the Local Government Act 1972 and the public would not be served in publishing the information.

46 STANDING ITEM: COMPLIANCE WITH CONTRACT PROCEDURE RULES: PART TWO

The Committee was advised that due to a printing issue during one print run, some of the Part 2 papers had been printed on white as opposed to pink.

The Committee considered the seven WARNNS.

RESOLVED: That the WARNNS be received and noted.

The meeting commenced at 2.00 pm and concluded at 3.22 pm

Councillor M Simon (Chair)