



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 30th July 2021

Time: 10:00am

Location: Dance Studio Burgess Events and Conference Centre, One Leisure,
Westwood Road, St Ives PE27 6WU

Present:

Mr John Pye	Chairman
Cllr Ian Benney	Fenland District Council
Cllr Tony Mason	South Cambridgeshire District Council
Cllr Graham Bull	Huntingdonshire District Council
Cllr Mike Sargeant	Cambridge City Council
Cllr Graham Wilson	Cambridgeshire County Council

Officers:

Kim Sawyer	Interim Chief Executive Officer
Robert Parkin	Monitoring Officer
Anne Gardiner	Scrutiny Officer
Jon Alsop	Chief Finance Officer (S73 Officer)
Daniel Harris	Internal Auditors (RSM)
Robert Emery	Chief Accountant and Deputy S73 Officer
Suresh Patel	External Auditors (Ernst & Young)

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies were received from Cllr Brown.
- 1.2 No declarations of interest were made.

2. Chair's Announcements

- 2.1 The attendance of the Business Board Chair scheduled for this meeting had been deferred due to the outcome at the CA Board when the proposal had been discussed and had failed at the vote due to the Mayor not supporting the proposal. The Chair

advised that a meeting between himself and the Business Board Chair was being arranged to discuss how to take this forward.

- 2.2 The Chair requested that all members of the committee submit their Register of Interest forms to officers as soon as possible as some were still outstanding.
- 2.3 The Chair requested that members of the Committee complete and send to the Scrutiny Officer the Members Skill Set form to help inform future development sessions.
- 2.4 The Chair informed the Committee that the Combined Authority had been approached by members of the CA Board to consider the processes used in the closure of the Combined Authority trading company One CAM. Officers were going to look into this and report back.

The scope would need to be provided to the Committee for them to consider.

This issue had highlighted that there was currently no route for how members could refer matters to the Audit and Governance Committee, and this would be discussed in the work programming paper later in the meeting.

3. Minutes of the last Meeting

- 3.1 The minutes from the meeting held on the 25th June 2021 were agreed as a correct record subject to the following amendment:

Under item 5 – Cllr Sargeant raised a point that the review of the CA governance arrangements and that the Housing Programme in regards to the MHCLG should be looked into.

- 3.2 The Actions from the previous meeting were noted.

4. Combined Authority Board Update

- 4.1 The Committee received the update from the Interim Chief Executive Officer which provided an update on the activities of the CA Board.
- 4.2 The Combined Authority had passed its first Gateway Review; the organisation had received £20m in gainshare funding and to ensure they continued to receive funding the Combined Authority had to demonstrate that they were safe custodians of public money. The government review based the future performance on the past performance and as a result of passing the process the Combined Authority had secured £20m per annum over the next five years. This also meant that any further funding from other government departments would be forthcoming.

In response to a question about the Gateway process the Chief Executive advised that reports were drafted by the Combined Authority and submitted to government, there were also meetings between the ministry and officers. An initial response was provided by government which the Combined Authority had the opportunity to respond to before MHCLG made their final decision.

- 4.3 The Board had agreed to support two new Lead Member Responsibilities, Public Health and Climate Change.
- 4.4 The Board had agreed to the appointment process for two independent persons to handle any code of conduct issues that may arise at the Combined Authority.
- 4.5 The CA Board had considered a report regarding the progress made on the Devolution Deal and had agreed to hold an away day for members to discuss the future vision for the Combined Authority; build relationships with the new Chief Executive and those from the constituent councils.
- 4.6 The CA Board had received a report on the budget and also on the closing down of the One CAM; there had been questions raised around decision making processes

and the use of consultants and the Board had requested that a review into the use of consultants was carried out; in particular reference to the Local Transport Plan.

- 4.7 The Local Transport Plan would be an important issue going forward considering the possible removal of the One CAM as there would need to be a new way to help solve the issues across the region; to unite the north and south of the region, consider ways to relieve congestion, work with external partners such as the GCP, zero emissions buses and possible processes around active travel.
- 4.8 The CA Board received recommendations from the Business Board regarding a performance review and funding for its own assessments.
- 4.9 In regards to the LEP review being done by government; the Chief Executive advised that they had received word from BEIS that the review would now be part of the levelling up white paper due out in Autumn.
- 4.10 In regard to the Affordable Housing Programme there had been a meeting with Cllr Sargeant and the Chair of the Housing Committee, and the Combined Authority were waiting to hear from MHCLG on proposals that had been put forward.
- 4.11 The Chief executive gave an update on the Governance Review and advised that the scope of the review had been increased to also consider ways of working at the Combined Authority, looking at partnerships with constituent councils, how the Board operated and how policies were developed. The full scope would be brought to the Audit and Governance Committee to ensure they were fully engaged.

5. Work Programming Report

- 5.1 The Committee received the report which requested that the committee discuss the suggested ways of developing their work programme.
- 5.2 The following points were raised during the discussion:-

Members requested that referrals could also be received from members of constituent councils.
- 5.3 In response to a question about the list of standing items the Committee would consider throughout the year the Monitoring Officer advised that the list reflected the content within the Terms of Reference for the Committee.
- 5.4 The Horizon Scanning report would be a mechanism for members to review items that could be added to the work programme; it would be important to ensure they fell within the remit of the Committee.
- 5.5 The decision to add an item to the work programme should be a decision for the whole committee.
- 5.6 In response to a question about how the trading companies and the Business Board would be factored in the Monitoring Officer advised that the Committee would receive a report on the Trading Companies at the next meeting and that the governance around the Business Board was covered by the Assurance Framework which was brought to this committee annually to approve.
- 5.7 The Committee discussed the definition of what the Audit and Governance Committee should look at when considering referrals and it was advised that each referral would need to be considered by the Committee to decide whether a review fell within the providence of the committee.
- 5.8 The Committee RESOLVED:

a) that officers should take forward the proposals in the report and provide an updated work programme and terms of reference for the committee to agree at their next meeting.

b) to invite the Chief Legal Officer/Monitoring Officer to develop proposals for a formal process of referral to the Audit and Governance Committee by other committees or the Combined Authority Board.

c) that Members from constituent councils should be able to submit referrals to the committee

d) to note the current work programme for the Audit and Governance Committee for the 2021/22 municipal year attached at Appendix 3

Items 6 and 7 contained exempt appendices under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and it would not be in the public interest for this information to be disclosed - Not for publication by virtue of Paragraphs 3 and 7 of Part 1 of Schedule 12A of the Local Government Act 1972

The Committee AGREED that they would want to go into closed session to discuss the exempt items within the appendix.

The Chair advised that as this was the case he would move items 6 and 7 on the agenda to the end of the meeting to allow the live stream to continue uninterrupted until the Committee went into closed session on these items.

8. External Audit - Results

8.1 The Committee received the report from the External Auditors which requested that they approve the Management Representation Letter 2021 and note the External Auditors report.

8.2 The Chair informed the Committee that the External Auditor was not in a position to sign off the accounts as the auditor of the pension fund providers had not provided the assurances that the External Auditor had requested.

The External Auditor advised that the information had been promised from the pension fund auditor in the next week and there was no reason to suspect it would present any material changes.

8.3 The External Auditor was leaving his role at EY next week and therefore the Committee were advised if they chose to wait until the September meeting to approve the accounts then there would need to be additional work undertaken by the new EY external auditor at an additional cost.

8.4 The External Auditor informed the committee that the audit had gone smoothly; the main focus had been on revenue funded from capital and these had been tested quite significantly.

8.5 The Committee RESOLVED to approve the Management Representation Letter 2020/21 and note the External Auditors report 2020/21.

9. Statement of Accounts and Annual Governance Statement

9.1 The Committee received the report which requested that they approve the Statement of Accounts for 2020/21 and approve the Annual Governance Statement 2020/2021.

9.2 The Chief Finance Officer advised that due to the delay with the information from the pension provider mentioned in the previous item that the committee could approve the accounts and annual governance statement in principle and delegate to the Chair to sign them off once the External Auditor had completed their audit.

9.3 Changes suggested by the Committee at their previous meeting had been implemented and were reflected in the track changed copy of the report.

In response to a question about the withdrawal of the government funding for the Housing Programme the Chief Finance Officer agreed that this could be added to the narrative but that it would have no impact on the accounts.

9.4 The Committee discussed the Annual Governance Statement

9.5 A member raised a query around the level of detail in the report and was advised that much of the detail was included within the exempt information which would be discussed later in the meeting.

9.6 The Committee Agreed in principle to approve the accounts and delegated to Sec 73 Officer and Chair to approve unless any substantial changes were made.

The Committee agreed to approve the Annual Governance Statement subject to the discussions due to be held under item 6 and 7 from the Internal Auditors.

9.7 The Committee thanked Suresh Patel for his work over the past four years and wished him success in his new role.

10. Corporate Risk Register

10.1 The report asked that the Committee note and review the Combined Authority's Corporate Risk Register and recommend any proposed changes for reporting to the next Combined Authority Board meeting for approval.

10.2 An error in the risk register dashboard was noted by members which officers agreed to amend before the next meeting.

10.3 The Committee Agreed that the residual risk for Climate Change should be considered by the CA Board at their next meeting to determine whether the significance of the risk had been properly calibrated.

10.4 The Committee noted the Corporate Risk Register.

11. Appointment of Independent Persons for Member Conduct

11.1 The Committee received the report from the Monitoring Officer which asked members to note the appointment process and role description to recruit two Independent Persons and request that the Chief Legal Officer/Monitoring Officer undertake the work necessary to recruit the Independent Persons.

11.2 The Committee were advised that the CA Board had requested an amendment to the description of the Independent Persons – that they should not be a member of any political party not just an active member.

11.3 The Committee queried the role description as it read more as a Person Specification and requested that a Role Description be brought back to the next meeting for members to consider.

11.4 The Committee questioned whether it was necessary to have the amendment from the CA Board as there could be other memberships which would rule out a potential candidate; the Monitoring Officer advised that the role referred to independence and impartiality which would be tested through the recruitment process.

11.5 The Chair queried whether this could be put on hold until the next meeting and if necessary use Independent Persons from Constituent Councils if a complaint came up; the Monitoring Officer advised that it would be appropriate to get the process started but that the Constituent Councils could be contacted to encourage their Independent Persons to consider applying for the roles.

11.6 The Committee RESOLVED to:

a) note the appointment process and requested that the role description to recruit two Independent Persons be brought back to the next meeting for the committee to review.

b) Ask the Chief Legal Officer/Monitoring Officer to undertake the work necessary to recruit the Independent Persons

6. Items 6 and 7 – Internal Audit – Progress and Annual Report

6.1 At this point in the meeting the internet connection went down and the Internal Auditor was unable to attend via Zoom to present his report and therefore the Committee Agreed to defer items 6 & 7 until the September meeting.

6.2 As there were items of relevance within these reports for the Annual Governance Statement the Committee were unable to review these points.

The Chair called for a vote to delegate to the Section 73 Officer and the Chair to approve the Annual Governance Statement as it stood noting that the officers had responded to changes requested at their previous meeting.

The Vote fell with 2 votes in favour and 3 against.

The Committee RESOLVED not to approve the Annual Governance Statement but defer this until the September meeting. As a result, the Statement of Accounts were not signed off and would need to be reviewed by an alternative auditor before the September meeting.

12. Date of next meeting

12.1 The next meeting would be held on the 24th September 2021, Venue TBC

Meeting Closed: 12:10pm