



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 31st May 2019

Time: 10am

Location: East Cambridgeshire District Council

Present:

Mr J Pye
Cllr Mac McGuire
Cllr Ian Benney
Cllr David Wells
Cllr David Brown
Cllr Kevin Price

Chairman
Huntingdonshire District Council
Fenland District Council
Cambridgeshire County Council
Easts Cambs District Council
Cambridge City Council

Officers:

Kim Sawyer
Howard Norris
Emma Powley
Jon Alsop
Noel O'Neil
Steve Crabtree

Chief Executive
Interim Monitoring Officer
Interim Scrutiny Officer
Head of Finance
Interim S73 Officer
Group Auditor (Peterborough City Council)

1. APOLOGIES AND DECLARATIONS OF INTERESTS

- 1.1 Apologies were received from Councillor Goldsack - substituted by Councillor Wells, Councillor Davey who was substituted by Councillor Price and Councillor Mason

2. CHAIRS ANNOUNCEMENTS

- 2.1 The Chair congratulated Jon Alsop into his new role as Chief Finance Officer/S73 Officer at the Authority and thanked the Interim S73 officer for his work.
- 2.2 The Chair also thanked the Councillor who had served on the previous year's Audit and Governance Committee- Councillors Harrison, Morris, Hay, Seaton and Robertson.
- 2.3 Due to the number of newly appointed members to the Audit and Governance Committee, the Chair asked that a 'Skills set' be circulated to all members of the Audit and Governance Committee to identify areas of training that members may benefit from.

3. APPOINTMENT OF THE VICE-CHAIR

- 3.1 The Chair explained that at the Annual General meeting in May 2017, the Board appointed him as Chairman of the Committee and delegated the decision of a Vice-Chair to the Committee to decide at its first meeting of each year.
- 3.2 Councillor Benney proposed and Councillor Wells seconded that Councillor McGuire be appointed as Vice- Chair.

RESOLVED:

- 3.3 Upon a vote, it was agreed that Councillor McGuire be appointed as Vice - Chair of the Audit and Governance Committee for the ensuing year.

4. CO-OPTES TO THE AUDIT AND GOVERNANCE COMMITTEE

- 4.1 The Interim Monitoring Officer submitted a report and elaborated thereon. It was noted that the Board had recognised that a lot of independents had been elected in some constituent Councils and had delegated authority to the Audit and Governance Committee to co-opt an independent member.
- 4.2 Councillor Price proposed the co-option of an independent person.
- 4.3 Councillors McGuire proposed, and Councillor Wells seconded that the Committee do not co-opt an independent councillor.

RESOLVED:

- 4.4 Upon a vote, it was agreed that the Audit and Governance Committee would not co-opt an independent councillor.

5. MINUTES OF THE MEETING HELD ON THE 29TH MARCH 2019.

- 5.1 The minutes of the meeting held on the 29th March 2019 were agreed and signed by the Chair.

7. DECLARATIONS OF INTEREST

- 7.1 There were none.

8. CORPORATE RISK REGISTER

- 8.1 The interim S73 officer elaborated on the report and explained that it was an updated report, (from March) which had been requested by Members. It was noted that the register was reviewed monthly by the Directors.
- 8.2 It was noted that there was a risk register in place for all projects undertaken by the Authority. Following the implementation of the mitigation measures, the top risks had been identified and outlined within the report. It was explained that there were several reasons some risks would remain, which included the lack of funding approval from Government and financial commitment secured from the Authority's private partners.
- 8.3 The Interim S73 Officer reported that the Risk Register was reported and reviewed on a monthly basis by directors; it was a fluid document that was updated regularly to reflect any changes to the status of the risks and to record any new risks identified.

RESOLVED:

- 8.4 That the Committee reviewed the Combined Authority Risk Register and requested that it be a standing item on the agenda. It also asked that for each meeting new risks included on the register be highlighted, that symbols be used on the chart to show changes in the risk level (up or down), and that the covering paper show changes to the top risks (ie, up, down, new or removed).

9. DRAFT ACCOUNTS 2018/19

- 9.1 The interim S73 officer explained that it was a legal requirement for the draft Statement of Accounts to be published on the Combined Authority's website for public inspection.
- 9.2 It was noted that draft Statement of Accounts were unaudited and as such, had not been audited by Ernst and Young; the final audited version of the Statement of Accounts would need to be signed and published on the Authority's website by 31st July 2019.
- 9.3 In response to questions asked by the Committee, it was noted that in previous years there had been a simpler structure and therefore due to an increase in employment at the Authority, the figures had been consolidated. Furthermore, it was necessary for the figures to be reported in a different way which was due to the transfer of the LEP; there was only a need to highlight the figures for the LEP for the first year and not the subsequent years.
- 9.4 In relation to senior officer staffing costs, the figures had been included in the Audit Plan. The external auditors had confirmed the process followed and figures contained within the accounts were correct.
- 9.5 It was confirmed that the Authority had no debt and that all funding came from grants and was not borrowed money.

RESOLVED:

- 9.6 That the Committee received and reviewed the draft statement of accounts 2018/19

- 9.7 That the Committee received and reviewed the Annual Governance Statement 2018/19

10. ASSURANCE FRAMEWORK

- 10.1 The Chief Executive submitted a report which asked the Committee to note the report and the revised single Assurance Framework for both the Business Board and the Combined Authority.
- 10.2 It was explained that a Local Assurance Framework for the LEP had been created to document practices and standards to provide Government and local partners with assurance that decisions over funding were robust, transparent and able to deliver value for money (VFM).
- 10.3 The single Assurance Framework for both the Business Board and the Combined Authority was developed in line with the revised Government guidance, ensuring clarity, transparency and openness to the decision-making process of both Boards.
- 10.4 A number of suggested additions were offered in discussion, including a request for a section outlining how the joint Chief Executive arrangements would operate with particular regard to the handling of any potential conflicts of interest.

RESOLVED:

- 10.4 That the single Assurance Framework for both the Business Board and the Cambridgeshire and Peterborough Combined Authority be noted.

11. INTERNAL AUDIT; GOVERNANCE

- 11.1 The Internal Auditor elaborated on his report and explained that the report provided an independent and objective opinion on the Combined Authority's effectiveness in managing risk management, governance and control environment. It was noted that with the amalgamation of the LEP into the Authority, the Audit Plan would review the LEPs governance arrangements as it was expected that this would closely mirror those of the Combined Authority.
- 11.2 It was noted improvements had been made to the governance arrangements and a reasonable assurance or better had been given for all areas, except Human Resources (HR) which had 'no assurance'. Plans had been put in place to address the HR weaknesses a new HR Manager was now in post.
- 11.3 The Chief Executive explained that 6 months in to the inception of the Combined Authority, they had asked the Internal Auditors to inspect their practices and identify any areas of concern. At the time, 19 issues had been highlighted, 8 of which had now been completed and the remaining ones being either worked on or were not currently possible to resolve.
- 11.4 28 key policy documents around Human Resources had been identified and in the past 6 months, there had been no significant issues raised; having undertaken a restructure it was reported that staff employed at the Authority were happy and contented.

RESOLVED:

- 11.5 That the outcomes from the reviews of corporate governance together with the proposed actions for management to address weaknesses identified was considered. It was agreed that the HR Manager would attend a future meeting to brief the Committee on the work undertaken to address the concerns identified by Internal Audit. It was also noted that the Annual Internal Audit Report would be considered at the next meeting.

12. COMBINED AUTHORITY BOARD UPDATE

- 12.1 The Committee received a report which provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority Board meetings of the previous 6 months.

RESOLVED:

- 12.2 That the Committee note the updated contained within the report and appendices.

13. BUSINESS BOARD GOVERNANCE UPDATE

- 13.1 At a previous meeting of the Audit and Governance Committee, members requested an update on the governance arrangements for the Business Board.
- 13.2 It was explained that the Business Board would be subject to both internal and external reviews despite its legal status being that of an informal partnership. The Business Board did not have the ability to enter into contracts and would act through the Combined Authority as its Accountable Body.
- 13.3 The Audit and Governance Committee asked for additional information on the Business Board Governance Arrangements on the Committee's role in reviewing the Board.

RESOLVED:

- 13.4 That the Committee noted the update.
- 13.5 That the interim Monitoring Officer to present a briefing to Members of the Committee on the Business Board Governance Arrangements in the development session immediately before the next Committee meeting.

14. STAFFING STRUCTURE UPDATE

- 14.1 The Chief Executive explained that following her and John Hill's appointment as joint Interim Chief Executives of the Combined Authority, they were tasked to undertake a review of the staffing structure of the organisation. Subsequently, in February 2019, the Employment Committee considered the Chief Executives consultation paper for the restructuring of departments.

- 14.2 It was noted that as part of the process, the staffing structures of other local authorities had been examined and considered. Comparably, Tees Valley Combined Authority had 94 staff members, meaning the CAPA had one of the leanest staffing structures of all the Combined Authorities.
- 14.3 It was further explained that the CAPA had also amalgamated the LEP, Energy Hub, Adult Education Budget and Agri-tech. It was noted that there were 73 posts, 30 of which were vacant, but adverts were currently out to recruit to them.

RESOLVED:

- 14.4 That the Committee noted the staffing structure approved by the Employment Committee for consultation on the 13th February 2019.

15. WORK PROGRAMME

- 15.1 The Committee received the report which provided the draft work programme for Audit and Governance Committee for the remainder of the 2019/20 municipal year.
- 15.2 The Committee agreed to add the following to the work programme:
- a) Chief Finance Officer to prepare a briefing note on the combined Authority's policy documents relating to the rules and regulations adhered to in the national policies, followed also by CIPFA.
 - b) Transport Team be invited to a future meeting of the Committee to deliver a presentation on the accelerated delivery process including information on risk management.
 - c) Statement report on Value for Money (VfM) to be considered, including 'benefit-cost-ratio')
 - d) Assurance Framework – to be a regular item
 - e) Business Board Governance Arrangements – brief presentation from the MO (at the immediately before the next Committee meeting) to elaborate on the Committee's role in reviewing the Business Board

16 Date of next meeting

- 16.1 That the next meeting be held on the 19th July 2019 at Council Chamber, Fenland District Council at 10am.

The meeting concluded at: 12.32pm