AUDIT AND GOVERNANCE COMMITTEE

Date:Tuesday, 06 April 2021

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

72 Market Street
Ely
Cambridgeshire
CB7 4LS

10:00 AM

Due to Government guidance on social-distancing and the Covid-19 virus it will not be possible to hold physical meetings of the Combined Authority Board and the Combined Authority's Executive Committees for the time being. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 allows formal local government meetings to be held on a virtual basis, without elected members being physically present together in the same place. Meetings will therefore be held on a virtual basis and the procedure is set out in the "Procedure for Combined Authority Virtual Decision-Making" which will be available to view at the foot of the meeting page under the "Meeting Documents" heading when the agenda and reports have been published. That document will also contain a link which will allow members of the public and press to observe the

virtual meetings.
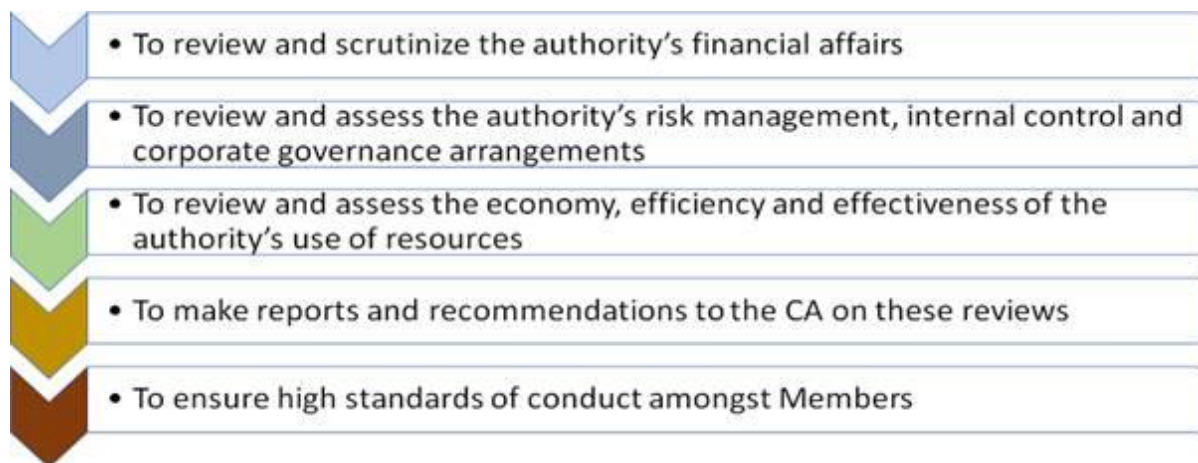**[Venue Address]**

AGENDA

Open to Public and Press

1   **Apologies for Absence and Declarations of Interest**

At this point members must declare whether they have a disclosable pecuniary interest, or other interest in any of the items on the agenda unless it is already entered in the register of members' interests.

2   **Chair Announcements**

3   **Minutes of the Previous Meeting**

To approve the minutes of the meeting held on 5th March 2021.

4   **Combined Authority Update**

Verbal update from Kim Sawyer - Interim Chief Executive Officer

11   **Date of next meeting:**

Friday, 25th June at 10.00 a.m. via the Zoom platform

The Audit and Governance Committee comprises the following members:

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

The Audit and Governance Committee Role.

- To review and scrutinize the authority's financial affairs
- To review and assess the authority's risk management, internal control and corporate governance arrangements
- To review and assess the economy, efficiency and effectiveness of the authority's use of resources
- To make reports and recommendations to the CA on these reviews
- To ensure high standards of conduct amongst Members

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

John Pye

Councillor David Brown

Councillor Ian Benney

Councillor Graham Bull

Councillor Mike Davey

Councillor Mark Goldsack

Councillor Tony Mason

Councillor Nick Sandford

Clerk Name:	Anne Gardiner
Clerk Telephone:	
Clerk Email:	anne.gardiner@cambridgeshirepeterborough-ca.gov.uk

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY –

DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 5th March 2021

Time: 10:00am

Location: Virtual Zoom Meeting

Present:

Mr John Pye	Chairman
Cllr Ian Benney	Fenland District Council
Cllr Tony Mason	South Cambridgeshire District Council
Cllr Nick Sandford	Peterborough City Council
Cllr Graham Bull	Huntingdonshire District Council
Cllr David Brown	East Cambridgeshire District Council
Cllr Mike Davey	Cambridge City Council
Cllr Mark Goldsack	Cambridgeshire County Council

Officers:

Robert Parkin	Monitoring Officer
Anne Gardiner	Scrutiny Officer
Jon Alsop	Chief Finance Officer (S73 Officer)
Robert Emery	Deputy (S73 Officer
Suresh Patel	Ernst & Young
Rochelle Tapping	Deputy Monitoring Officer
Roberta Fulton	Programme Manager

1.   Apologies for Absence and Declarations of Interest

1.1   No apologies were received.

1.2   No declarations of interest were made.

2.   Chair's Announcements

2.1   The Chair made the following announcement:

There had been an issue with the Assurance Framework report with duplications being found on the track changes version of the document published. Officers had corrected this issue and uploaded a clean version of the report which members should have been able to view.

3. Minutes of the last Meeting

3.1 The minutes from the meeting held on the 29th January 2021 were agreed as a correct record.

3.2 The Actions from the previous meeting were noted.

4. Assurance Framework

4.1 The Committee received the Assurance Framework report which asked members to approve and recommend the revised draft of the Assurance Framework to the Combined Authority Board, and to delegate to the Chief Legal Officer and Monitoring Officer (in consultation with the Chair of Audit and Governance), the making of any minor amendments following any further comments received from MHCLG.

4.2 The Business Board had received and reviewed the Assurance Framework the day before this meeting and had put forward an amendment to section 5.1. This was that projects considered by the Business Board would only be measured against the elements of the Combined Authority strategic framework which the Business Board had endorsed, rather than the entire policy framework for the Combined Authority; this was because many areas such as housing did not apply to the Business Board.

4.3 In response to a question about the determining factors for strategic objectives, the Committee were advised that these were drawn from the Combined Authority's approved policy framework, such as those for the Local Industrial Strategy and the Growth Ambition Statement.

Further to this, in determining which projects would be approved, it was advised that every shortlisted project had been subject to a Benefit Cost Ratio analysis and an assessment of the non-monetary elements. It was then for the elected representatives on the CA Board to make a value decision on projects.

4.4 In response to a query, the Committee were advised that any projects that a trading company, such as One CAM, brought forward for approval by the CA Board, as the accountable body, would need to adhere to the Assurance Framework.

The CAM project was in receipt of funds from the Combined Authority and would therefore have set objectives and be held accountable to the CPCA as the shareholder. This was defined within company law and, in addition, there was a shareholder agreement that required the company to deliver an approved business plan.

The Monitoring Officer addressed the wider issues surrounding Trading Companies at the Combined Authority. It was recognised that there needed to be effective oversight that enabled the statutory committees, such as Overview & Scrutiny and Audit & Governance, to be satisfied with the arrangements that were in place. There were discussions within the wider sphere of local government, following the events at councils such as Nottingham and Croydon, which leant weight to the need for the sound oversight of trading companies..

The Monitoring Officer advised that a proposal, outlining how the Combined Authority would address the oversight arrangements for Trading Companies, would be brought to the next meeting. The proposal would demonstrate how the arrangements would be effective, drawing on real examples from Nottingham and Croydon Councils.

The Chair said that an understanding of the internal controls around trading companies was essential, and that this should be included within the Annual Governance Statement, which would be considered by the Committee in July.

The Deputy Monitoring officer advised that, in relation to the governance of trading companies, that there was not much advice within the National Assurance Framework guidance for local authorities. Hence, the wider piece of work that was being carried out by the Combined Authority on this topic.

4.5 The Committee were made aware that the Combined Authority's 10-Point Guide to Project Management was no longer included as an appendix to the Assurance Framework, as this was now a regularly updated internal document referenced as necessary within the Assurance Framework.

4.6 In response to a question about access to confidential reports, the Deputy Monitoring Officer advised that the role description for the Overview and Scrutiny Lead Member aligned with Committee's mandated access to information, as set out in the Combined Authority Order. The O&S Committee had a role to scrutinise the CA Board as the accountable body for the Business Board; the Lead Member role had been created to encourage engagement and discussion between O&S and the Business Board.

4.7   Committee members raised concerns around the open and transparent nature of the Business Board. Members felt there was a conflict between the Nolan Principles outlined within the Assurance Framework and the statement that all meetings of the Business Board would be private, except for the Annual General Meeting and other meetings as the Chair deemed necessary.

The Committee were advised that there was no requirement within the National Assurance Framework to have the Business Board meetings held in public. The degree of openness was thus a decision for the CA Board, as the accountable body.

The Committee were strongly of the opinion that the Combined Authority's policy of openness, in line with the Nolan Principles, should apply equally to the Business Board. The presumption should be that the Business Board would hold meetings in public, except where the Chair deemed there were reasons of confidentiality not to do so.

4.8   The Audit and Governance (A&G) Committee discussed that they would like to:

a) Recommended to the CA Board that the word 'not' be removed at point 4.1.7 of the Assurance Framework to read: 4.1.7: All other meetings of the Business Board shall be open to the public unless determined otherwise by the Chair.

b) Asked for an explanation of the reasons should the CA Board not accept the A&G's recommendation.

c) Cllr Sandford asked that it be recorded that he felt it was not appropriate to approve the Assurance Framework with this issue of the Business Board outstanding.

4.9   The Committee asked that an amendment was made to paragraph 3.6.1 to show that an independent member had been appointed as Chair for the Audit and Governance Committee.

4.10   The Committee were asked to:

Submit any further comments on the Assurance Framework to the Scrutiny Officer by Tuesday 9th March to be incorporated before being sent to MHCLG to be signed off.

Delegate authority to the Monitoring Officer to adopt any amendments from MHCLG before the report was submitted to the CA Board at the meeting due to be held on the 24th March 2021.

4.11   The Committee **RESOLVED:**

i) That the Combined Authority be advised to adopt the revised draft of the Assurance Framework subject to the following:

    a. The recommendation that, to conform to the Combined Authority's policy of openness, the word 'not' be removed at point 4.1.7 to change the statement to read: 4.1.7: All other meetings of the Business Board shall be open to the public unless determined otherwise by the Chair.

    b. That paragraph 3.6.1 be changed to show that an independent member is appointed as Chair of the Audit and Governance Committee.

ii) A proposal outlining how the Combined Authority would address the oversight arrangements for Trading Companies would be brought to the next meeting.

iii) That an explanation of how internal controls around trading companies would

operate be included within the Annual Governance Statement.

5. **Revision to Constitution – Housing Committee**

5.1 The Committee received the report which requested that the Audit and Governance Committee as the custodians of the Combined Authority Constitution consider and comment on a recommendation from the Housing and Communities Committee to amend Chapter 10 [Housing & Communities Committee] of the Constitution to remove Culture and Tourism from its remit.

5.2 The Committee discussed and agreed that all amendments to the constitution should be considered as part of the annual review of the constitution and it would be more appropriate to hold this recommendation until then.

5.3 The Committee discussed and agreed that it felt that the remit for Culture and Tourism should not sit with the Business Board. The Board could not be expected to possess the expertise needed to consider the issues relating to Culture and Tourism. It was felt that another Combined Authority committee should consider this area.

5.4 The Committee **RESOLVED:**

i) That all amendments to the Constitution should be held over and included in the annual Constitution Review in July.

ii) That the Committee would feedback that it felt that the Culture and Tourism portfolio would be better placed within the Combined Authority Board or an alternative executive committee rather than the Business Board.

6. **Capital Investment Strategy**

6.1 The Committee received the report which asked them to review the proposed Capital Strategy for 2021/22

6.2 The Committee noted the report.

7. **External Audit – Outline Audit Plan**

7.1 The Committee received the report which provided the Committee with EY's outline audit plan for the 2020/21 financial statements.

7.2 The External Auditor advised that there was a degree of uncertainty around the date the CA needed to publish its draft and audited accounts as MHCLG were currently consulting on the dates.

In response to a question about the audited accounts publication deadline, the External Auditor advised that the aim was to conclude each audit as they were completed, rather than wait until all other local authority audits in the East of England were completed as was the case last year.

The Committee were advised that the timeline for the approval of the accounts by the Audit and Governance Committee was to publish draft accounts by the end of May and to bring them to the committee in June which should allow the External Auditors to carry out their work in July ready for approval by the end of September.

7.3 The Committee noted the report.

8. **Information Governance Update**

8.1 The Committee received the report which advised the Audit and Governance Committee of the Information Governance report including findings and

recommendations for implementation.

8.2 One of the Committee members advised of an ICT issue that had affected East Cambridgeshire District Council and asked if officers had been made aware of this and whether experiences of constituent councils were generally shared. The officers agreed to implement a process for experiences to be shared amongst the constituent councils to avoid same issues occurring.

Members of the Committee wanted to emphasise the importance of training and that it was kept up to date and would be ongoing.

8.3 The Committee **RESOLVED:**

i) to note the findings and recommendations of the report on Information Governance, which will be implemented at the Combined Authority.

ii) to agree 6 monthly reporting into the Committee on information governance matters

9. Standing Enquiries

9.1 The Committee received the report which analysed how assurance was received throughout the year. The report proposed how the Committee should consider updates on whistleblowing, fraud, and complaints.

9.2 The Committee discussed whether standing oral updates at each meeting would be appropriate; the consensus was that the Committee was not an operational one. Topical issues of importance would be reported to the Chair, who in turn would update the Committee.

9.3 The Committee **RESOLVED:**

i) to note the report

ii) that a report be brought on a six-monthly basis which would provide an update on whistleblowing, fraud, and complaints.

10. Work Programme for the Audit & Governance Committee

10.1 The Committee received the Work Programme report.

10.2 The Committee noted the report and that a private meeting with the external and internal auditors had been arranged prior to the April 6th Committee meeting.

11. Date of next meeting

11.1 Tuesday 6th April from 10.00 a.m. via the Zoom platform.

Meeting Closed: 11:50am.

Audit and Governance Committee Action Sheet 2020/21

Meeting Date	Action	Officer	Delegated officer	Completed
	OPEN ACTIONS			
3 March 2021	A proposal outlining how the Combined Authority would address the oversight arrangements for Trading Companies going forward and demonstrate how these would be effective; drawing on real examples from Nottingham and Croydon Councils would be brought to the committee.	Robert Parkin		To be brought to September meeting
3 March 2021	Internal controls around trading companies should be included within the Annual Governance Statement	Robert Parkin/Jon Alsop		To be reported at July meeting
3 March 2021	Revision to Housing Committee remit to be included in annual review of constitution	Robert Parkin		To be reported at September meeting
3 March 2021	Officers to implement a process to enable experiences with ICT issues to be shared across the constituent councils of the Combined Authority	Rochelle Tapping		Verbal update to provided to Committee – June/July meeting.
29 January 2021	Annual Report to include a review of number of meetings held by the committee.	Anne Gardiner/Jon Pye	Anne Gardiner	Report to come to April 6th
29 January 2021	Officers to review the risk strategy and report on implementation of the actions within the internal auditor reports	Robert Parkin		Report to come to April 6th

2 October 2020	The Chief Executive to provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CAB updates	Kim Sawyer		Ongoing
31 July 2020	A further report to the Committee be programmed for December 2020 to explain the process for formulating recommendations in reference to the Independent Commission on Climate Change	Paul Raynes	Adrian Cannard	To be brought to the June meeting
26 May 2020	There should be ongoing work to present the Risk Register in a legible format	Francesca Houston		Ongoing
26 May 2020	There be a future development session for the Committee on Trading Companies	Robert Parkin/ Rochelle White		Timetabled for Sept 2021
26 May 2020	Future 'to note' items are sent to members in advance of Committee publication deadlines	Robert Fox		Ongoing
CLOSED ACTIONS				
31 July 2020	A report on information security and governance to be submitted to the Committee. This to be included in the work programme at an agreed date.	Robert Parkin		Report to come to March
27 November 2020	That an update on the progress of the actions against the recommendations in the Lancaster Way report be brought to the next meeting of the Committee.	Jon Alsop/ Paul Raynes		To be included within the Assurance Framework – due to come to committee in March 2021

26 May 2020	Update from the Data Protection Officer Update to include data on aspects such as the volume of data, any requests for erasure etc.	Robert Parkin	Rochelle Tapping	January 2021 – included in report March
29 January 2021	Report on proposals for how the committee will receive updates on incidents of fraud, whistleblowing, complaints etc	Robert Parkin	Anne Gardiner	Report to come to March 5th
29 January 2021	Capital Strategy to be brought to March meeting with the changes to be highlighted for ease of reference.	Rob Emery		Report to come to March 5th
2 October 2020	A joint audit meeting with the internal and external auditors be programmed for April 2021	Internal Auditors/External Auditors	Anne Gardiner/Jon Alsop	Programmed for April 2021
29 January 2021	Company governance/oversight to be reported on within the Assurance Framework – how the committee will review governance of new companies.	Robert Parkin/Rochelle Tapping		Note to be included within the Assurance Framework report and a more detailed report to come to later meeting.
29 January 2021	Officers to review meetings calendar to ensure they align with statutory financial deadlines.	Jon Alsop/Anne Gardiner	Jon Alsop	Completed 4th Feb – meeting invites circulated to members

2 October 2020	The next report to the Committee to include a description on how the Climate Change risk is being managed	Robert Parkin		27th November 2020
26 May 2020/31 July 2020/2 October 2020	The Committee agreed to an independent review of the Lancaster Way Traffic Scheme	John Pye (Chair)/Robert Parkin/Jon Alsop		Chair's Announcement at 31 July 2020 meeting and further update at this meeting – Final report received at Nov 27th 2020 meeting.
2 October 2020	A further update on liaison between the Combined Authority and civil servants at the MHCLG to be provided	Kim Sawyer	Kim Sawyer	To be provided at the Committee meeting of 29 January 2021
27 November	A report on the audit on Cyber Security and IT systems and the attempted fraud to come to the January Committee meeting.	Internal Auditors	Dan Harris	Included within the Internal Auditors Report
2 October 2020	To provide detail to the Committee on how much is being spent on the three officers mitigating on EU exit, factoring in the EU exit grant the Combined Authority receives.	Jon Alsop		Verbal Update provided at January 2021 meeting
27 November 2020	Members to be sent email providing some clarity around the settlement payment for senior member of staff	Dermot Pearson	Dermot Pearson	Email sent to members – 10th December 2020
26 May 2020	Value for Money Workshop	Robert Fox/Jon Alsop		Completed November 2020

2 October 2020	At the 27 November 2020 meeting there should be detail on the risk register on those risks that are not included in the sequential number presentation (i.e. why are these no longer considered to be corporate risks)	Robert Parkin	Francesca Houston	Completed on agenda
2 October 2020	The Chief Executive to respond to the Committee on the criteria for the Market Town strategies and whether the response to Covid-19 relates to the commercial sector response or whether it also includes the community and health responses too	Kim Sawyer		Completed
2 October 2020	A full internal audit plan be presented to the Committee on 27 November 2020	Internal Auditor		Completed on agenda
2 October 2020	The final statement of accounts and External Audit Opinion to be received at the meeting of 27 November 2020	Jon Alsop		Completed on agenda
2 October 2020	The letter to Whitehall with regard to quoracy to be shared with the Chairs of the Audit & Governance Committee and Overview & Scrutiny Committee for input and approval prior to being sent	Robert Parkin		Completed. Response from the MHCLG awaited
2 October 2020	The Work Programme for the Committee to include the additional protocols for the Constitution as approved by the Combined Authority Board	Robert Parkin	Scrutiny Officer	Completed on agenda
31 July 2020	The Mayor of the CA be invited to the 2 October 2020 meeting of the Committee to update on the MHCLG correspondence	Scrutiny Officer		Completed on agenda for 27 November 2020; the Mayor being absent

31 July 2020				on leave on 2 October
31 July 2020	The Internal Audit Plan 2020/21 to be presented at the 2 October 2020 meeting of the Committee	Jon Alsop	RSM UK	Completed on agenda
31 July 2020	That a date for the workshop session for the Constitution review be forwarded to the Committee members as soon as possible.	Robert Parkin	Scrutiny Officer	Occurred on 17 September 2020 followed by a meeting to consider Constitution revisions on 24 September
31 July 2020	The names of all on the Independent Commission on Climate Change will be provided to the Committee.	Paul Raynes	Adrian Cannard	Provided to Committee members
31 July 2020	The Constitution review should include protocols for appointments to Boards, Commissions and Working Groups.	Robert Parkin		Consideration as part of the Constitution work moving forward
31 July 2020	A further update on the Corporate Risk Register will be received at the 2 October 2020 meeting of the Committee.			Completed on agenda
31 July 2020	The work programme revisions to be published alongside the minutes of the meeting	Scrutiny Officer		Published on the CA meetings website
31 July 2020	Climate change to appear on future risk register reports to the Committee as a discrete risk.	Francesca Houston		Completed
26 May 2020	The Independent Commission on Climate Change would be commencing its work shortly. The Chair	Francesca Houston		Completed

	asked that climate change be included on the Risk Register			
26 May 2020	Adult Education Budget A & G requested a landscape view on areas where money has been contracted and the Combined Authority has the authority/obligation that standards are met.			Completed on agenda for 27 November 2020 meeting
26 May 2020	A response would be provided to the Committee related to the employment status of the Trading Companies Company Secretary	Robert Parkin		Verbal confirmation was provided at 31 July 2020 meeting
26 May 2020	Chief Executive to provide detail on the Local Transport Plan and how it relates to Peterborough	Kim Sawyer (CEO)		Provided in advance of 31 July 2020 meeting.
26 May 2020	Any changes to the membership of the Committee to be reported to the next meeting.	Robert Fox		Completed on agenda.
26 May 2020	A paper regarding Internal Audit provision following the cessation of the Service Level Agreement with Peterborough City Council would be presented to the next meeting	Jon Alsop		Completed on agenda.
26 May 2020	Action Sheets to be presented to future meetings in a format that more clearly distinguished open and closed actions	Robert Fox		Completed on agenda
26 May 2020	The Chair asked that the final statement of accounts be forwarded to members in advance of the publication deadline for the 31 July 2020 Committee meeting.	Jon Alsop		Completed

26 May 2020	A member requested further detail on the loans provided and who they were to as there are likely to be questions prompted by this	Jon Alsop		Completed on agenda
26 May 2020	The s.73 Officer agreed to make sure that the notes to the accounts provided context to the section on salaries and salary related payments, as this was likely to be an area of public interest	Jon Alsop		Completed on agenda
26 May 2020	The final statement of accounts notes would provide context to salaries and salary related payments	Jon Alsop		Completed on agenda
26 May 2020	A further update on External Audit requested for 31 July 2020 meeting	Ernst & Young		Completed on agenda
26 May 2020	The next Committee meeting on 31 July 2020 be presented with an updated risk register. That update should highlight the top three or four risks and show where risks were increasing or decreasing	Francesca Houston		Completed on agenda
26 May 2020	The presentation of the work programme be developed to improve clarity	Robert Fox		Completed on agenda
26 May 2020	Protocols for agreeing changes to the Audit Plan and developing future plans would be included as part of the next report to Committee in December 2019.	Steve Crabtree/Jon Alsop		Completed.

Agenda Item No: 5

Report title: Amendment to the Constitution

To:	Audit and Governance Committee
Meeting Date:	6th April 2021
Public report:	*Yes*
Lead Member:	Mayor James Palmer
From:	Robert Parkin, Monitoring Officer
Key decision:	No
Forward Plan ref:	N/a
Recommendations:	The Audit and Governance Committee is recommended to:

a) Note the amendments to the Constitution made by the Monitoring Officer, using his delegated powers, to remove references to non-constituent authorities.

Voting arrangements: A simple majority of all Members

1.   Purpose

1.1   The Constitution requires the Monitoring Officer, when he has exercised his delegated powers to amend the Constitution, to report any changes made to the Audit and Governance Committee as the custodians of the constitution as soon as is reasonably possible. Any changes made come into effect immediately upon being made by the Monitoring Officer.

1.2   This report advises the Committee of recent changes to the Constitution made by the Monitoring Officer to remove references to "non-constituent authorities".

1.3   As this was a textual correction to the constitution to remove erroneous references, rather than substantive changes to the way that the constitution arranges for the running or regulation of the Combined Authority, it was felt that this should be reported to the Audit and Governance Committee at this meeting rather than include it as part of the Constitution Review which will take place later this year.

2.   Background

2.1   Chapter17 of the Constitution [Officer Scheme of Delegation and Proper Officers] grants the following delegated power to the Monitoring Officer:

> *6.4   To monitor and review the operation of the Constitution on an annual basis, and to make changes to the Constitution in the circumstances set out below:*
>
> > *(a) a legislative requirement;*
> > *(b) a minor variation which is of a non-substantive nature to enable them to be kept up to date and in order;*
> > *(c) required to be made to remove any inconsistency or ambiguity; or*
> > *(d) required to be made so as to put into effect any decision of the Combined Authority or its committees or any organisational changes.*
>
> *6.5 Any such change made by the Monitoring Officer to this Constitution shall come into force with immediate effect. The Monitoring Officer will report any changes made to the Combined Authority Board as soon as is reasonably possible.*

2.2   There were several references in the Constitution to "non-constituent authorities". These were defined as "*neighbouring local authorities who have been invited to join the Combined Authority, but they are not full members.*" Non-constituent authority status was to confer no legal status or entitlement to vote and was intended to be a formal arrangement to promote a strategic approach to joint working in the development of significant policy issues.

2.3   The Local Democracy, Economic Development and Construction Act 2009 [as amended] governs the establishment of combined authorities and makes no reference to non-constituent authorities. However, the Orders establishing some combined authorities do make provision for non-constituent authorities, for example the West Midlands Combined Authority and the West Yorkshire Combined Authority. The Cambridgeshire and Peterborough Combined Authority Order 2017 makes no reference to non-constituent authorities so it is not appropriate to retain the references to them in the Constitution.

2.4 The Monitoring Officer has exercised his delegated authority to remove references to non-constituent authorities from the Constitution. At Appendices 1 to 4 are the Chapters of the Constitution which have been amended with tracked changes to show the amendments. The Chapters amended were Chapters 1, 2, 4 and 5 and the amendments made were at:

2.4.1 Chapter 1 – Summary - Paragraph 4.1(d)
2.4.2 Chapter 2 – Membership of the Combined Authority - Paragraphs 4.1 to 4.7
2.4.3 Chapter 4 – Combined Authority Board Functions - Paragraph 2.1(d)
2.4.1 Chapter 5 - Proceedings of Meetings- Paragraphs 3.2(iv), 12.2 and 16.7

Significant Implications

3. Financial Implications

3.1 There are no direct financial implications.

4. Legal Implications

4.1 The legal implications are set out in the body of the report.

5. Other Significant Implications

5.1 None

6. Appendices

6.1 Appendix 1 - Chapters 1 of the Constitution with tracked changes.
6.2 Appendix 2 - Chapters 2 of the Constitution with tracked changes.
6.3 Appendix 4 - Chapters 4 of the Constitution with tracked changes.
6.4 Appendix 5 - Chapters 5 of the Constitution with tracked changes.

7. Background Papers

7.1 The Constitution at Constitution [Dec 2020]

Appendix 1 – Chapter 1 of the Constitution with tracked changes

Chapter 1 – Summary

1. Introduction

1.1.   On 3 March 2017, Cambridgeshire and Peterborough Combined Authority was established as a Mayoral Combined Authority for the Cambridgeshire and Peterborough area. (It is a corporate body and can be referred to as the Combined Authority).

1.2.   It is made up of a directly elected Mayor and the following seven local authorities (referred to as the Constituent Councils) and the Business Board (Local Enterprise Partnership):

- Cambridge City Council;
- Cambridgeshire County Council;
- East Cambridgeshire District Council;
- Fenland District Council;
- Huntingdonshire District Council;
- Peterborough City Council; and
- South Cambridgeshire District Council.

1.3.   The Combined Authority will work with local councils, the Business Board (Local Enterprise Partnership), local public services, Government departments and agencies, universities and businesses to grow the local and national economy.

2. The Constitution

2.1.   This Constitution sets out how we work, how we make decisions, and the procedures we follow to make sure our work is efficient, and effective, and is both transparent and accountable to local people. Some of these procedures are set by law, while others are ones we have chosen to follow.

3. The Cambridgeshire and Peterborough Combined Authority Order 2017

3.1.   The Combined Authority was set up by the Cambridgeshire and Peterborough Combined Authority Order 2017 for the Peterborough and Cambridgeshire area.

4. Members of the Combined Authority

4.1.   The Combined Authority consists of the following Members:

(a)   a directly elected Mayor;
(b)   an elected Member appointed by each of the Constituent Councils;
(c)   a representative of the Business Board (Local Enterprise Partnership); and
(d)   ~~Non-Constituent Members (non-voting) as may be admitted to the Combined Authority from time to time.~~

5. Combined Authority

5.1. The Combined Authority is responsible for a number of transport, economic development and regeneration functions as set out in Parts 3 and 4 of the 2017 Order.

5.2. Those functions reserved to the Combined Authority Board are set out in Chapter 4 - Combined Authority Board Functions of this Constitution, and those reserved to the Mayor as set out in Chapter 3 - The Mayor of the Combined Authority

6. Combined Authority Board - Meetings and Procedure

6.1. The Combined Authority Members shall comprise the Board. The Board will meet in accordance with the calendar of meetings as approved by the Board from time to time.

6.2. There are three types of meeting:

(a) The Annual Meeting;
(b) Ordinary meetings; and
(c) Extraordinary meetings.

6.3. All meetings will be conducted in accordance with the Proceedings of Meetings in Chapter 5 - Proceedings of Meetings of this Constitution.

6.4. The Board may invite co-opted members to sit on the Board as set out in Chapter 2 – The Membership of the Combined Authority of this Constitution. Co-opted members may attend board meetings.

7. Executive Bodies

7.1. The Combined Authority may establish committees or sub-committees as it thinks fit to discharge its functions. The Combined Authority has established three executive committees:

(a) Transport and Infrastructure Committee
(b) Skills Committee
(c) Housing and Communities Committee

7.2. Their functions and terms of reference are set out in Chapters 8, 9 and 10 and the procedure rules are set out in Chapter 11 - Procedure rules of Executive Committee meetings.

8. Working Groups

8.1. The Combined Authority may establish informal non-decision making working groups to assist with the delivery of its objectives. The Board has set up a Land Commission as a working group. Its terms of reference are set out in Appendix 3 - Cambridgeshire and Peterborough Land Commission.

9. Joint Arrangements

9.1. The Combined Authority has the power to make arrangements with other local authorities to discharge its functions jointly.

9.2.   Such arrangements may involve the discharge of those functions by a joint committee of such authorities or by an officer of one of them.

9.3.   The Combined Authority may not arrange for the discharge of any Mayoral functions by a joint committee, unless permitted by legislation.

10.   Non-Executive Committees

10.1.   The Combined Authority is required to establish the following non-executive Committees:

(a)   an Overview and Scrutiny Committee;
(b)   an Audit and Governance Committee.

10.2.   Their functions and terms of reference are set out in Chapter 13 - Overview and Scrutiny Committee and Chapter 14 - Audit and Governance Committee.

11.   Independent Commissions

11.1.   The Combined Authority has established the following independent commission:

(a)   Public Services Reform and Innovation Commission

11.2.   The commissions' terms of reference are set out in Appendix 4 - Public Services Reform and Innovation Commission

11.3.   The Independent Commissions are independent working groups, are time limited and operate no executive decision making. They report to a public meeting of the Board or a committee nominated by the Board who will consider their recommendations and make any necessary decisions. This ensures that the work of the independent commissions is subject to public oversight and scrutiny.

12.   Business Board

12.1.   The Business Board is the Local Enterprise Partnership for its area and is a non-statutory body.

12.2.   It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.

12.3.   The Combined Authority is the accountable body for funding awarded to the Local Enterprise Partnership.

12.4.   Its terms of reference and governance arrangements are set out in Appendix 5 - Business Board

12.5.   The decision-making structure is set out below:

13.   Management Structure

Statutory Officers

13.1.   The Combined Authority will appoint a:

(a)   Head of Paid Service (known as Chief Executive);
(b)   Monitoring Officer;
(c)   Chief Finance Officer (S73);
(d)   Scrutiny Officer.

13.2.   Their functions and responsibilities are set out in Chapter 17 - Officer Scheme of Delegation and Proper Officers.

Other Chief Officers

13.3.   The Combined Authority will appoint other Chief Officers it considers necessary to carry out its functions in accordance with the Chapter 18 - Officer Employment Procedure Rules.

13.4.   The current structure as at May 2019 is set out below:

13.5.   The Mayor has also appointed a Chief of Staff, Mayoral Adviser and Senior Policy Adviser. These officer appointments to the Mayoral Office is subject to the protocol set out in chapter 18 Officer Employment Procedure Rules.

14.   Other Staff

14.1.   The Combined Authority may engage such staff (referred to as Officers), as it considers necessary to carry out its functions.

15.   Decision Making

15.1.   Decision making will be in accordance with the arrangements set out in this Constitution.

15.2.   In summary, they will include

(a)   decisions reserved to the Combined Authority Board;
(b)   decisions reserved to the Mayor;
(c)   decisions reserved to executive committees;
(d)   decisions made by Officers.

15.3.   The functions of the Combined Authority may be undertaken by the Board or delegated to executive committees or Officers.

15.4.   The functions of the Mayor may be undertaken by the Mayor or delegated to individual members and Officers.

16.   Finance, Contracts and Legal Matters

16.1.   The management of the Combined Authority's financial affairs will be conducted in accordance with the Financial Regulations set out in Chapter 15 - Financial Management Procedure Rules.

16.2.   The management of its legal affairs will be conducted in accordance with this Constitution.

17.   Public Rights

17.1.   The rights of the public are set out in the Transparency Rules, Forward Plan and Key Decision Chapter 6 - Transparency Rules, Forward Plan and Key Decisions.

17.2.   Any public enquiries should be addressed to the Chief Executive at the Combined Authority Offices.

18.   Monitoring and Reviewing the Constitution

18.1.   The Monitoring Officer will regularly monitor and review the operation of the Constitution.

18.2.   The Chief Finance Officer shall be responsible for monitoring and keeping under review the Financial Regulations set out in the Constitution.

18.3.   It is the responsibility of the Combined Authority Board to review the Constitution annually.

19.   Changes to the Constitution

19.1.   The Constitution will be amended as the Combined Authority develops.

19.2.   Changes to the Constitution will be agreed by the Combined Authority Board in accordance with the voting arrangements as set out in Chapter 5 - Proceedings of Meetings unless in the reasonable opinion of the Monitoring Officer a change is required in the circumstances set out in his/her delegated powers. Chapter 17 - Officer Scheme of Delegation and Proper Officers

20.   The Common Seal of the Combined Authority

20.1.   The Common Seal of the Combined Authority will be kept in a safe place in the custody of the Monitoring Officer. A decision of the Combined Authority, or any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Monitoring Officer should be sealed. The affixing of the Common Seal will be attested by the Monitoring Officer or some other person authorised by the Monitoring Officer.

Appendix 2 – Chapter 2 of the Constitution with tracked changes

Chapter 2 - The Membership of the Combined Authority

1.   Directly Elected Mayor

1.1.   The Cambridgeshire and Peterborough Combined Authority Order 2017 creates the office of a directly elected Mayor for the area of the Combined Authority.

1.2.   The first election of the Mayor took place in May 2017 and the term of office shall be four years.

1.3.   Each subsequent election shall take place in each fourth year following the first election on the same day of an ordinary election.

2.   Constituent Councils

2.1.   Each of the Constituent Councils shall appoint a Member (usually its Leader) to be a Member of the Combined Authority and another Member to act in the absence of the appointed Member (the Substitute Member). All appointments shall be for a one-year term.

2.2.   A person will cease to be a Member or a Substitute Member of the Combined Authority if they cease to be a Member of the Constituent Councils that appointed them. The Constituent Councils shall appoint or nominate a replacement as soon as possible.

2.3.   A Member or Substitute Member may resign by giving written notice to the Proper Officer of their Constituent Council, and the resignation takes effect on the receipt of the notice. The relevant Constituent Council shall notify the Combined Authority forthwith of the resignation.

2.4.   Each Constituent Council shall at any time be entitled to terminate the appointment of a Member or Substitute Member appointed to the Combined Authority and replace that Member or Substitute Member.

2.5.   The Constituent Council must give written notice of the new appointment and the termination of the previous appointment to the Combined Authority. The new appointment shall take effect and the previous appointment terminate at the end of fourteen days from the date on which the notice was given, or such longer period not exceeding one month .

3.   Business Board (Local Enterprise Partnership)

3.1.   The Business Board will nominate one of its Members, normally the Chair, to be a Member of the Combined Authority and another Member to act in the absence of the appointed Member (the Substitute Member).

3.2.   The Combined Authority will consider the nomination and appoint the Business Board Member and the Business Board Substitute Member. Each appointment shall be for a one-year term.

3.3.   A person will cease to be a Member or a Substitute Member of the Combined Authority if they cease to be a Member of the Business Board that nominated them. The Business Board shall appoint or nominate a replacement as soon as possible.

3.4.   A Member or Substitute Member may resign by giving written notice to the Chair or Vice-Chair of the Business Board, and the resignation takes effect on the receipt of the notice. The Business Board shall notify the Combined Authority forthwith of the resignation.

3.5.   Where the Business Board terminates an appointment and nominates another of its Members in that person's place, it must give written notice of the new nomination and the termination of the previous appointment to the Combined Authority.

3.6.   The Combined Authority must consider the appointment of the nominated Business Board Member at the next meeting of the Combined Authority. The new appointment shall take effect and the previous appointment terminate upon the determination of the appointment by the Combined Authority.

4.   Non-Constituent Members

4.1.   The Combined Authority may invite Non-Constituent Councils to be Non-Constituent Members of the Combined Authority. Non-Constituent Members are neighbouring local authorities who have been invited to join the Combined Authority, but they are not full Members. Non-Constituent Members may be invited to sit on Working Groups.
4.2.   All decisions on admission of Non-Constituent Councils shall be made formally by proposal and report at a Combined Authority Board meeting.

4.3.   A proposal for an authority to be given non-constituent council status may be made by any Constituent Council Member or the Mayor and must be agreed by a two thirds majority of those present and voting. Non-Constituent Council status takes effect upon agreement by the Board. This will be an annual appointment and will be reviewed at each annual meeting of the Board.

4.4.   Non-Constituent Council status confers no legal status and no entitlement to vote and is a formal arrangement to promote a strategic approach to joint working in the development of significant policy issues.

4.5.   A Non-Constituent Council shall be represented at meetings of the Combined Authority by a named Member or a named Substitute to be approved by the Board.

4.6.   Such Member or Substitute Member may participate in the debate on issues relevant to their organisation on agenda items and must comply with the terms of the Constitution as they relate to debate but will not have entitlement to vote on any issue or agenda item.

4.7.   The Chair of any meeting of the Combined Authority may require the Member or Substitute to absent themselves from any meeting of the Combined Authority at the Chair's discretion.

5.4.   Co-opted Members

5.1.4.1.   The Combined Authority may invite organisations with direct responsibility for functions relevant to the Combined Authority objectives to become Co-opted Members to attend the Combined Authority Board and may take part in the debate. All decisions on Co-opted Members shall be made formally by proposal and report at a Combined Authority Board meeting.

5.2.4.2.   A proposal for an authority to be given Co-opted Member status may be made by any Constituent Council Member or the Mayor and must be agreed by a two thirds majority of those present and voting. Co-opted Member status takes effect upon agreement by the Board.

5.3.4.3.   Co-opted Members appointed to the Board are listed in Appendix 2 - Co-opted Members to this Constitution.

5.4.4.4.   Co-opted Member status confers no legal status and no entitlement to vote and is an informal arrangement to promote a strategic approach to joint working in the development of significant policy issues.

5.5.4.5.   A co-opted member organisation shall be represented at meetings of the Combined Authority Board by a named representative or a named Substitute. Notice of the names of the Co-opted Members' representative or Substitute must be provided to the Monitoring Officer by the Co-opted Member organisation at least two working days prior to attendance at any meeting of the Board.

5.6.4.6.   Such representative or substitute may participate in the debate on issues relevant to their organisation and must comply with the terms of the Constitution as they relate to debate, but they will not have entitlement to vote on any issue or agenda item.

5.7.4.7.   The Chair of any meeting of the Combined Authority may require the Co-opted Members' named representative or named substitute to absent themselves from any meeting of the Combined Authority at the Chair's discretion.

Appendix 3 – Chapter 4 of the Constitution with tracked changes

Chapter 4 - Combined Authority Board Functions

1. Functions reserved to the Board

1.1. The following functions are reserved to the Combined Authority Board:

Strategies and Plans

1.2. The adoption of, and any amendment to or withdrawal of the following plans and strategies:

(a) The Mayor's growth ambition statement;
(b) Business Plan;
(c) Business cases for key priority projects identified in the Business Plan;
(d) Local Industrial Strategy;
(e) Local Transport Plan;
(f) Bus Strategy;
(g) Approval of the key route network;
(h) Skills Strategy;
(i) Housing Strategy;
(j) Investment Strategy;
(k) Non-Statutory Strategic Spatial Plan;
(l) Market Town Masterplans for Growth;
(m) Business Plan, Annual Accounts and Shareholders Agreement for Cambridgeshire and Peterborough Combined Authority Holding Company;
(n) Other strategies and plans as agreed.

Frameworks

1.3. The adoption of, and any amendment to or withdrawal of the following framework documents:

(a) Assurance Framework;
(b) Monitoring & Evaluation Framework.

Financial Matters

1.4. The adoption of, and any amendment to or withdrawal of the following financial documents:
(a) The non-mayoral Combined Authority budgets;
(b) Approval of carry forward of any underspent balances between financial years;
(c) Annual spending plans for the allocation of transport-related funding;
(d) Treasury Management Strategy including approval of borrowing limits;
(e) Medium Term Financial Plan and Capital Programme
(f) Fiscal Strategy to reflect any taxation proposals, such as Business Rates, Local Taxation, and to approve any requests to Government for additional powers.

1.5. Consultation on the allocation of Local Highways Maintenance Capital Grant

1.6. Approve budget allocations for feasibility work from the non-transport feasibility fund

1.7.   Approve business cases and loans to third party businesses including wholly owned subsidiaries;

1.8.   Approve applications to bid for external funding where there are wider budgetary implications, or the bid relates to a matter outside the strategic framework.

1.9.   Approval of virements of £500k and over;

1.10.   In relation to the Mayor's General Budget:

(a)   The approval of the draft budget (or revised draft budget) or
(b)   The decision to veto the draft budget (or revised draft budget) and approval of the Mayor's draft budget incorporating the Combined Authority Board's recommendation as the relevant amounts and calculations.

in accordance with the Budget Framework Procedure Rules

Accountable Body

1.11.   Auditing decisions for funding approved by the Business Board for Local Growth Funds, Growth Hub funding, Energy Hub funds and Enterprise Zones funds.

Governance

1.12.   Decisions related to:

(a)   Adoption and amendment of the Constitution;
(b)   Establishment and membership of Committees and Sub-Committees;
(c)   Establishment and membership of Joint Committees and Commissions;
(d)   Approve the nomination of lead member responsibilities and membership and chairs of executive committees and sub-committees upon recommendation from the Mayor;
(e)   Approval of Mayoral Allowance and any other allowance schemes;
(f)   Appointment of an Independent Person of the Audit and Governance Committee;
(g)   Appointment of Statutory Officers;
(h)   Delegation of functions to third parties;
(i)   Establishment of Trading Companies;
(j)   Any other matters reserved to the Board.

1.13.   The Combined Authority shall exercise the general power of competence in relation to any of its functions after having due regard to the advice of the Monitoring Officer and Chief Finance Officer.

1.14   The Combined Authority Board shall have the power to reserve decisions to itself which would otherwise be taken by the Executive Committees.

2.   Membership of the Board

2.1.   The Combined Authority Board consists of the Members as set out below:

(a)   The Mayor, or deputy Mayor acting in his/her absence

(b)   An elected Member appointed by each of the Constituent Councils or Substitute Members acting in their place;

(c)   A Representative of the Business Board or Substitute Members acting in their place;

(d)   ~~Non-Constituent Members (non-voting) as may be admitted to the Combined Authority from time to time;~~

~~(e)~~(d) Co-opted Members (non-voting) invited to attend who shall be present to contribute on issues related to the organisation they represent.

2.2.   If a Member fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the authority, then, subject to certain exceptions, they cease to be a Member of the Board.

3.   Functions of the Combined Authority

3.1.   The functions of the Combined Authority are grouped into lead member responsibilities, allocated to Constituent Council Members of the Combined Authority and include the following responsibilities:

(a)   To lead and champion their allocated lead member functions;

(b)   To act as key spokesperson for the Combined Authority within their respective Constituent Councils

(c)   To chair and lead a committee where established;

(d)   To provide leadership for officers on the development of key strategic documents or investment proposals for approval by relevant committees or the Combined Authority Board;

(e)   To provide leadership for their geographical area within the collective Combined Authority into future devolution proposals and public sector reform;

(f)   To liaise with Members holding similar lead member responsibilities within the Constituent Councils.

(g)   To lead on the development of key strategic documents for approval by the Combined Authority;

(h)   To develop and present investment proposals to the Combined Authority;

(i)   To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas;

(j)   To input into future devolution proposals and public sector reform.

3.2.   The Portfolios are set out in Appendix 1 – Lead Member Responsibilities.

4.   Executive Bodies

4.1.   The Combined Authority Board has the power to delegate its functions, which are not reserved to it, to Committees, Sub-Committees, Officers, Joint Committees or other Local Authorities. The Board cannot delegate its functions to individual members of the Board.

Working Groups

4.2.   The Combined Authority may establish informal working groups. These groups are non-decision making groups of Officers and Members. The Combined Authority has established the

Land Commission as a working group of the Combined Authority. The terms of reference are set out in Appendix 3 - Cambridgeshire and Peterborough Land Commission.

Membership

4.3.   The Combined Authority shall appoint the membership of all executive committees, sub-committees, joint committees and working groups, including the appointment of the Chair and Vice-Chair, Substitute Members and any Co-opted Members. In accordance with Chapter 3, the Mayor shall nominate the membership and chairs of any executive committees to the Board for approval.

4.4.   The political balance rules apply to all committees, sub-committees and joint committees where political groups are formed. Where political groups are not formed the Combined Authority has agreed that at least one member of a party not of the same political affiliation as the Mayor shall be appointed to all committees.

4.5.   The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings. The new appointment shall take effect after the nomination has been approved by the Monitoring Officer.

Quorum

4.6.   The quorum for all committees, sub-committees and working groups is at least two-thirds of the total number of Members and may be no fewer than three Members.

Access to meetings

4.7.   The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees. (Chapter 6 - Transparency Rules, Forward Plan and Key Decisions). They do not apply to working groups and commissions

Appendix 4 – Chapter 5 of the Constitution with tracked changes

Chapter 5 - Proceedings of Meetings

1. Introduction

1.1. These rules apply to Combined Authority Board meetings and, where appropriate, to any committees or sub-committees of the Board. For as long as the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 or other legal provision having a like effect remain in force the Virtual/Hybrid Meeting Protocol at Annex 1 to this Chapter shall apply and any conflict between the Protocol and this Chapter shall be resolved in favour of the Protocol.

1.2 These rules apply to Combined Authority Board meetings and, subject to the limitations set out in section 8 of Chapter 11 of this Constitution [Procedure Rules of Executive Committees], to any committees or sub-committees of the Board.

2. Types of Meetings

2.1. There are three types of meeting:

(a) The Annual Meeting of the Combined Authority;
(b) Ordinary meetings;
(c) Extraordinary meetings.

3. Annual Meeting

3.1. The Combined Authority will normally hold an Annual Meeting (between 1 March and 30 June) following Constituent Councils' Annual Meetings.

3.2. The Annual Meeting will:

(i) note the appointment of Members of Constituent Councils and the Business Board (and their Substitute Members);

(ii) receive any declarations of interest from Members;

(iii) approve minutes of the last meeting;

(iv) appoint any ~~Non-Constituent Members or~~ Co-opted Members;

(v) approve lead members responsibilities;

(vi) appoint such executive Committees as the Combined Authority considers appropriate, their membership and the Chair and Vice-Chair;

(vii) appoint the Overview and Scrutiny Committee and Audit and Governance Committee (including their terms of reference, size, the allocation of seats to political parties in accordance with the political balance requirements) in accordance with nominations received from Constituent Councils;

(viii)   appoint the Chair and Vice-Chair of the Audit and Governance Committee;

(ix)   agree the programme of the Ordinary Meetings of the Combined Authority for the forthcoming year, and appropriate advanced notification of other planned meetings of Committees; and

(x)   be followed by an Ordinary Meeting to consider any other business set out in the notice convening the meeting.

3.3.   The Combined Authority Board may decide at subsequent meetings to dissolve Committees, alter their terms of reference or to appoint new Committees.

4.   Ordinary Meetings

4.1.   The Combined Authority Board will decide on the number of Ordinary Meetings to hold in each municipal year in addition to its annual meeting. Each meeting will be held at a time and place as the Combined Authority decides.

4.2.   Ordinary Meetings will:

(i)   approve the minutes of the last meeting;

(ii)   receive any declarations of interest from Members;

(iii)   receive any announcements from the Mayor;

(iv)   receive questions from, and provide answers to the public in accordance with Standing Order 18 below;

(v)   receive petitions in accordance with Standing Order 19 below;
(vi)   receive and consider reports from its Officers, Committees and Sub-Committees and working groups;

(vii)   deal with any business from the last Combined Authority meeting; and

(viii)   consider motions on notice and any other business specified in the summons to the meeting.

4.3.   Unless otherwise determined by statute, the Chair may vary the order of the agenda at their absolute discretion and may allocate or re-allocate an appropriate time for the transaction of each item.

4.4.   If any issues arise at a meeting in relation to interpretation of the meeting procedure rules the Chair's decision shall be final.

Urgency

4.5.   The Chair may determine that an item of business that has not been open to prior public inspection, should be considered at the meeting as a matter of urgency. Any urgent items shall

comply with Transparency Rules, Forward Plan and Key Decisions in Chapter 6 - Transparency Rules, Forward Plan and Key Decisions .

5.   Extraordinary Meetings

5.1.   An Extraordinary Meeting of the Combined Authority may be called by:

(i)   the Combined Authority by resolution;

(ii)   the Chair of the Combined Authority;

(iii)   the Chief Executive of the Combined Authority;

(iv)   the Monitoring Officer; or

(v)   any three Members of the Combined Authority if they have signed a requisition presented to the Chair of the Combined Authority and the Chair has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

5.2.   The business to be conducted at an Extraordinary Meeting shall be restricted to the items of business contained in the request for the Extraordinary Meeting and there shall be no consideration of previous minutes or reports from Committees etc. except that the Chair may at his/her absolute discretion permit other items of business to be added to the agenda for the efficient discharge of the Combined Authority's business.

6.   Notice of meetings and Agendas

6.1.   Notice of meetings, agendas and reports will be published in accordance with the Transparency Rules, Forward Plan and Key Decisions. (see Chapter 6 - Transparency Rules, Forward Plan and Key Decisions)

7.   Public Access

7.1.   As set out in the Transparency Rules, Forward Plan and Key Decisions, every meeting of the Combined Authority shall be open to the public, except where the public are excluded during the whole or part of the proceedings in certain circumstances. Copies of the agenda and any additional papers will be available for the public and media representatives.

8.   Attendance

8.1.   The Monitoring Officer shall record the attendance of each Member at the meeting.

9.   Notice of Substitute Members

9.1.   Substitute Members may attend meetings in that capacity only:

(a)   to take the place of the Member for whom they are the designated substitute where the Member will be absent for the whole of the meeting;

(b)   after they, or the Member they are substituting for, has provided the Monitoring Officer with notice of the substitution before the commencement of the meeting in question;

(c)   where an adjourned meeting is reconvened, and it is essential for that Substitute Member to continue to attend to comply with good governance.

9.2.   Substitute Members will have all the powers and duties of an ordinary Member of the Combined Authority for the duration of the meeting at which they act as Substitute but will not be able to exercise any other special powers or duties exercisable by the person for whom they are the Substitute.

10.   Chair and Vice-Chair

10.1.   From the point at which he or she takes office, the Mayor will act as Chair to the Combined Authority. The Mayor shall appoint a statutory Deputy Mayor holding statutory powers as Vice-Chair of the Combined Authority.

10.2.   If the Mayor resigns or the position is vacant, the statutory Deputy Mayor shall chair the Combined Authority Board.

10.3.   Following the appointment of the Deputy Mayor as Chair, the Combined Authority must appoint a Vice-Chair from among its Members and the appointment is to be the first business transacted. If the Mayor has appointed a second Deputy Mayor, he or she shall be the Vice-Chair.

10.4.   A person ceases to be Chair or Vice-Chair of the Combined Authority Board if they cease to be a Member of the Combined Authority.

10.5.   If a vacancy arises in the office of Chair or Vice-Chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority Board, or, if that meeting is to be held within 14 days of the vacancy arising, at the following meeting. The appointment of Chair must be the first business transacted. The appointment of the Vice-Chair should be the first business transacted after the appointment of the Chair of the Board.

11.   Quorum

11.1.   No business shall be transacted at any meeting of the Combined Authority Board unless at least five Members are present at the meeting, including:

(a)   the Mayor, or the Deputy Mayor acting in place of the Mayor, and

(b)   at least four other Members appointed by the Constituent Councils, or Substitute Members acting in their place.

11.2.   If the Mayor is not in post, or if for any reason

(a) the Mayor is unable to act, or the office of Mayor is vacant, and

(b) the deputy Mayor is unable to act, or the office of deputy Mayor is vacant,

no business shall be transacted at any meeting of the Combined Authority Board unless at least five Members of the Constituent Councils, or their Substitute Members, are present at the meeting.

12. Declaration of Interests in Meetings

12.1. Where a Member attends a meeting of the Combined Authority Board, Committees or Sub-Committees they must declare personal interests and disclosable pecuniary interests not already notified in the register of interests as defined in the Members' Code of Conduct either at the start of the meeting, or otherwise as soon as the interest becomes apparent in the course of the meeting.

12.2. All Members and their Substitute Members, ~~Non-Constituent Members~~ and Co-opted Members and their Substitute Members shall also complete a Declaration of Interest form.

12.3. In addition, where in relation to any meeting a Member has declared a disclosable pecuniary interest in a matter, the Member must leave the room for the duration of the discussion on that matter.

13. Rules of Debate

Speeches

13.1. The Chair will be responsible for the management of the meeting and will introduce each item on the agenda in the order they appear on the agenda or such order as the Chair considers most effective for the conduct of the meeting.

13.2. The Chair may invite a Member or Officer to present the item for debate.

13.3. The Chair will decide the order in which speakers will be heard and may permit both Members and Officers to speak on the item.

13.4. Members will remain seated when speaking and must address the Chair.

13.5. Speeches must be directed to the subject under discussion or to a personal explanation or point of order.

13.6. The Chair shall at his discretion determine the time permitted for speeches and the number of speeches to be made by any Member or Officer.

13.7. A Member may move a motion without giving notice as required by paragraph 14 below based upon recommendations in a report or may move amended or alternative recommendations.

13.8. If an amendment is moved the mover of the original motion has the right of reply on the debate concerning the amendment.

13.9. The mover of the motion has a right of reply at the end of the debate immediately before it is put to the vote.

14. Motions Submitted in the Name of a Member

14.1.   Any Member of the Board appointed by a Constituent Council or the Business Board may give notice of a motion for consideration at any ordinary meeting of the Combined Authority.

14.2.   The Monitoring Officer shall only accept a notice of motion which relates to those matters for which the Combined Authority has powers, duties or responsibility, or which affect the area of the Combined Authority or part of it or its citizens. He/she shall keep a record of the date and time at which every motion is delivered to him/her.

14.3.   The motion must not be:

(a)   illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of Combined Authority or Constituent Council staff;

(b)   substantially the same as a motion which has been put at a meeting of the Combined Authority in the past year.

14.4.   Unless the Chair of the Combined Authority Board is of the opinion that a motion should be considered as a matter of urgency, notice of every motion to be moved at any meeting of the Combined Authority Board shall be delivered to the Monitoring Officer in writing not later than 12 noon on the sixth working day before the day of the Combined Authority meeting, but not including the day of the meeting itself.

14.5.   Motions will be listed on the agenda in the order of which notice is received by the Monitoring Officer unless the Member giving notice states that they propose to move it to a later meeting or withdraw it.

14.6.   At the close of the debate on the motion, and immediately before it is put to the vote, the mover has a right of reply.

14.7.   Where notice of a motion has been given and has been included on the agenda for a meeting of the Combined Authority, but the motion has not been moved and seconded (for whatever reason) that motion shall lapse.

14.8.   Where a meeting of the Combined Authority is cancelled, postponed or adjourned to a later date any unconsidered motions will be considered at the next ordinary meeting of the Combined Authority Board or at a later meeting selected by the Member proposing the motion.

15.   Amendment to Motions

15.1.   An amendment shall be relevant to the motion and shall either:

(a)   refer the matter to the appropriate body or individual for consideration or reconsideration;
(b)   leave out words; or
(c)   insert or add other words,

as long as the amendment does not have the effect of negating the motion.

15.2.   Under normal circumstances, only one amendment may be moved and discussed at a time, and no further amendment shall be moved until the amendment under discussion has been disposed of.

15.3.   However, the Chair may permit two or more amendments to be discussed together (but not voted upon) if circumstances suggest that this course would facilitate the proper conduct of business and may direct the order in which such amendments are to be put to the vote.

15.4.   If an amendment is not carried, other amendments may be moved to the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the substantive motion upon which any further amendment may be moved.

16.   Voting

General Voting

16.1.   Each voting Member shall have one vote. There shall be no casting vote. A "Member" includes:

(a)   the Mayor;

(b)   a Constituent Council Member or a Substitute Member acting in that Member's place; and

(c)   a Member appointed from the Local Enterprise Partnership.

16.2.   Except decisions to which special voting arrangements apply, all decisions of the Board shall be decided by a majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.

16.3.   If a vote is tied it is deemed not to have been carried.

16.4.   If there is a deadlock, the matter shall be brought back to the next meeting of the Combined Authority Board.

16.5.   The proceedings of the Combined Authority are not invalidated by any vacancy among its Members or Substitute Members or by any defect in the appointment or qualifications of any Member or Substitute Member.

16.6.   If for any reason:

(a) the Mayor is unable to act, or the office of Mayor is vacant, and

(b)   the deputy Mayor is unable to act, or the office of deputy Mayor is   vacant,   the other members of the combined authority must act together in place of the Mayor taking decisions by a simple majority.

Special Voting

16.7.   A decision on a question relating to:

(a)   amendments to the Constitution;

(b)   determining a request by an organisation to become a Co-opted Member on the Combined Authority Board; or

(c)   admission to the Combined Authority as a non-Constituent Council Member;

requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) present and voting.

16.8.   A decision on a question relating to:

(a)   the Transport Plan;

(b)   any spending plans or plans for the allocation of transport-related funding;

requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

Voting on the Mayoral Matters

16.9.   A decision on a question relating to a proposal by the Mayor to exercise the general power of competence which involves:

(a)   property, rights and liabilities passing between the Combined Authority and any Constituent Authorities; or

(b)   the preparation and publication of the Mayor's strategy for spatial development in the Combined Authority area;

requires a unanimous vote by all Members of the Combined Authority appointed by the Constituent Councils (or their Substitute Members).

16.10. A decision to reject the Mayoral budget, Mayoral strategy or Mayoral spending plan requires a vote in favour by at least two-thirds of all Members appointed by Constituent Councils (or their Substitute Members). The two-thirds must be present and voting.

Recorded Votes

16.11. A Member may ask immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.

16.12. Where Members vote on the budget, the vote will be recorded.

Voting on Appointments

16.13. If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

17. Minutes

17.1.   The minutes of the proceedings of each meeting of the Combined Authority Board, or any Committee or Sub-Committee of the Combined Authority Board, shall be retained by the Combined Authority and shall include the names of Members and Substitute Members present at any meeting.

17.2.   The minutes must be signed at the next ordinary meeting of the Combined Authority by the Chair. No discussion shall take place upon the minutes except about their accuracy. Any signed minutes are to be received in evidence without further proof.

17.3.   Until the contrary is proved a meeting of the Combined Authority Board or its Committees or Sub-Committees, a minute of whose proceedings has been signed in accordance with paragraph 17.2, is deemed to have been duly convened and held, and all the Members and Substitute Members present at the meeting are deemed to have been duly qualified.

18. Questions by the Public

18.1.   Where there is an item on the agenda that has attracted significant public attendance, that matter shall normally be taken early in the agenda, unless the Chair agrees there is a compelling reason to do otherwise.

18.2   Members of the public, who are residents of the Combined Authority area or work in the area, may ask questions of a Member of the Combined Authority at Combined Authority Board meetings, including at an Extraordinary Meeting, or at an Executive Committee. For Extraordinary Meetings, the question must relate to the item on the agenda.

Questions by the Members

18.3   The Overview and Scrutiny Committee has adopted a pre-scrutiny model whereby it meets before every Combined Authority Board meeting to scrutinise the Board's agenda. At this meeting, the Committee shall discuss and formally agree by means of a vote a list of questions to be raised at the next Combined Authority Board meeting following discussion with officers and relevant executive board members. The agreed list of questions shall be raised by the Chair, on behalf of the Committee, at the next Combined Authority Board meeting.

18.4   Members of Constituent Councils should submit any questions on items on the Combined Authority Board agenda to the Overview and Scrutiny Committee scrutinising that Board agenda. Requests to speak at meetings of the Combined Authority Board on items on the Board's agenda will then be at the discretion of the Mayor.

18.5   Members of Constituent Councils may also ask questions of a Member of the Combined Authority at executive committees.

18.6   Members of Constituent Councils may ask questions of a Member of the Combined Authority at a Combined Authority Board meeting, including at an Extraordinary Meeting, provided the question is not substantially the same as a question which has been put to the Board by the Chair of the Overview and Scrutiny Committee or one of its Executive Committees.

Time Limit

18.7   The total time allocated for questions by the public and Members shall normally be limited to a maximum of 30 minutes, but the Chair shall have the discretion to add a further 15 minutes.

Order of Questions

18.8   Questions raised by the Chair of Overview and Scrutiny Committee will be taken first at the relevant item followed by questions submitted by the public. Priority will be given to questions on items on the agenda for the meeting, or issues where decisions are expected before the next meeting. Questions will be taken at the meeting in the order in which they were received.

Notice of Questions

18.9   A question may only be asked if it has been submitted in writing or by electronic mail to the Monitoring Officer no later than midday three working days before the day of the meeting. Each question must give the name and address and contact details of the questioner, the name of the organisation if the question is being asked on their behalf, details of the question to be asked, and the name of the Member of the Combined Authority Board to whom it is to be put.

Number of Questions

18.10 At any one meeting no person may submit more than one question.

Scope of Questions

18.11 If the Monitoring Officer considers a question:

(a)   is not about a matter for which the Combined Authority has a responsibility or which affects its area;

(b)   is illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of the Combined Authority or Combined Authority staff;

(c)   is substantially the same as a question which has been put at a meeting of the Combined Authority Board or an executive committee in the past year;

(d)   is substantially the same as a question which has been put at a meeting of the Combined Authority Board by the Chair of the Overview and Scrutiny Committee; or

(e)   requires the disclosure of confidential or exempt information

he/she will inform the Chair who will then decide whether or not to reject the question.

Record of Questions

18.12 The Monitoring Officer shall record the question and will immediately send a copy to the Member to whom it is to be put. Rejected questions will be recorded including the reasons for rejection.

18.13 Written answers will be provided after the meeting to the person who submitted the question. Copies of all questions will be circulated to all Members. Questions and answers will be added to the Combined Authority website.

Asking the Question at the Meeting

18.14 The Chair will invite the questioner to put the question to the Member named in the notice. Up to two minutes are allowed for putting the question. If a questioner who has submitted a written question is then unable to be present, they can ask for a written response. No debate will be allowed on the question or response.

Supplementary Questions

18.15 Unless due to time shortage and the need to answer other questions means there is insufficient time for supplementary questions, a questioner may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply and must not introduce new material. One minute is allowed for putting the supplementary question.

Answers

18.16 Up to two minutes are allowed for answering a question or supplementary question. Any question which cannot be dealt with because of lack of time will be dealt with by a written answer.

19. Petitions from the public

19.1. Petitions with at least 500 signatures may be presented to the Combined Authority Board. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minutes) to outline the aims of the petition. The Chair will refer the matter to another appropriate body or to the Chief Executive, unless a relevant item appears elsewhere on the Agenda.

19.2. A petition should be received by the Monitoring Officer no later than midday three working days before the day of the meeting.

20. Conduct at meetings

Member Not to be Heard Further

20.1. If a Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair or another Member may move that the Member not be heard further. If seconded, the motion will be voted on without discussion.

Member to Leave the Meeting

20.2. If the Member continues to behave improperly after such a motion is carried, the Chair or another Member may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

General Disturbance

20.3.   If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he or she thinks necessary.

Removal of Member of the Public

20.4.   If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

Clearance of Part of Meeting Room

20.5.   If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

21.   Suspension of Procedure Rules

21.1.   All of these procedure rules except those provided for in statute may be suspended by motion on notice or without notice. Suspension can only be for the duration of the meeting and requires a two-thirds majority of those present and voting.

21.2.   The Protocol on the Webcasting of Meetings which forms Annex 2 to this Chapter shall apply to the webcasting of the meetings of the Combined Authority and its committees.

22.   Photography, Audio/Visual recording of Meetings and Blogging/Tweeting

22.1.   Please see Transparency Rules Forward Plan and Key Decisions (see Chapter 6 - Transparency Rules, Forward Plan and Key Decisions)

Agenda Item No: 6

Report title: Review of Corporate Risk Register & Risk Management Strategy

To:	Audit and Governance Committee
Meeting Date:	6 April 2021
From:	Robert Parkin Monitoring Officer
Key decision:	No
Recommendations:	The Audit and Governance Committee is recommended to: a) Review the Combined Authority's Corporate Risk Register (Appendix 1) b) Review the Proposed Corporate Risk Management Strategy (Appendix 4) c) Recommend any proposed changes to the Corporate Risk Register to be reported to the next Combined Authority Board meeting for approval. Voting arrangements: A simple majority of all Members.

1. Purpose

1.1 The Audit and Governance Committee's terms of reference include monitoring the Combined Authority's risk management arrangements including the risk register.

1.2 This report provides the Committee with the Corporate Risk Management Strategy and an update on the Corporate Risk Register.

1.3 In the interests of good governance, the Committee is requested to review the Corporate Risk Management Strategy and Corporate Risk Register and suggest any changes they would like to put forward as a recommendation to the Combined Authority Board.

2. Background

<u>Corporate Management Risk Strategy</u>

2.1 The current Corporate Risk Management Strategy was adopted by the Combined Authority in January 2020 and forms Appendix 3 to this report. The internal review report carried out by the Combined Authority's internal auditor RSM, makes suggestions as to improvements in the strategy (including, for example, the use of SMART mitigations and controls), the current strategy is attached as appendix 3 and was included in the January Audit and Governance Committee papers.

2.2 RSM, the internal auditor, suggested in its report a series of management actions to improve the Corporate Risk Management Strategy. Appendix 4 is the Corporate Risk Management Strategy with highlighted changes which are proposed following the RSM report. The changes are the following:

- References to the Government's Orange Book (Management of Risk – Principles and Concepts) enhancing the need for Risk Management within the organisation.
- Provides further clarity on internal monitoring arrangements including spot checks to ensure the risk management strategy is being adhered to.
- Additional training requirements for CPCA staff members.
- Includes the definition of Risk Appetite and Risk Tolerance, which links to the Relationship between Risk and Change Control document that was adopted by the Combined Authority in January 2021.
- Enhanced process for the escalation and de-escalation of risks.
- Introduces further monitoring and review arrangements based on residual risk scores.

<u>Corporate Risk Register</u>

2.3 The Corporate Risk Register is populated by reference to individual project risk assessments and over-arching corporate risks.

2.4 The Corporate Risk Register is reviewed by the Corporate Management Team, any risks which arise, or which become more significant between their meetings are escalated to the next Corporate Management Team meeting.

2.5 The same risk register template and terminology are used by all Project Managers during the reporting process for each project. Any risks that score over the agreed threshold on an individual project register will then also appear on the main risk register so that it can be monitored accordingly. Again, the report of the internal auditor on risk includes some recommendations around the corporate risk register.

Significant Implications

2.6 <u>Risk 20 - Potential impact of the New Trade Deal with the EU on delivery of the Combined Authority's Growth Ambition Programme (B</u>

The Residual RAG rating has been updated with the likelihood being changed from likelihood 1 (rare) to likelihood 2 (unlikely) and the impact has changed from 2 (marginal) to 3 (significant) providing a Residual RAG score of 6 and raising it from GREEN to AMBER.

2.7   Risk ID 21 – MHCLG review of £100m Housing Programme
        The Residual RAG rating has been updated with the likelihood being decreased to 3 (significant); the Impact has remained the same at 3 (significant). This has reduced the Residual RAG score from 12 to 9 and from RED to AMBER.

2.8   Risk ID 8 – Absence of funding of historic ambitious and long stalled Programmes
        The Residual Rag score has been reduced with Impact moving from 3 (significant) to 2 (marginal) to reflect the mitigation plan. This reduces the Residual RAG score to 6 and remains AMBER.

2.9   Risk ID 23 – Lack of capacity/resilience in the ICT provision to the CPCA
        A new risk has been added to the Corporate Risk Register to reflect the risk of a shortfall in the provision of an adequate ICT platform for future need - including software and systems, and equipment. Failure to have access to an application/system needed for the delivery of the CPCA project, programme, or service. This has been given a Residual RAG rating of 8 AMBER.

2.10   Below is a graph demonstrating the changes in residual risk score from the previous Audit and Governance Meeting on the 12th of January 2021 to the current Audit and Governance meeting. This reflects the changes noted above.

Residual Risk Score
12.01.21 vs 06.04.21
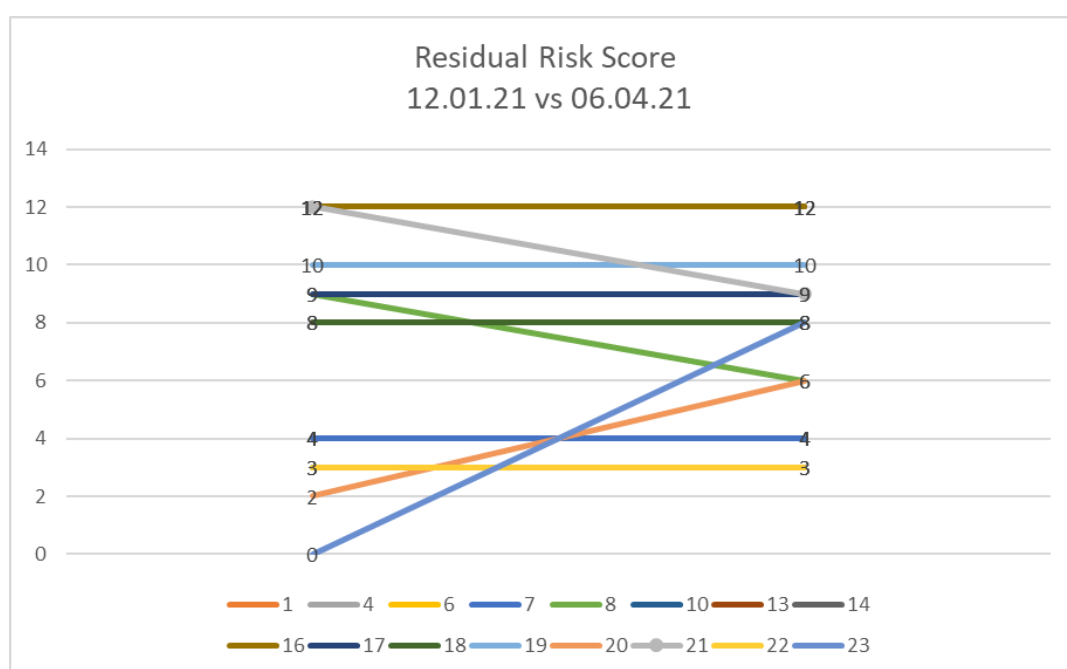
3.   Financial Implications

3.1   All of the work has been carried out in-house, therefore there are no significant financial implications to this activity.

4.   Legal Implications

4.1   No significant legal implications.

6.   Appendices

6.1   Appendix 1 – Corporate Risk Register

6.2   Appendix 2 – Corporate Risk Heat Map

6.3   Appendix 3 – Current Corporate Risk Management Strategy

6.4   Appendix 4 – Proposed Corporate Risk Management Strategy

Corporate Risk Register

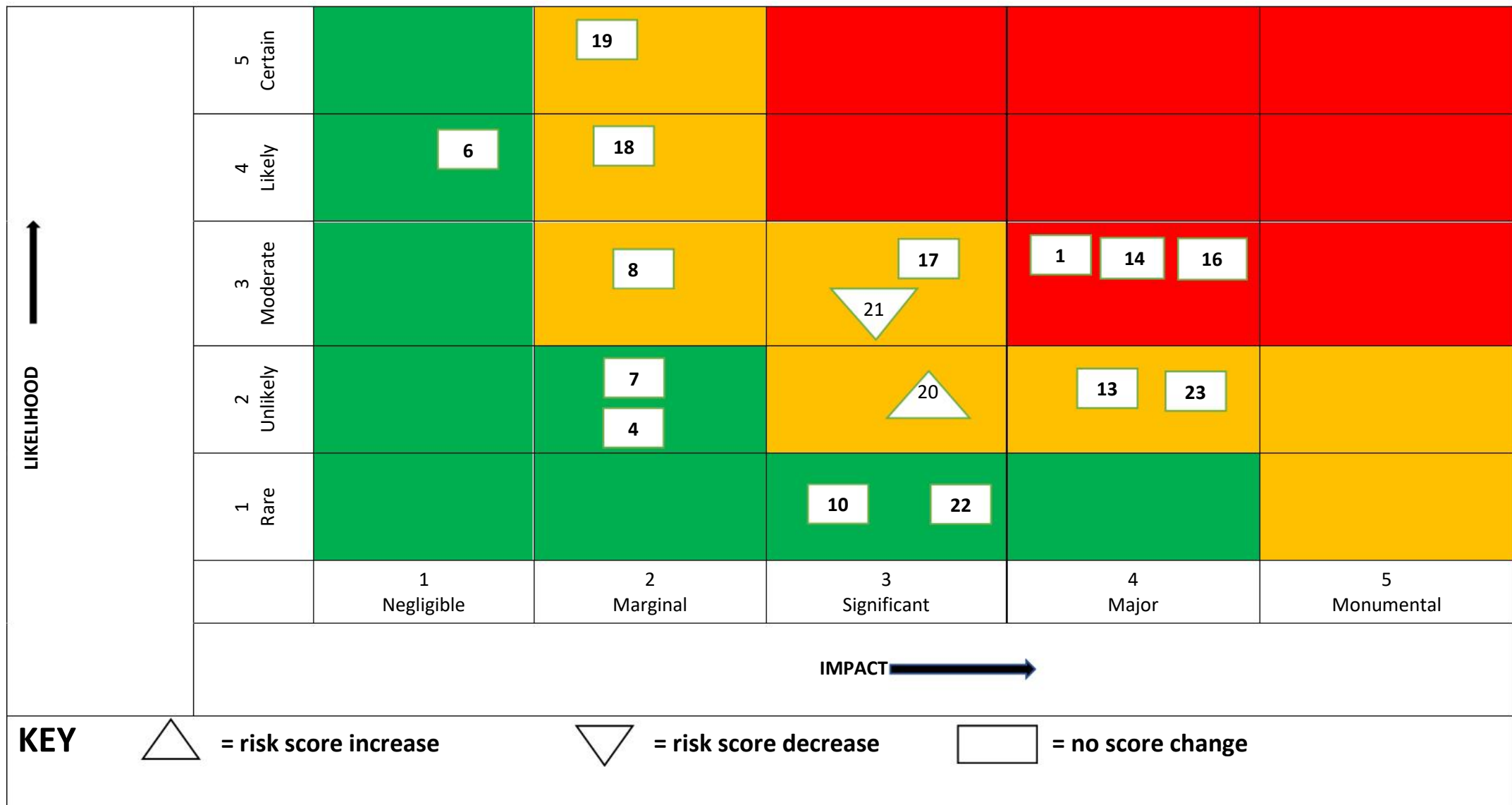| Risk ID	Date Identified	Cause(s)	Risk Event	Effect(s)	Risk Type	Risk Status	Risk Proximity	Likelihood (1-5)	Impact (1-5)	Inherent RAG score Total	Date Last Review	Mitigation Plan (Current Controls)	Mitigation Action (New Controls)	Action Owner	Date Action Closed	Likelihood (1-5)	Impact (1-5)	Residual RAG score Total	Comments/Notes/Assumptions	Risk Owner	Escalation Required?	Date Closed
1	01/09/2019	External delivery partners unable to deliver on agreed commitments to CPCA projects	External delivery partners do not meet deadlines, budget or qualitative requirements of their agreements with the Combined Authority	Projects are not delivered on time, budget, or to the required standard.	Strategic	Open	Imminent	5	4	20	24/03/2021	Close working with delivery partners through best-practice project and programme management. Political and senior leadership engagement with partners to ensure effective communication, early warning, and timely and effective escalation of issues.	(i) Ensuring compliance with CPCA project management guidance (ii) Monthly budget reporting (iii) Monthly budget monitoring (iv) Creation of programme boards to engage partners at senior level in managing larger areas of work (v) regular project reporting to Board and Committees (vi) minimising delivery partner risk on some projects by direct in-house contracting with the supply chain (vii) achieving increased clarity about roles and responsibilities in the partner landscape (viii) targeted Mayor-level political engagement with delivery partners on some projects	CMT Members, PMO, Project Managers		3	4	12	CCC (Key delivery partner) now introducing project management approach, but at an embryonic stage. Cost and timing risks still crystallising on legacy projects.	Director of Delivery & Strategy	N/A	
4	01/09/2019	Forthcoming elections	Changes in Political Management which could lead a change of priorities for CPCA	Impact on funding, contractual arrangements and investor confidence in the CA	Strategic	Open	Approaching	4	2	8	24/03/2021	Clarity around existing priorities and contractual obligations.	MTFP, Business Plan, Leaders Strategy meetings in light of the forthcoming elections.	Chief Executives		2	2	4	Elections whith result in changes in holders of office may result in programme or organisation review which could lead to changes in priorities of the organisation, but there are systems in place that are able to adapt to the change in seniority.	Chief Executives		
6	01/09/2019	Change in government policy around devolution	Lack of structural resilience / insufficient internal resources	Failure to maintain BAU due to the devolution white paper and known changes of transferring of the transport teams from PCC and CCC. Including changes in SLA requirements. Increase in subsidiary companies requiring increased employment to accelerate programmes e.g. CAM	Strategic	Open	Close	4	2	8	24/03/2021	Employed a strategy team to consider and report on the impacts. HR function to allow recruitment of additional transport function. Ensuring we have sufficient funding to allow employment.	The Directors meet weekly and are responsible for signing off recruitment to new posts. The HR team has been increased to support the organisational structure and recruitment of candidates of calibre. There are staff dedicated to programme management with a system of monthly project highlight reporting. This enables Directors to move resources to higher risk projects. We are in the process of standardising documentation to create a single source of information which builds resilience in case of individual staff members incapacity	Chief Executives		4	1	4		Chief Executives		
7	01/09/2019	Potential impact of the new Trade Deal with the EU on delivery of the Combined Authority's Growth Ambition Programme (A)	Potential impact of Brexit on delivery of the Combined Authority's Growth Ambition Programme in the short term.	Potential financial uncertainty and economic instability leading to insufficient investment in priority projects in the short term.	Strategic	Open	Close	2	4	8	24/03/2021	Establish a permanent and continuous economic insight programme to monitor sector and place impacts of Trade Deal conditions. Engagement with business organisation (FSB, CBI etc) stakeholders to augment resources, including business advice and monitoring of sentiment through Chambers. Development of an economic recovery strategy from both COVID and BEXIT that stimulate growth in relatively unaffected firms and sectors, whilt elivating the impacts for thos affected by the trade deal	Monthly monitoring of sector economic impacts and daily monitoring of business sentiment and impacts. Weekly monitoring of bulletins from MCHLG, BEIS, HMRC to ensure information is accurate and up to date, recognising funding streams relevant to need. Engagement with LEP Network and CLGU on funding for additional resources. Monitor for possible impacts resulting from the Trade Deal.	Director of Business & Skills [Brexit Lead]		2	2	4	Assumption being that CPCA re-calibrate our objectives to a new GVA figure. With the advent of a trade deal the main residual risk relates to the long term reduction in attractiveness of the UK as an inward investment destination, especially from Europe.	Director of Business & Skills [Brexit Lead]		
8	01/09/2019	Absence of funding of historic ambitious and long stalled Programmes	Ambitious and long stalled programmes can not proceed due to lack of government funding and or private investment. The levelling up fund has been announced and provides a £4b opportunity for CPCA bid a list is being prepared.	There are major programmes that will require clear and innovative funding strategies if they are to progress. CPCA funding has been used to develop the feasibility and Strategic Outline Business Cases/Outline Business Cases for such schemes. CPCA funding is intended to act as a catalyst and an enabler in bringing these schemes forward.	Financial	Open	Close	3	3	9	24/03/2021	Work is progressing on developing the business cases. Stakeholders across the wider geography are working together to tackle the issues around the growth agenda. Getting Board agreement and matching resources will help get a coordinated approach to priorities and bidding for resources. Funding sources have been identified for key sources and CPCA resources allocated to move projects to those funding decisions.	Strong budget process and funding allocation within CPCA MTFP and Business Plan. Business Case approval by CPCA Board and Stakeholders. Ongoing discussions with Whitehall departments about access to national funding programmes, such as LLM	Directors		2	2	4		Chief Finance Officer		
10	01/09/2019	Lack of Resource Planning & Financial Management practices	Absence of Resource Planning & Financial Management	The organisation has no clear budget and capital programme that sets out how resources will be deployed and managed within. This is fundamental to any proper management process and any reporting that will be required by CPCA Board, Stakeholders and Government. Without this, no prioritisation takes place and there is no clear measurement of outcome v ambition. It is the framework for sound decision making.	Financial	Open	Imminent	2	5	10	24/03/2021	A comprehensive Medium Term Financial Plan was approved at Board in January which focused on refreshed priorities to support economic recovery. Regular CFO and Monitoring Officer to sign off all business cases and reports Monthly Budget monitoring reports	All business cases for capital spend is approved at Board Corporate approach to Monitoring & Evaluation and Action.	Chief Finance Officer		1	3	3		Chief Finance Officer		
13	01/09/2019	First 5 Year Gateway Review of Gainshare Funding (Mar 2021)	Access to Gainshare funding called into question by the Gateway Review evaluation of Gainshare	The Combined Authority is unable to access Gainshare funding	Strategic	Open	Approaching	3	5	15	24/03/2021	Provision of persuasive evidence to the Gateway Review demonstrating the good management and value for money delivered through Gainshare funding. External and internal communication plans to manage either positive or negative outcome.	CMT members to seek intelligence from MHCLG about potential notification of review outcome. PR to brief Communications team.	CMT Members, PMO Programm e Manager, Analysis and Evaluation Manager		2	4	8		Director of Delivery & Strategy		
14	01/03/2020	Covid-19 Pandemic (A)	Disruption to the operation of the Combined Authority	Potential absence of significant numbers of Combined Authority staff undermining the ability to transact the operational business of the Combined Authority	Operational	Open	Imminent	4	4	16	24/03/2021	Developed a business continuity plan based on technological advances (digital transformation)	HR support to staff working remotely. Communication with both suppliers and delivery partners. All Combined Authority staff are now working from home, with support for remote meetings. Developed on digital transformation on virtual exhibitions and online Committee / Board meetings. Liaison with suppliers to ensure continuity of supply chains. Liason with delivery partners to ensure continuity	Chief Executives		3	4	12		Chief Executives	N/A	
16	01/03/2020	Covid-19 Pandemic (B)	Disruption of the delivery of the Combined Authority objectives in regard to the short term economic objectives	Economic impact of lockdown in response to Covid-19, may have implications for future government funding and for economic activity within the Combined Authority area in the short term.	Strategic	Open	Imminent	4	4	16	24/03/2021	Support to local businesses to weather the Covid-19 lockdown - in co-ordination with the constituent councils. Following government guidelines and working with local resilience forum to plan the recovery and restoration of services. Additional budget announcements from govt.	Business Restoration and Business Recovery Groups Board reports - MTFP re-prioritisation towards economic recovery Membership of the SCG (Strategic Recovery Group) - weekly transport recovery group. Mayoral forum Chaired economic recovery group Local economic recovery strategy - will be implemented in October 2020 CSR (3 year) - submitted with Covid-19 mitigating asks. CPCA grants	Chief Executives		3	4	12		Chief Executives	N/A	
17	15/05/2020	Unbudgeted increases in cost for highways and transport schemes funded by the Combined Authority and delivered by partner agency	Unplanned significant increases in costs lead to requests for additional funding to the Combined Authority to enable schemes to proceed.	The unplanned increases in budget prejudice the Combined Authority's ability to manage its finances and could ultimately prejudice delivery of the Combined Authority's Business Plan and a balanced budget.	Financial	Open	Imminent	5	3	15	24/03/2021	Close working with delivery partners through best-practice project and programme management. Political and senior leadership engagement with partners to ensure effective communication, early warning, and timely and effective escalation of issues. Particular focus on the relationship between scheme design and cost at an early stage.	(i) Ensuring compliance with CPCA project management guidance (ii) Monthly budget reporting (iii) Monthly budget monitoring (iv) creation of a Transport Programme Board (v) stronger discipline around the composition and working of project boards for individual projects (vi) regular project reporting to Board and Committees (vii) review of historic overruns to establish cause, (vii) updating project management guidance inline with audit recommendations e.g. Lancaster Way	Director of Delivery & Strategy		3	3	9		Chief Executives and Chief Finance Officer	N/A	
18	31/07/2020	Climate Change	Climate change related events, policies and political pressures e.g. policy designed to reduce carbon emissions that restricts growth	Unable to double GVA	Strategic	Open	Close	4	4	16	24/03/2021	CPCA funding an independent climate change commission to provide advice and recommendations on how to delivery Combined Authority ambitions and to achieve net-zero. Strategic combined authority policies require business cases for the delivery of projects to be consistent with the net-zero ambition.	Preparing an implementation plan for the CPICC recommendations. Communicating the CPICC headlines, especially that its recommendations are consistent with an ambitious growth trajectory. Accommodation, travel and internal policies to reduce scope one & two emissions	Strategic Planning Manager, Head of Comms, Chief Executives		4	2	8		Chief Executives	N/A	
19	11/11/2020	Covid -19 Pandemic (C)	Disruption of the delivery of the Combined Authority objectives in regard to the long term economic objectives	Economic impact of lockdown in response to Covid-19, may have implications for future government funding and for economic activity within the Combined Authority area in the long term.	Strategic	Open	Imminent	4	4	16	24/03/2021	Support to local businesses to weather the Covid-19 lockdown - in co-ordination with the constituent councils. Following government guidelines and working with local resilience forum to plan the recovery and restoration of services. Additional budget announcements from govt.	Business Restoration and Business Recovery Groups Board reports - MTFP re-prioritisation towards economic recovery Membership of the SCG (Strategic Recovery Group) - weekly transport recovery group. Mayoral forum Chaired economic recovery group Local economic recovery strategy - will be implemented in October 2020 CSR (3 year) - submitted with Covid-19 mitigating asks. CPCA grants	Chief Executives		5	2	10		Chief Executives	N/A	
20	11/11/2020	Potential impact of the New Trade Deal with the EU on delivery of the Combined Authority's Growth Ambition Programme (B)	Potential impact of the new Trade Deal on delivery of the Combined Authority's Growth Ambition Programme in the long term	Slowing of baseline growth sufficiently to undermine CPCA current and planned interventions, rendering them unable to produce enough additive growth to hit the doubling of GVA target	Strategic	Open	Approaching	2	4	8	24/03/2021	Establish a permanent and continuous economic insight programme to monitor sector and place impacts of Trade Deal conditions. Engagement with business organisation (FSB, CBI etc) stakeholders to augment resources, including business advice and monitoring of sentiment through Chambers. Development of an economic recovery strategy from both COVID and BEXIT that stimulate growth in relatively unaffected firms and sectors, whilt elivating the impacts for thos affected by the trade deal	Monthly monitoring of sector economic impacts and daily monitoring of business sentiment and impacts. Weekly monitoring of bulletins from MCHLG, BEIS, HMRC to ensure information is accurate and up to date, recognising funding streams relevant to need. Engagement with LEP Network and CLGU on funding for additional resources. Monitor for possible impacts resulting from the Trade Deal.	Director of Business & Skills [Brexit Lead]		2	3	6	raised from green to amber on the basis of business insight being received from firms, esp SMEs, that sales are being adversly impacted by new regulations. Need to monitor whether solutions are developed by firms to adapt or not	Chief Executives		
21	11/11/2020	MHCLG Review of £100m Housing programme	Up to £45m of Government funding not provided, change of end date of £100m Housing Programme from 31st March 2021 to 31st March 2021 and potential programme loss of 243 housing units at Northstowe which MHCLG may not recognise.	£170m programme has shortage of anticipated capital and significantly reduced time and capability to deliver target of 2000 houses and the £100m programme within the £170m. Potentially significant reputational damage to CPCA housing programme likely.	External	Open	Imminent	5	5	25	24/03/2021	Outcome of review is now known, current programme being closed on 31st March 2021. Board, Committee members and key stakeholders being advised. Funding decisions have successfully prioritised on achieving affordable housing starts by supporting all those schemes that could start on site before end March 2021. MHCLG have indicated a willingness to make further funding available to support a further affordable housing programme for the period April 2021 to March 2022 subject to conditions, the practical arrangements for which are being worked upon.	Meetings ongoing with MHCLG to work out the details on how the 2021/22 affordable housing programme will work	Chief Executives / Housing Director		3	3	9	Mitigation ongoing with MHCLG discussions to work out practical details for the programme, it's future monitoring and progress reports and providing evidenced claims to enable authorisation of future funding payments.	Housing Director		
22	06/01/2021	Delivery partner authorities determining that costs incurred in relation to CPCA capital funded projects should not be treated as capital expenditure for the purposes of the relevant finance rules.	Grant funding which is expected to be treated as capital expenditure is required to be treated as revenue expenditure by CPCA, as a result of a determination by a partner delivery authority. The risk would be a consequent shortfall in revenue funding to meet the commitment.	Revenue funding deficit	Financial	Open	Approaching	2	3	6	24/03/2021	Discussions with Delivery Partners including constituent authorities. Ensure that grant determination letters are explicit in the expectation that capital grant funds will be used only for capital purposes.		All Directors		1	3	3		Chief Finance Officer		
23	25/03/2021	Lack of capacity/resilience in the ICT provision in the CPCA	Shortfall in the provision of an adequate ICT platform for future need - including software and systems, and equipment. Failure to have access to an application/system needed for the delivery of the CPCA project, programme, or service.	Programme, project, or service disruption.	Operational	Open	Approaching	2	4	8	23/03/2021	The CPCA is in discussions with the current service provider to understand the level of service offer available to the CPCA. The CPCA has commissioned the specialist consultancy "SOCITM" to undertake an ICT needs assessment and future provision plan.		All Directors		2	4	8		Chief Executives	N/A	

Combined Authority Corporate Risk Heat Map

		1 Negligible	2 Marginal	3 Significant	4 Major	5 Monumental
LIKELIHOOD	5 Certain		19			
	4 Likely	6	18			
	3 Moderate		8	17 ▽ 21	1 14 16	
	2 Unlikely		7 4	20 △	13 23	
	1 Rare			10 22		

IMPACT ➡

KEY　△ = risk score increase　　▽ = risk score decrease　　☐ = no score change

Risk Management Strategy

Cambridgeshire and Peterborough Combined Authority (CPCA)

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Contents

1. Introduction

This Risk Management Strategy outlines the approach taken by Cambridgeshire and Peterborough Combined Authority (CPCA). This guide describes the specific management activities that will be undertaken for the organisation and the individual portfolios within CPCA.

Risk management is the effective way to manage risk before it becomes an issue. It also implements processes to deal with risk escalation, promotion and issue management.

A risk can be either a threat (i.e. uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e. an uncertain event that could have a favourable impact on objectives or benefits)

The benefits gained from effectively managing risk include:

- Encouraged proactive management – strategic, operational and financial;
- Increased likelihood to deliver against objectives and targets;
- Improved identification of opportunities and threats;
- Improved operational effectiveness and efficiency;
- Improved CPCA learning;
- Improved CPCA resilience.

Issues are risk events that have happened. These were not planned and require immediate management actions. Risks when they occur become issues or as otherwise known "become realised".

The Risk Management Strategy implements section 6.3 of the Assurance Framework. "It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests".

2. Risk Policy

CPCA recognises the need for risk management to feature in our strategic, operational planning and decision-making governances. CPCA is committed to managing and minimising risk by identifying, analysing, evaluating and treating risks that may impact the future success of the organisation. The approach has the following aims:

- All staff obtain a sound understanding of the principles of risk management;
- Issues are avoided or if realised they have a reduced financial impact by an increased understanding of risk and quickly identifying mitigation responses;
- Risk management is embedded in decision making by providing visibility of risks.

The approach is based on: thinking logically; identifying key risks and what to do about each risk; deciding who is responsible and accountable for the risk; recording the risks and changes in risk exposure; monitoring the risks and learning from events.

CPCA is a complex organisation with different portfolios, these include:

- Business & Skills.

- Corporate Services.
- Housing.
- Transport & Strategy.

When dealing with particular projects within these portfolios, guidance is used through Supplementary Green Book Guidance for Optimism Bias.

3. Risk Management Aims and Objectives

The aim of risk management is to ensure that CPCA has an effective process to support better decision making through good understanding of risks and the likely impact these risks may have. In general terms, "risk management" refers to the architecture (principles, framework and process) for managing risks effectively, while "managing risk" refers to applying that architecture to particular risks.

In order for CPCA's Risk Management Strategy to be effective, all employees at CPCA should understand risk management. The core principles of the Risk Management Strategy are:

- Integral part of all CPCA processes.
- Part of decision making.
- Explicitly addresses uncertainty.
- Based on the best available information.
- Tailored approach.
- Takes human and cultural factors into account.
- Transparent and inclusive.
- Dynamic, iterative and responsive to change.
- Facilitates continual improvement of CPCA.

These principles will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within CPCA for risk management;
- Following the Risk Management Methodology (Appendix 1);
- Effective communication with all CPCA employees;
- Monitoring progress in implementing the strategy and reviewing the risk management arrangements on an on-going basis.

As stated within the Assurance Framework, "at project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight report".

Within CPCA, we have defined risk into four groups. This is to effectively implement the risk management strategy. The four risk groups are:

- Project
- Programme
- Portfolio
- Corporate

4. Roles and Responsibilities

The table below outlines the key roles within the Risk Management Strategy: -

Table 1: Roles and Responsibilities – Project Level

Role	Responsibility / Action
Corporate Risk Owner / Chief Executive	• Authorises the risk and issue management strategy and its adjustment, improvement and enforcement • Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. • In charge of monitoring the strategy / corporate risk register. • Define clear rules for escalation and promotion. • Deploys a consistent language of risk management across the corporate, portfolio, programme and its projects.
Portfolio Director	• Ownership of portfolio-level risk and issues. • Assures portfolio adherence to the risk management principles • Define clear rules for escalation and promotion. • Deploys a consistent language of risk management across the portfolio, programme and its projects. • Escalates items across the programme boundaries to Corporate Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the portfolio. • Coordinates risk and issue management interfaces with programmes. • Provides support and advice on risks and issues to programmes. • Allocates risk and issues as appropriate.
Programme Risk Owner	• Ownership of programme-level risk and issues. • Assures programme adherence to the risk management principles. • Deploys a consistent language of risk management across the programme and its projects. • Escalates items across the programme boundaries to Portfolio Director for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the programme. • Coordinates risk and issue management interfaces with projects. • Provides support and advice on risks and issues to projects. • Allocates risk and issues as appropriate.
Project Risk Owner	• Ownership of project-level risk and issues. • Assures the project adherence to the risk management principles. • Deploys a consistent language of risk management across the projects.

	• Escalates items across the programme boundaries to Programme Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the project. • Allocates risk and issues as appropriate.

Table 2: Roles and Responsibilities – Governance Level

Role	Responsibility / Action
Combined Authority Board	• Adopt and review the Risk Management Strategy. • Receive recommendations from the Audit and Governance Committee as to the Authority's arrangements for the management of risk and on the any concerns that risks are being accepted which the Authority may find unacceptable.
Business Board	• Review and challenge mitigation and exploitations at the appropriate level (in relation to matters directly controlled or indirectly accessible by the Business Board).
Audit and Governance Committee	• Initiates assurance reviews of risk and issue management effectiveness. • Reviews the Authority's risk management arrangements. The Committee will consider the Risk Management Strategy on an annual basis and will make appropriate recommendations to the Combined Authority Board. • Monitors the Authority's risk and performance management arrangements including reviewing the corporate risk register on a quarterly basis together with progress with mitigating actions and assurances.
Internal Audit	• Responsibility to undertake sufficient work to establish whether the CA has "adequate and effective" risk management, control and governance processes. • The Chief Internal Auditor provides an annual opinion on the overall systems of internal control and their effectiveness.
Monitoring Officer	• Manages and coordinates the resolution of risks relating to operational performance and benefits achievement. • Ensures that risk management cycle includes operational risks. • Manages risks that impact on business performance and transition. • Identifies operational issues and ensures that they are managed by the programme. • Identifies opportunities from the business operations and raises them for inclusion in the programme. • Contributes to impact assessments and change control. • Monitors and reports on business performance issues that may require the attention of the programme during transition.
Section 73 Officer	• The Chief Finance Officer is appointed under Section 73 Officer of the Local Government Act 1985 to ensure that proper administration of the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is

	responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds under the Cambridgeshire and Peterborough Investment. • The S73 office is also required to report to, and provide assurances to, the Audit and Governance Committee in relation to the Combined Authority's risk management and assurance mapping arrangements and has overall responsibility for maintaining adequate and effective internal control arrangements.
Project Management Office (PMO)	• Manages and coordinates the information and support systems to enable efficient handling of the programmes risk and issues. • Maintains the risk register for each programme. • Maintains the issue register for each programme. • Establishes, facilitates and maintains the risk management cycle. • Establishes, facilitates and maintains the issue management cycle. • Maintains the configuration management system (document control). • Facilitates the change control steps.

The Assurance Framework states that "Senior Officers of the Combined Authority (Chief Executive and S73 Officer) are responsible for the identification and management of risk. The Combined Authority has an Assurance Manager, to support this activity".

5. Arrangements for Managing Risk

The Risk Management Methodology to be employed at CPCA is outlined in Appendix 1, with a copy of the Issue Management Strategy within Appendix 2. The project risk and opportunity templates and guidance notes can also be found in Appendix 3 and Appendix 4. Dealing with risk events that have become issues are documented in Issue Log Appendix 5.

6. Monitoring Arrangements

To ensure that informed decisions are made, it is essential to identify key strategic risks. Strategic risks will be reviewed monthly by the Combined Authority Management Team, as per the Assurance framework and will be documented in the Corporate Risk Register.

Progress in managing strategic risks will be monitored and reported on to ensure that identified actions are delivered and risks managed.

The Corporate Risk Register will be reviewed by the Audit & Governance Committee on a quarterly basis as per the Assurance Framework.

Internal Audit will carry out a periodic review of the CPCA's risk management arrangements to provide independent assurance as to their effectiveness.

In carrying out audits throughout the year, Internal Audit will also:

- Identify and report weaknesses in the controls established by management to manage/monitor risks;
- Provide advice on the design/operation of the controls established by management to manage/monitor risk.

In order to ensure risk management is effective, CPCA will:

- Measure risk management performance against indicators, which are periodically reviewed for appropriateness.
- Periodically measure progress against, and deviation from the risk management plan.
- Periodically review whether the Risk Management Methodology, policy and plan are still appropriate given CPCA internal and external context.
- Report on risk, progress with the risk management plan and how well the risk management policy is being followed.
- Review effectiveness of Risk Management Methodology.

7. Training and Communication Arrangements to Support Implementation of the Strategy

Training of the Risk Management Methodology (Appendix 1) will be provided to those employees with direct responsibility for involvement in the risk management process:

- Corporate Risk Owner;
- Portfolio Director;
- Programme Risk Owner;
- Project Risk Owner;
- PMO;
- Board;
- Internal Auditor;
- Monitoring Officer;
- Section 73 Officer;
- All employees.

8. Review of the Risk Management Strategy

This strategy will be reviewed every three years.

9. Appendices:

Appendix 1: Risk Management Methodology

Appendix 2: Issue Management Strategy

Appendix 3: Risk Register and Guidance Notes

Appendix 4: Opportunity Register and Guidance Notes

Appendix 5: Issue Log and Guidance Notes

10. Version Control

Any amendments to the Risk Management Strategy should all be logged in the box below:

Version	Date	Comments
1.0	07/11/2019	First draft of Risk Management Strategy
2.0	05/12/2019	Finalised for inclusion to Audit and Governance Committee for 16th December 2019
2.1	16/12/2019	Approved with minor amendments from Audit and Governance Committee
2.2	29/01/2020	Adopted by Combined Authority Board

11. References

1. Association for Project Management (APM) Book of Knowledge, 2014.
2. Managing Successful Programmes (MSP) Best Practice Management, 2011.
3. Cambridgeshire & Peterborough Combined Authority (CPCA) Risk Management Strategy, 2018.
4. British Standard – Risk Management – Principles and guidelines, BS ISO 31000:2009.
5. Supplementary Green Book Guidance, Optimism Bias, HM Treasury.
6. Cambridgeshire & Peterborough Combined Authority (CPCA) Constitution, 2019.
7. Cambridgeshire & Peterborough Combined Authority (CPCA) Assurance Framework, 2019.

Appendix 1. Risk Management Methodology

1. The Risk Management Cycle

There are 5 key stages in the risk management cycle, Initiate, Identify, Assess, Plan and Implement (IIAPI) as illustrated in the diagram below:

Diagram 1: Risk Management Cycle (IIAPI)
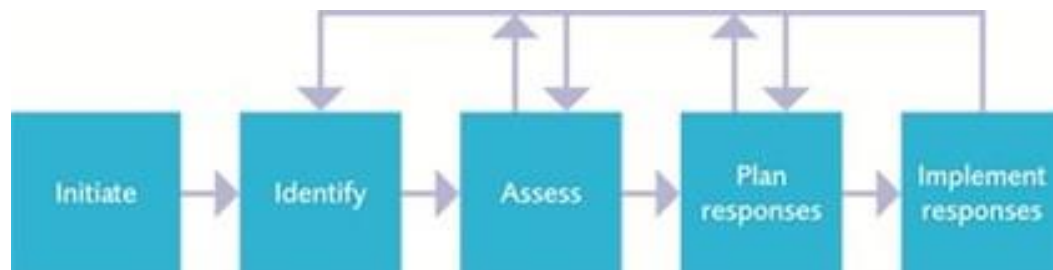
The 5 stages of risk management are part of a cycle. Risk management is dynamic and so the identification phase needs to be carried out continuously. As the process is repeated throughout the project/programme/portfolio lifecycle, the assessment or response planning can lead to the identification of further risks and planning and implementing responses can trigger a need for further analysis and so on.

A key output from the initiation step is the risk management plan, which details how risk will be managed throughout the life cycle.

An individual risk is defined as "either a threat (i.e. uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e. an uncertain event that could have a favourable impact on objectives or benefits)"

2. Initiate

The main output for the initiation phase is the Risk Management Plan or Risk Management Strategy which is available on the Combined Authority website.

This describes the key elements on how risk management will be implemented:

1. Scope;
2. Objectives;
3. Roles and Responsibilities;
4. Process;
5. Tools.

3. Risk Identification (what can happen and how can it happen?)

Risk identification starts with uncertain events being articulated as threats and opportunities. To help identify whether an uncertain event is a project, programme, portfolio or corporate risk, definition for these risk groups can be found below:

Project – has a specific impact on a single project only.

Programme – has common attributes across multiple projects (within an interdependent group of projects) and may affect the delivery of those associated projects.
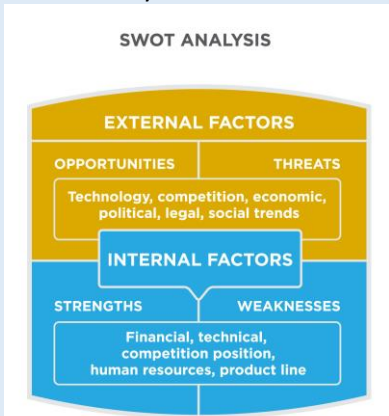
Portfolio – distinct directorial area, made up of a collection of individual projects and programmes that are not necessarily interdependent of each other e.g. Business & Skills, Housing, Transport & Strategy.

Corporate – refers to the liabilities and opportunities that positively or negatively impact CPCA as an organisation.

Identification techniques draw on various sources of information. Identification of risks from previous projects, programmes and portfolios involves looking at lessons learned reports and risk registers.

The aim of the risk identification process is to generate a comprehensive list of risks, with relevant and up to date information important in identifying these risks. A variety of risk identification processes may be used as exemplified in the table below.

Table 1: Risk Identification Techniques

Risk Identification Techniques	
Technique	Description
Risk Gap Analysis	Using a list of common risks as a discussion point in risk reviews.
Workshops & Brainstorming	Collection and sharing of ideas that could impact the objectives of the project / objective.
Audits and Inspections	Physical inspections of premises and activities and audits of compliance with established systems and procedures. Flowcharts and dependency analysis of the processes and operations within the organisation to identify critical components that are the key to success.
SWOT analysis	Considering a project/programme/organisation's Strengths Weaknesses Opportunities Threats (SWOT) – opportunities and threats are usually external risks, while strengths and weakness are normally internal risks.

PESTLE analysis	Considering potential sources of risk arising from six possible elements: Political, Economic, Social, Technological, Legal & Environment (PESTLE)

4. Risk Assessments (Determine the likelihood and impact)

The assessment of risk can be broken down into how likely it is that a risk might become an issue, and what impact that issue would have. These are defined as likelihood and impact:

▪ The probability of an event occurring and when they might happen – **likelihood.**

▪ The potential severity of the consequences (positive and negative) should such an event occur – **impact.**

The following table below provides likelihood and impact descriptors to assist with this process:

Table 2: Likelihood vs Impact definitions

Likelihood	
1	Rare – This event may occur but only in exceptional circumstances (0-5%)
2	Unlikely – Not likely to not occur under normal circumstances (6-20%)
3	Moderate - Given time likely to occur (21-50%)
4	Likely – The event will probably occur in most circumstances (51-80%)
5	Almost Certain – This event is expected to occur soon (81-99%)

Impact	
1	Negligible – Risks may have minimal damage / gain or long-term effect
2	Marginal – Risks may have minor loss / gain but little overall effect
3	Significant – Risks may have considerable loss / gain.
4	Major – Risks may have significant loss / gain.
5	Monumental – Risks may have extensive loss / gain and long-term effect.

When discussing the impact of risks, it is important that we are not just focusing on the impact to the individual project/programme and that we also consider the impact that can affect the strategic objectives of CPCA. It should be noted that, while the likelihood assessment should not change, the

impact assessment may change when risks are escalated from project to programme to portfolio to corporate risks: this reflects that a risk may be critical to a project's outcomes, but that project may not be critical to the CPCA's outcomes as a whole.

When discussing the impact (positive or negative) a risk can have on a project, programme, portfolio or corporate, it is important to remember to use the following criteria. These are:

- Cost
- Time
- Quality
- Safety
- Operational Impact
- Reputation

Once every risk has been given a score for its likelihood x Impact, it is given an overall score and corresponding RAG status (Red Amber Green Rating).

Table 3: Overall RAG Status

Overall RAG Status		Impact				
		1	2	3	4	5
Likelihood		Negligible	Marginal	Significant	Major	Monumental
5	Almost Certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Moderate	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5

The RAG rating is an indictor to determine the severity of a risk.

Priority will be given according to the RAG Status:

- Red – Require immediate action plans
- Amber – Require action plans and / or to be closely monitored as appropriate.
- Green – Can be "Accepted" and may not require action plans.

This determines the Risk Tolerance. Risk Tolerance is the measure of the degree of uncertainty that a stakeholder/organisation accepts in respect of the project/programme/portfolio risk assessment.

However, these risks will need to be monitored to ensure that controls remain operational in order to manage them. Just because a risk is deemed as "Accepted" does not mean that this risk is forgotten about. For example, risks are to be monitored and reviewed to ensure that a green risk does not escalate to an amber risk and therefore would require more action. Similarly, it is also important to ensure that amber risk does not escalate to a red risk.

Just as risks can increase in RAG status, they can also decrease with the right mitigation or change in circumstance. A risk that was deemed as red at the beginning of the project can be moved down to green throughout the project lifecycle. The current RAG rating is called the Project/Programme/Portfolio/Corporate Risk Status.

Risks are recorded on the Risk and Opportunity Register for that project, programme or portfolio. Templates and guidance for this is found in Appendix 3 and 4. Corporate Risks are stored on the Corporate Risk Register (Appendix 6).

5. Mitigation and Risk Control

Having prioritised the risk, it is now necessary to determine a potential response for the higher risk events. There are two things to do here:

1. Determine what can be done to reduce the probability of the risk occurring (therefore, reducing its likelihood).
2. Determine a plan and set aside contingencies to deal with if it does become realised. (therefore, reducing its impact)

This process is called mitigation. An example of risk events and planned responses are shown below:

Table 4: Risk Events and Responses

Risk Event	Consequences	Mitigation action to reduce probability	Contingency actions to deal with the event if it occurs
Bad weather happens on a key date	There may be delays in replacing the roof, thereby causing delays and potential overspend	Do roofing work during drier months	Erect protective sheeting above roof while work takes place. Stop work and move workers inside during bad weather
The new server does not arrive in time	The software testing cannot take place	Make sure it is purchased from a reputable supplier	Provide a delay between planned delivery and testing starting Purchase two as a spare
The staff do not accept the new working practices	Poor customer service and morale	Make sure staff are communicated with early in the process	Have a long transition phase Hire temporary staff while changes and alterations are made

Risk Control is the process of acting to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. This will be applied on risk and opportunities. There are 8 main options to consider, 4 for risk and 4 for opportunities.

Risk

1. **Accept** – Here we accept the risk and take no proactive action other than putting monitoring processes in place to make sure that the potential for damage does not change. Once the risk is accepted it is generally necessary to provide for some form of contingency to provide funds / time to accommodate the risk should it happen (despite its lower likelihood / impact)

2. **Avoid** – The only real way to avoid a risk is to change the project scope or approach – what we do or the way we do it.
3. **Transfer** – We seek to move the risk from our risk register onto someone else's risk register. We seek to transfer the potential for harm to another. Usually through an insurance policy or a contract.
4. **Reduce** – either the likelihood or impact.

Opportunity

1. **Reject** – Choose not to take the advantage of the opportunity, possibly because it is worth too little or requires too much work to capitalise on.
2. **Enhance** – Take proactive steps to try and enhance the probability of the opportunity being able to be exploited.
3. **Exploit** – This involves changing the scope of the project /programme to encompass some aspect that wasn't previously discussed that will achieve some extra benefit.
4. **Share** – Seek partners with whom can actively capitalise on the circumstances such as a Joint Venture.

Care is needed when arriving at any response to risk because regardless of what action is taken, it has the potential to generate other risks.

When a risk can no longer be mitigated and the risk becomes realised, it is then called an "Issue". This requires a different management strategy, and this can be found in Issue Management Strategy (Appendix 5).

6. Implement Risk Responses

The primary goal of the implement element is to ensure that the planned risk management (mitigation and control) actions are monitored as to their effectiveness and corrective action is taken where responses do not match expectation.

An important part of this is to understand the roles and responsibilities outlined in Table 1 of the Risk Management Strategy. This ensures that at least one individual is always clearly identified as the risk owner, and another individual is identified as the rick actioner. The key roles are:

- **Risk Owner** – Responsible for the management and control of all aspects of risk assigned to them, including managing, tracking and reporting the implementation of the selected actions to address the threats or to maximise the opportunities.
- **Risk Actioner** – Responsible for the implementation of risk response actions. They support and take direction from the risk owner.

Anyone can raise a risk. Just because an employee and or stakeholder raises a risk, this does not necessarily make them the Risk Owner. A Risk Register can have many risk owners.

7. Risk Promotion from Project to Corporate

Risk Promotion is the term used when a project risk is deemed to be a programme/portfolio or even a corporate risk. The decision to promote a project risk to a programme risk is taken by the

Programme Risk Owner. A risk should be promoted from a project to a programme risk when the project risk is deemed to have an impact on a programme.

For example, if a project needs to deliver a particular output in order for another project within that programme to be completed. This also works the same for when a programme risk has impact on a portfolio. The risk will then be promoted by the Portfolio Risk Owner. Another example is that at project level, a small risk can have limited effect, but when a project risk is combined with other risks in adjacent projects, it can produce a significant impact on a programme or portfolio.

Therefore project, programme, portfolio and corporate risks can:

- Accumulate to critical loss and or damages
- Grow (where the sum of the risks is bigger than individual parts)
- Reduce (where the sum of the risks is smaller than individual parts)

As project risks can move up the promotion process to programme then to portfolio and then to corporate risk, there is also opportunity for a project risk to go direct to portfolio level. As previously defined the difference between a programme and a portfolio is that a programme is a collection of projects which have an interdependent link; while a portfolio is a collection of individual projects and programmes not necessarily having that interdependent link. Therefore, a project risk can have significance on that individual project but also have the opportunity to affect the delivery of the portfolio.

Below is a diagram showing this Risk Promotion process.

Diagram 2: Risk Promotion Process
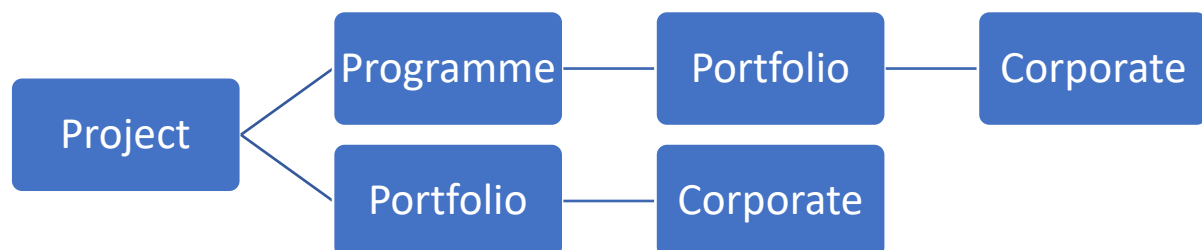
It is the decision of the relevant Risk Owner (as per the Roles and Responsibility table within the Risk Management Strategy) to decide to promote the risk. A risk can be deemed to have project, programme, portfolio and corporate significance and therefore might stay on all three risk registers with different levels of action / mitigation and different risk owners.

It is important to remember that no matter which level the risk sits, that the risk is managed effectively and review on a regular basis to ensure no escalation.

8. Review Monitoring and Review

Risk is managed as a cycle as it's a continual process. It should involve regular checking or surveillance, and this will be done periodically (via meeting such as Risk Reviews, Programme Reviews etc) or ad hoc. A combination of both ensures that risks are reviewed regularly, and the mitigation and action plan are up to date.

Monitoring and review ensures that we continually learn from experience. The objectives of our monitoring and review process are as follows:

- Ensuring the controls are effective in both design and operation;
- Obtaining further information to improve risk assessment;
- Analysing and learning lessons from previous event;
- Detecting changes in the external and internal context;
- Identifying emerging risks.

Open culture tool for improvement – good mission statement.

Appendix 2: Issue Management Strategy

1. Introduction

An issue is a relevant event that has happened, was not planned and requires management actions. The action may be to fix the problem that has caused the event to happen in the first place, or to change the boundary of the project/programme.

Issue management is the process of identifying and resolving issues. Problems with staff or suppliers, technical failures, material shortages for example all have a negative impact on your project. If the issue goes unresolved, you risk creating unnecessary conflicts, delays, or even failure to produce project objectives.

Issues and risks are not quite the same thing, however the exact nature of both is largely unknown at the start of a project. The Risk Management Methodology (Appendix 1) highlights how to identify and assess all potential risks. Issues, however, have to deal with as they happen. Issue management is therefore a planned process for dealing with an unexpected issue – whatever that issue may be – if and when one arises.

Issues can typically be classified into one of the following three types:

1. A previously identified risk that has now materialised and requires appropriate issue management action.
2. A request for change to some aspect of the programme, an operation or a project
3. A problem affected all or part of the programme/project in some way.

2. Issue Register

Issues are recorded in the Issue Register (Appendix 5). The Issue Register is similar to the Risk Register and is a repository that focuses on all identified issues that have occurred. It includes former risks if they have materialised from previous projects / programmes / programmes to ensure a Lessons Learned approach. On the Project Risk Register template (Appendix 3), under column "Risk Status" it allows the risk status to be updated to "realised". Once the risk becomes realised, these are then migrated to the Issue Register (Appendix 5).

Having an Issue Register allows CPCA to:

- Have a safe and reliable method for the team to raise issues.
- Track and assign responsibility to specific people for each issue.
- Analyse and prioritize issues more easily.
- Record issue resolution for future reference and project learning.

3. Issue Management Methodology

Like the Risk Management Methodology (Appendix 1) the Issue Management Methodology is a cycle with 5 steps, shown below:

Diagram 1: Issue Management Cycle

Within these 5 steps there are two ongoing activities. These are:

1. **Monitor and Control** ensures that the decision can be achieved within the estimates of time and cost and that the impact of the overall risk profile is not greater than anticipated.
2. **Embed and Review** ensures that issue management is being appropriately and successfully handled within each programme and ultimately across the organisation. It looks at each individual step of the cycle to determine its contribution to the overall quality of issue management.

1. Capture

The first step is to undertake an initial analysis to determine the type of issue that has been raised. When capturing the issue, it should be assessed by its severity and impact on the portfolio/programme/project and also allocated to an individual or group of people for examination.

When allocating an issue, the initial decision might be to direct the issue to where it can most appropriately be managed. Some issues will be managed by the Programme, and major issues might need to be managed at Portfolio level when outside the authority of the programme. Smaller issues might need to be managed at project level.

2. Examine

The next step is to examine the issue by undertaking impact analysis. The analysis should consider the impact that the issue, and the options for its resolution, will have on:

- The portfolio/programmes performance, especially how benefits are realisation will be affected.
- The portfolio/programmes/projects business case.

- The portfolio/programme risk profile – the impact on the overall risk exposure.
- The operational performance of the organisation and existing plans.
- Supplier contact or service level agreements.

Impact analysis must include a broader view, the portfolio, the programme, its projects, operations and strategic objectives. As a minimum, an issue should always be assessed against the impact on the projects/programmes objects and benefits.

3. Propose Course of Action

Alternative options should be considered before proposing a course of action to take. The action chosen should maintain an acceptable balance between the advantage to be gained (benefits) and the impact on cost, time and risk. When the concurrent change initiatives affect the same operational areas, this acceptable balance may require an assessment across these other portfolio, programme and projects.

Some changes may be mandatory, for example to comply with new legislation. Therefore, the action might be to then achieve compliance with minimum impact. However, in such cases the analysis work should explore where the mandatory change opens up other opportunities to improve the portfolio/programmes/projects performance and benefits.

4. Decide

As per the Risk Management Strategy Section 4, the roles and responsibilities in terms of Risk and Issues have been defined. A table below demonstrates these roles and responsibilities set out relating to Issue Management:

Table 1: Roles and Responsibilities

Role	Responsibility / Action
Corporate Risk Owner	- Authorises the risk and issue management strategy and its adjustment, improvement and enforcement - Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. - In charge of monitoring the strategy / corporate risk register. - Define clear rules for escalation and promotion. - Deploys a consistent language of risk management across the corporate, portfolio, programme and its projects.
Portfolio Director	- Ownership of portfolio-level risk and issues. - Assures portfolio adherence to the risk management principles - Define clear rules for escalation and promotion. - Deploys a consistent language of risk management across the portfolio, programme and its projects. - Escalates items across the programme boundaries to Corporate Risk Owner for resolution where necessary. - Communicates the progress of the resolution of issues in a clear and timely fashion across the portfolio.

	• Coordinates risk and issue management interfaces with programmes. • Provides support and advice on risks and issues to programmes. • Allocates risk and issues as appropriate.
Programme Risk Owner	• Ownership of programme-level risk and issues. • Assures programme adherence to the risk management principles. • Deploys a consistent language of risk management across the programme and its projects. • Escalates items across the programme boundaries to Portfolio Director for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the programme. • Coordinates risk and issue management interfaces with projects. • Provides support and advice on risks and issues to projects. • Allocates risk and issues as appropriate.
Project Risk Owner	• Ownership of project-level risk and issues. • Assures the project adherence to the risk management principles. • Deploys a consistent language of risk management across the projects. • Escalates items across the programme boundaries to Programme Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the project. • Allocates risk and issues as appropriate.

The Programme / Project Risk Owner may be able to resolve or delegate minor issues without reference to any other role for a decision. Some issues however, may need to be referred to the Corporate Risk Owner or Portfolio Director or the proposal may need to be referred to a specialist role (monitoring officer or Section 73) when it involves business change.

If a decision for change is made, then this change should be planned with appropriate recognition of the need for contingency, additional resources and a fall-back plan should the change cause unexpected problems.

When a decision is made there will also need to be an issue owner, issue actioner and a response action plan identified. The Issue Register should also be updated.

5. Implement

The decision and response action plan will be communicated to the appropriate stakeholder for several reasons:

- So that personnel, especially each issue actioner, are aware of changes to their work schedules and can undertake their assigned tasks to fix the problems and implement the changes.

- To inform those who raised the issue and what course of action is being perused.
- To inform stakeholders who may be affected by the change (suppliers, contractors etc)
- To demonstrate effective management of the project/programme/portfolio.

The issue register is updated, and all other documents are revised whether the decision affects the content. In majority of cases the programme plan will need to be updated as well.

The change is then applied, and the impact of the change monitored, and lessons learned from its introduction. The impact of these should be used for the assessment of future changes/issue management.

As stated previously this a continual cycle and should be monitored and reviewed regularly to ensure compliance.

Risk Management Strategy

Cambridgeshire and Peterborough Combined Authority (CPCA)

Contents

1. Introduction

This Risk Management Strategy outlines the approach taken by the Cambridgeshire and Peterborough Combined Authority (CPCA). This guide describes the specific management activities that will be undertaken for the organisation and the individual portfolios within CPCA.

Risk management is the effective way to manage risk before it becomes an issue. It also implements processes to deal with risk escalation, de-escalation, and issue management.

The British Standard from ISO31000:2018 defines risk management as "coordinated activities to direct and control an organisation with regard to risk". They also define a risk as "effect of uncertainty on objectives– an effect is a deviation from the expected. It can be positive, negative or both, and can address, create, or result in opportunities or threats".

By CPCA definitions, a risk can be either a threat (i.e., uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e., an uncertain event that could have a favourable impact on objectives or benefits).

The benefits gained from effectively managing risk include:

- Encouraged proactive management – strategic, operational, and financial.
- Increased likelihood to deliver against objectives and targets.
- Improved identification of opportunities and threats.
- Improved operational effectiveness and efficiency.
- Improved CPCA learning.
- Improved CPCA resilience.

Issues are risk events that have happened. These were not planned and require immediate management actions. Risks, when they occur, become issues or as otherwise known "become realised".

The Risk Management Strategy implements section 6.3 of the Assurance Framework. "It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests".

2. Risk Policy

CPCA recognises the need for risk management to feature in our strategic, operational planning and decision-making governances. CPCA will agree appropriate Risk Appetite and Risk Tolerances levels to be used within the organisation. CPCA is also committed to managing and minimising risk by identifying, analysing, evaluating, and treating risks that may impact the future success of the organisation. This approach has the following aims:

- All staff to develop a sound understanding of the principles of risk management.
- Issues are avoided, or if realised they have a reduced financial impact by an increased understanding of risk and quickly identifying mitigation responses.
- Risk management is embedded within the organisation and also in the decision making by providing visibility of risks.

The Government's Orange Book (Management of Risk – Principles and Concepts) advises "effective risk management should support informed decision-making in line with this risk appetite, to ensure confidence in the response to risks, transparency over the principal risks face and how these are manged".

The approach is based on thinking logically; identifying key risks and what to do about each risk; deciding who is responsible and accountable for the risk; recording the risks and changes in risk exposure; monitoring the risks and learning from events.

CPCA is a complex organisation with different portfolios, these include:

- Business & Skills.
- Delivery & Strategy.
- Housing.
- Corporate Services.

When dealing with particular projects within these portfolios, guidance is used through the Government's Orange Book, as well as Supplementary Green Book Guidance for Optimism Bias.

3. Risk Management Aims and Objectives

The aim of risk management is to ensure that CPCA has an effective process to support better decision making through good understanding of risks and the likely impact these risks may have. In general terms, "risk management" refers to the architecture (principles, framework, and process) for managing risks effectively, while "managing risk" refers to applying that architecture to individual risks.

The Orange Book advises that "Risk management frameworks support the consistent and robust identification and management of opportunities and risks within desired levels across an organisation supporting openness, challenge, innovation and excellence in the achievement of objectives".

Diagram 1: The Orange Book framework is shown below:

In order for CPCA's Risk Management Strategy to be effective, all employees at CPCA should understand risk management. The core principles of the Risk Management Strategy are:

- Integral part of all CPCA processes.
- Part of decision making.
- Explicitly addresses uncertainty.
- Based on the best available information.
- Tailored approach.
- Takes human and cultural factors into account.
- Transparent and inclusive.
- Dynamic, iterative, and responsive to change.
- Facilitates continual improvement of CPCA.

These principles will be achieved by:

- Establishing clear roles, responsibilities, and reporting lines within CPCA for risk management.
- Following the Risk Management Methodology (Appendix 1).
- Effective communication with all CPCA employees.
- Monitoring progress in implementing the strategy and reviewing the risk management arrangements on an on-going basis.

As per the Assurance Framework (paragraph 6.30), "at project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight report".

Within CPCA, we have defined risk into four groups, to effectively implement the risk management strategy. The four risk groups are:

- Project.
- Programme.
- Portfolio.
- Corporate.

4. Roles and Responsibilities

Risk Management is an essential part of governance and leadership, and fundamental to how an organisation is directed, managed, and controlled at all levels. The table below outlines the key roles within the Risk Management Strategy: -

Table 1: Roles and Responsibilities – Project Level

Role	Responsibility / Action
Corporate Risk Owner / Chief Executive	• Authorises the risk and issue management strategy and its adjustment, improvement, and enforcement. • Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. • In charge of monitoring the strategy / corporate risk register. • Define clear rules for escalation and de-escalation. • Deploys a consistent language of risk management across the corporate, portfolio, programme, and its projects.
Portfolio Director	• Ownership of portfolio-level risk and issues. • Assures portfolio adherence to the risk management principles. • Define clear rules for escalation and de-escalation. • Deploys a consistent language of risk management across the portfolio, programme, and its projects. • Escalates items across the programme boundaries to Corporate Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the portfolio. • Coordinates risk and issue management interfaces with programmes. • Provides support and advice on risks and issues to programmes. • Allocates risk and issues as appropriate.
Programme Risk Owner	• Ownership of programme-level risk and issues. • Assures programme adherence to the risk management principles. • Deploys a consistent language of risk management across the programme and its projects. • Escalates items across the programme boundaries to Portfolio Director for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the programme. • Coordinates risk and issue management interfaces with projects. • Provides support and advice on risks and issues to projects. • Allocates risk and issues as appropriate.
Project Risk Owner	• Ownership of project-level risk and issues. • Assures the project adherence to the risk management principles. • Deploys a consistent language of risk management across the projects.

	• Escalates items across the programme boundaries to Programme Risk Owner for resolution where necessary.
	• Communicates the progress of the resolution of issues in a clear and timely fashion across the project.
	• Allocates risk and issues as appropriate.

Table 2: Roles and Responsibilities – Governance Level

Role	Responsibility / Action
Combined Authority Board	• Adopt and review the Risk Management Strategy. • Receive recommendations from the Audit and Governance Committee as to the Authority's arrangements for the management of risk and on the any concerns that risks are being accepted which the Authority may find unacceptable.
Business Board	• Review and challenge mitigation and exploitations at the appropriate level (in relation to matters directly controlled or indirectly accessible by the Business Board).
Audit and Governance Committee	• Initiates assurance reviews of risk and issue management effectiveness. • The Authority's Audit and Governance Committee is responsible for overseeing the Authority's risk management strategy and corporate risk register. They will approve the Risk Strategy on an annual basis. • Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances. • The 2009 Act requires the Audit Committee to review and scrutinise the Authority's financial affairs and to review and assess its risk management, internal control and corporate. governance arrangements.
Internal Audit	• Responsibility to undertake sufficient work to establish whether the CA has "adequate and effective" risk management, control, and governance processes. • The Chief Internal Auditor provides an annual opinion on the overall systems of internal control and their effectiveness.
Monitoring Officer	• Manages and coordinates the resolution of risks relating to operational performance and benefits achievement. • Ensures that risk management cycle includes operational risks. • Manages risks that impact on business performance and transition. • Identifies operational issues and ensures that they are managed by the programme. • Identifies opportunities from the business operations and raises them for inclusion in the programme. • Contributes to impact assessments and change control. • Monitors and reports on business performance issues that may require the attention of the programme during transition.

Section 73 Officer	• The Chief Finance Officer is appointed under Section 73 Officer of the Local Government Act 1985 to ensure that proper administration of the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds under the Cambridgeshire and Peterborough Investment. • The S73 office is also required to report to, and provide assurances to, the Audit and Governance Committee in relation to the Combined Authority's risk management and assurance mapping arrangements and has overall responsibility for maintaining adequate and effective internal control arrangements.
Project Management Office (PMO)	• Manages and coordinates the information and support systems to enable efficient handling of the programmes risk and issues. • Maintains the risk register for each programme. • Maintains the issue register for each programme. • Establishes, facilitates, and maintains the risk management cycle. • Establishes, facilitates, and maintains the issue management cycle. • Maintains the configuration management system (document control). • Facilitates the change control steps.

The Assurance Framework states that "Senior Officers of the Combined Authority (Chief Executive and S73 Officer) are responsible for the identification and management of risk (paragraph 6.3).

5. Arrangements for Managing Risk

The Risk Management Methodology to be employed at CPCA is outlined in Appendix 1, with a copy of the Issue Management Strategy within Appendix 2. The project risk and opportunity templates can also be found in Appendix 3. Dealing with risk events that have become issues are documented in Issue Log Appendix 4.

6. Monitoring Arrangements

To ensure that informed decisions are made, it is essential to identify key strategic risks for the CPCA. Strategic risks will be reviewed monthly by the Combined Authority Management Team, as detailed within the Assurance Framework, and will be documented in the Corporate Risk Register.

Progress in managing strategic risks will be monitored and reported on to ensure that identified actions are delivered and risks managed.

The Corporate Risk Register will also be reviewed by the Audit & Governance Committee on a quarterly basis as per the Assurance Framework. The Audit & Governance Committee ensures that CPCA is spending public money correctly and have the right systems in place to manage finances

appropriately and meet legal and regulatory responsibilities. The Corporate Risk Register will be taken to board for review on annual basis.

Internal Audit will carry out a periodic review of the CPCA's risk management arrangements to provide independent assurance as to their effectiveness.

In carrying out audits throughout the year, Internal Audit will also:

- Identify and report weaknesses in the controls established by management to manage/monitor risks.
- Provide advice on the design/operation of the controls established by management to manage/monitor risk.

In order to ensure risk management is effective, CPCA will:

- Measure risk management performance against indicators, which are periodically reviewed for appropriateness.
- Periodically measure progress against, and deviation from the risk management plan.
- Periodically review whether the Risk Management Methodology, policy and plan are still appropriate given CPCA internal and external context.
- Report on risk, progress with the risk management plan and how well the risk management policy is being followed.
- Review effectiveness of Risk Management Methodology.

All Risk and Opportunity registers will be reviewed via an internal audit every quarter. The Risk team will also randomly select Risk and Opportunity registers at periodic times to ensure procedures are followed, this is also a good point of training. The Combined Authority Management Team can ask to review any Risk and Opportunity registers at any point.

7. Training and Communication Arrangements to Support Implementation of the Strategy

Training of the Risk Management Methodology (Appendix 1) will be provided to all employees with direct responsibility for involvement in the risk management process, such as:

- Corporate Risk Owner.
- Portfolio Director.
- Programme Risk Owner.
- Project Risk Owner.
- PMO.
- Board.
- Audit and Governance Committee.
- Internal Auditor.
- Monitoring Officer.
- Section 73 Officer.

Each new starter to the organisation will also be provided training on the Risk Management Strategy and all employees will be given a yearly update training. Subsequent training will be provided after any revisions are made to the Risk Management Strategy.

Risk Owners will be given additional training to ensure risks and mitigation plans and actions are

8. Review of the Risk Management Strategy

This strategy will be reviewed every three years. The next update will be in April 2023.

9. Appendices:

Appendix 1: Risk Management Methodology

Appendix 2: Issue Management Strategy

Appendix 3: Risk and Opportunity Register

Appendix 4: Issue Log.

10.   Version Control:

Any amendments to the Risk Management Strategy should all be logged in the box below:

Version	Date	Comments
1.0	07/11/2019	First draft of Risk Management Strategy
2.0	05/12/2019	Finalised for inclusion to Audit and Governance Committee for 16th December 2019
3.0	25/03/21	Updated following RSM Audit Management Actions

11. References

1. Association for Project Management (APM) Book of Knowledge, 2014.
2. Managing Successful Programmes (MSP) Best Practice Management, 2011.
3. Cambridgeshire & Peterborough Combined Authority (CPCA) Risk Management Strategy, 2018.
4. British Standard – Risk Management – Principles and guidelines, BS ISO 31000:2018.
5. Orange Book: Management of Risk – Principles and Concepts, 2020. Including Risk Appetite Guidance Note.
6. Supplementary Green Book Guidance, Optimism Bias, HM Treasury.
7. Cambridgeshire & Peterborough Combined Authority (CPCA) Constitution, 2021.
8. Cambridgeshire & Peterborough Combined Authority (CPCA) Assurance Framework, 2021.
9. Cambridgeshire & Peterborough Combined Authority (CPCA) Relationship between Risk and Change Control, 2021.

Appendix 1. Risk Management Methodology

1. Risk Appetite and Risk Tolerance

An individual risk is defined as "either a threat (i.e., uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e., an uncertain event that could have a favourable impact on objectives or benefits)".

The amount of risk that CPCA is willing to accept is based on the Risk Appetite and Risk Tolerance. The Orange Book defines Risk Appetite and Risk Tolerance as the following:

- **Risk Appetite**: the level of risk with which an organisation **aims** to operate.
- **Risk Tolerance**: the level of risk with which an organisation is **willing** to operate.

This is demonstrated in the diagram below:

Diagram 1: Orange Book interaction between Risk Appetite and Risk Tolerance:

Risk Tolerance Position:
The level of risk with which an organisation is **willing** to operate, given current constraints. This balances the funding position with the position outlined in organisational mission and objectives. The tolerance position will shrink as the organisation optimises the risk position.

Current Risk Position:
The risk level at which the organisation is currently operating. This level is tolerated by default, where cessation of activity is not an option. Risks are subject to management to drive activity into tolerance or appetite parameters.

Risk Appetite Position:
The level of risk with which an organisation **aims** to operate. This is informed by organisational mission and strategic objectives.

Risk appetite provides a framework which enables the CPCA to make informed management decisions. By defining risk appetite and risk tolerance, the CPCA clearly sets out both an optimal and acceptable position in the pursuit of its strategic objectives. The benefits of using this approach are:

- Supporting informed decision-making.
- Reducing uncertainty.
- Improving consistency across governance mechanisms.
- Supporting performance improvement.
- Focusing on priority areas.
- Informing spending review and resource prioritisation processes.

2. The Risk Management Cycle

There are 5 key stages in the risk management cycle: Initiate; Identify; Assess; Plan; and Implement:

Diagram 2: Risk Management Cycle
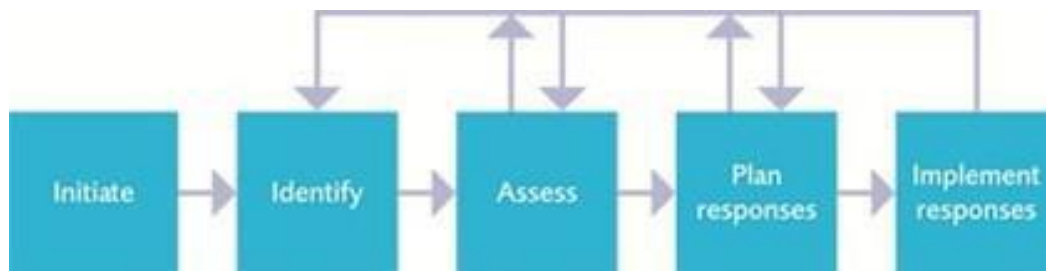
The 5 stages of risk management are part of a cycle. Risk management is dynamic, and the identification phase needs to be carried out continuously. As the process is repeated throughout the project/programme/portfolio lifecycle, the assessment or response planning stages can lead to the identification of further risks and planning and implementing responses can trigger a need for further analysis and so on.

A key output from the initiation step is the risk management plan, which details how risk will be managed throughout the life cycle.

3. Initiate

The main output for the initiation phase is the Risk Management Framework or Risk Management Strategy.

This describes the key elements on how risk management will be implemented:

1. Scope.
2. Objectives.
3. Roles and Responsibilities.
4. Process.
5. Tools.

4. Risk Identification (what can happen and how can it happen?)

Risk identification starts with uncertain events being articulated as threats and opportunities. Uncertain events are also identified as a project, programme, portfolio, or corporate risk.
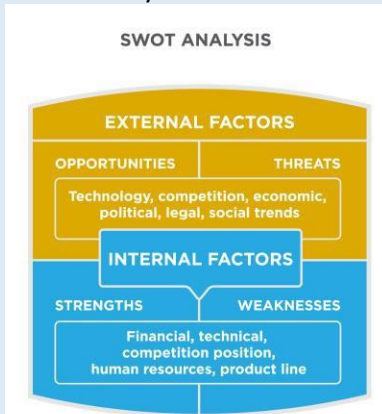
Definitions for these risk groups can be found below:

- Project – has a specific impact on a single project only.

- Programme – has common attributes across multiple projects (within an interdependent group of projects) and may affect the delivery of those associated projects.

- Portfolio – distinct directorial area, made up of a collection of individual projects and programmes that are not necessarily interdependent of each other e.g., Business & Skills, Corporate Services, Housing, Transport & Strategy.

- Corporate – refers to the liabilities and opportunities that positively or negatively impact CPCA as an organisation.

Identification techniques draw on various sources of information. Identification of risks from previous projects, programmes and portfolios involves looking at lessons learned reports and risk registers.

The aim of the risk identification process is to generate a comprehensive list of risks, with relevant and up to date information important in identifying these risks. A variety of risk identification processes may be used as exemplified in the table below.

Table 1: Risk Identification Techniques

Risk Identification Techniques	
Technique	Description
Risk Gap Analysis	Using a list of common risks as a discussion point in risk reviews.
Workshops & Brainstorming	Collection and sharing of ideas that could impact the objectives of the project / objective.
Audits and Inspections	Physical inspections of premises and activities and audits of compliance with established systems and procedures. Flowcharts and dependency analysis of the processes and operations within the organisation to identify critical components that are the key to success.
SWOT analysis	Considering a project/programme/organisation's Strengths Weaknesses Opportunities Threats (SWOT) – opportunities and threats are usually external risks, while strengths and weakness are normally internal risks.

PESTLE analysis	Considering potential sources of risk arising from six possible elements: Political, Economic, Social, Technological, Legal & Environment (PESTLE)

Risks should be identified whether or not their sources are under CPCAs direct control. Even seemingly insignificant risks on their own have the potential, as they interact with other events and conditions, to cause great damage or significant opportunity.

5. Risk Assessments (Determine the likelihood and impact)

The assessment of risk can be broken down into how likely it is that a risk might become an issue, and what impact that issue would have. These are defined as likelihood and impact:

▪ The probability of an event occurring and when they might happen – **likelihood.**

▪ The potential severity of the consequences (positive and negative) should such an event occur – **impact.**

The following table below provides likelihood and impact descriptors to assist with this process:

Table 2: Likelihood vs Impact definitions

Likelihood	
1	Rare – This event may occur but only in exceptional circumstances (0-5%)
2	Unlikely – Not likely to not occur under normal circumstances (6-20%)
3	Moderate - Given time likely to occur (21-50%)
4	Likely – The event will probably occur in most circumstances (51-80%)
5	Almost Certain – This event is expected to occur soon (81-99%)

Impact	
1	Negligible – Risks may have minimal damage / gain or long-term effect
2	Marginal – Risks may have minor loss / gain but little overall effect
3	Significant – Risks may have considerable loss / gain.
4	Major – Risks may have significant loss / gain.
5	Monumental – Risks may have extensive loss / gain and long-term effect.

When discussing the impact of risks, it is important that we are not just focusing on the impact to the individual project/programme and that we also consider the impact that can affect the strategic objectives of CPCA. It should be noted that, while the likelihood assessment should not change, the

impact assessment may change when risks are escalated from project to programme to portfolio to corporate risks: this reflects that a risk may be critical to a project's outcomes, but that project may not be critical to the CPCA's outcomes as a whole.

When discussing the impact (positive or negative) a risk can have on a project, programme, portfolio or corporate, it is important to remember to use the following criteria. These are:

- Cost
- Time
- Quality
- Safety
- Operational Impact
- Reputation

Once every risk has been given a score for its likelihood x Impact, it is given an overall score and corresponding RAG status (Red Amber Green Rating).

Table 3: Overall RAG Status

Overall RAG Status		Impact				
		1	2	3	4	5
Likelih ood		Negligible	Marginal	Significant	Major	Monumental
5	Almost Certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Moderate	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5

Priority will be given according to the RAG Status:

- Red – Require immediate action plans.
- Amber – Require action plans and / or to be closely monitored as appropriate.
- Green – Can be "Accepted" and may not require action plans.

The RAG rating is an indicator to determine the severity of a risk and is a qualitative assessment to identify the inherent risk score (risk scored without controls). Risks are also quantitively assessed and appropriate risks are given a financial value (although this may not be appropriate for all risks and opportunities).

For example, a risk relating to an additional planning application would require a financial value whereas a risk around a consultation event potentially receiving bad publicity would not.

The risk owner is responsible for providing an approximate financial value of each risk but should consult the project team, supplier, or any other relevant person to help quantify.

The qualitative and quantitative assessment determines the Risk Tolerance.

Risk Tolerance is the measure of the degree of uncertainty that a stakeholder/organisation accepts in respect of the project/programme/portfolio risk assessment. Additional guidance on appropriate levels of Risk Tolerance can be found within the CPCA Relationship between Risk and Change Control document.

Just as risks can increase in RAG status, they can also decrease with the right mitigation or change in circumstance. A risk that was deemed as red at the beginning of the project can be moved down to green throughout the project lifecycle. The current RAG rating is called the Project/Programme/Portfolio/Corporate Risk Status.

Risks are recorded on the Risk and Opportunity Register for that project, programme, or portfolio. Templates and guidance for this is found in Appendix 3. Corporate Risks are stored on the Corporate Risk Register.

6. Mitigation and Risk Control

Having prioritised the risk, it is now necessary to determine a potential response for the higher risk events. There are two things to do here:

1. Determine what can be done to reduce the probability of the risk occurring (therefore, reducing its likelihood).
2. Determine a plan and set aside contingencies to deal with if it does become realised. (therefore, reducing its impact)

This process is called mitigation. *An example of risk events and planned responses are shown below*:

Table 4: Risk Events and Responses

Risk Event	Consequences	Mitigation action to reduce probability	Contingency actions to deal with the event if it occurs
Bad weather happens on a key date.	There may be delays in replacing the roof, thereby causing delays and potential overspend.	Do roofing work during drier months.	Erect protective sheeting above roof while work takes place. Stop work and move workers inside during bad weather.
The new server does not arrive in time.	The software testing cannot take place.	Make sure it is purchased from a reputable supplier.	Provide a delay between planned delivery and testing starting. Purchase two as a spare.
The staff do not accept the new working practices.	Poor customer service and morale.	Make sure staff are communicated with early in the process.	Have a long transition phase. Hire temporary staff while changes and alterations are made.

Risk Control is the process of acting to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. This will be applied on risk and opportunities. There are 8 main options to consider, 4 for risk and 4 for opportunities.

Risk

1. **Accept** – Here we accept the risk and take no proactive action other than putting monitoring processes in place to make sure that the potential for damage does not change. Once the

risk is accepted it is generally necessary to provide for some form of contingency to provide funds / time to accommodate the risk should it happen (despite its lower likelihood / impact).

2. **Avoid** – The only real way to avoid a risk is to change the project scope or approach – what we do or the way we do it.
3. **Transfer** – We seek to move the risk from our risk register onto someone else's risk register. We seek to transfer the potential for harm to another. Usually through an insurance policy or a contract.
4. **Reduce** – either the likelihood or impact.

Opportunity

1. **Reject** – Choose not to take the advantage of the opportunity, possibly because it is worth too little or requires too much work to capitalise on.
2. **Enhance** – Take proactive steps to try and enhance the probability of the opportunity being able to be exploited.
3. **Exploit** – This involves changing the scope of the project /programme to encompass some, aspect that was not previously discussed that will achieve some extra benefit.
4. **Share** – Seek partners with whom can actively capitalise on the circumstances such as a Joint Venture.

After the Risk Assessment and controls are placed, the risk is RAG rated again. This is called the Residual Risk score (with controls considered).

Mitigation is based on two aspects:

- **Mitigation Plan (Current Controls)** – what CPCA currently does.

- **Mitigation Action (New Controls)** – what CPCA could do in addition.

All mitigation should be SMART:

- **Specific** – state what will be done.

- **Measurable** – provide a way to evaluate.

- **Attainable** – within scope and possible to accomplish.

- **Relevant** – to the project, programme, or portfolio.

- **Time-based** – state when the mitigation will be completed.

Care is needed when arriving at any response to risk because regardless of what action is taken, there is the potential to generate other risks.

Where appropriate, arrangements for contingency, containment, and continual management should be developed, as well as crisis and incident arrangements. This should also be communicated to support resilience and recovery if a risk becomes an issue. When a risk can no longer be mitigated and the risk becomes realised, it is then called an "Issue". This requires a different management strategy, and this can be found in Issue Management Strategy (Appendix 2).

7. Implement Risk Responses

The primary goal of the implement element is to ensure that the planned risk management (mitigation and control) actions are monitored as to their effectiveness and corrective action is taken where responses do not match expectation.

An important part of this is to understand the roles and responsibilities outlined in Table 1 of the Risk Management Strategy. This ensures that at least one individual is always clearly identified as the risk owner, and another individual is identified as the rick actioner. The key roles are:

- **Risk Owner** – Responsible for the management and control of all aspects of risk assigned to them, including managing, tracking, and reporting the implementation of the selected actions to address the threats or to maximise the opportunities.
- **Action Owner** – Responsible for the implementation of risk response actions. They support and take direction from the risk owner.

Anyone can raise a risk. Just because an employee and or stakeholder raises a risk, this does not necessarily make them the Risk Owner. A Risk Register can have many risk owners.

8. Risk Escalation from Project to Corporate

Risk Escalation is the term used when a project risk is deemed to be a programme/portfolio or even a corporate risk. The decision to escalate a project risk to a programme risk is taken by the Programme Risk Owner. A risk should be escalated from a project to a programme risk when the project risk is deemed to have an impact on the programme.

For example, if a project needs to deliver a particular output in order for another project within that programme to be completed. This also works the same for when a programme risk has impact on a portfolio. The risk will then be escalated by the Portfolio Risk Owner. Another example is that at project level, a small risk can have limited effect, but when a project risk is combined with other risks in adjacent projects, it can produce a significant impact on a programme or portfolio.

Therefore project, programme, portfolio, and corporate risks can:

- Accumulate to critical loss and or damages.
- Grow (where the sum of the risks is bigger than individual parts).
- Reduce (where the sum of the risks is smaller than individual parts).

Within the CPCA, project risks can be escalated from programme to portfolio and then to corporate risk level. As previously defined, a programme is a collection of projects which have an interdependent link, while a portfolio is a collection of individual projects and programmes not necessarily having that interdependent link. Therefore, a project risk can have significance on an individual project but also have the opportunity to affect the delivery of a portfolio.

Below is a diagram showing this Risk Escalation process.

Diagram 3: Risk Escalation Process
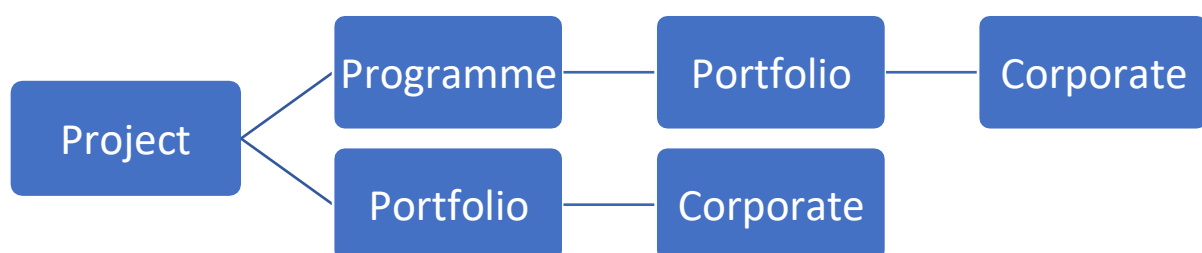
It is the decision of the relevant Risk Owner (as per the Roles and Responsibility table within the Risk Management Strategy) to decide to escalate the risk. A risk can be deemed to have project,

programme, portfolio, and corporate significance and therefore might stay on all three risk registers with different levels of action / mitigation and different risk owners.

Just as risks can be escalated up the chain, risks can also be de-escalated when the risk no longer is significant.

It is important to remember that no matter which level the risk sits, that the risk is managed effectively and review on a regular basis to ensure the appropriate escalation and de-escalation happens.

9. Review Monitoring and Review

Risk is managed as a cycle as it is a continual process. It should involve regular checking or surveillance, and this will be done periodically (via meeting such as Risk Reviews, Programme Reviews etc) or ad hoc. A combination of both ensures that risks are reviewed regularly, and the mitigation and action plan are up to date.

Risks will need to be monitored to ensure that any controls or mitigation remain operational in order to manage them during the risk management cycle. Just because a risk is deemed as "Accepted" does not mean that this risk is forgotten about.

Below are the monitoring requirements for risks with Residual RAG Scores:

Table 5: Risk Monitoring Arrangements via Residual RAG Scores

RAG Status	Monitoring Arrangements
Red – Residual risk score above 12.	- Reviewed frequently with Action Owner and Risk Owner (minimum every 2 days). - Reviewed as to whether this risk requires escalation with the appropriate Risk Owner. - Ensure the controls and mitigation are appropriate for the risk. - Reviewed at Project Board, Committee, Business Board or Combined Authority board - if appropriate.
Amber – Residual risk score between 5-11.	- Reviewed with the Action and Risk Owner (minimum weekly). - Ensure the controls and mitigation are appropriate for the risk. - Reviewed with the Risk Owner at the next escalation level.
Green – Residual risk score between 1-4.	- Reviewed with the Action and Risk Owner (minimum bi-weekly). - Ensure the controls and mitigation are appropriate. - Reviewed with the Risk Owner at the next escalation level.

*The above is subject to change. If the risk requires immediate attention, this will be reviewed by Corporate Management Team. As the risk are reviewed and updated, the RAG score is likely to reflect this change. Some risks may require more frequent evaluation.

Monitoring and review ensure that we continually learn from experience. The objectives of our monitoring and review process are as follows:

- Ensuring the controls are effective in both design and operation.
- Obtaining further information to improve risk assessment.
- Analysing and learning lessons from previous event.
- Detecting changes in the external and internal context.
- Identifying emerging risks.

Open culture tool for improvement – good mission statement.

Appendix 2: Issue Management Strategy

1. Introduction

An issue is a relevant event that has happened, was not planned, and requires management actions. The action may be to fix the problem that has caused the event to happen in the first place, or to change the boundary of the project/programme.

Issue management is the process of identifying and resolving issues. Problems with staff or suppliers, technical failures, material shortages for example all have a negative impact on your project. If the issue goes unresolved, you risk creating unnecessary conflicts, delays, or even failure to produce project objectives.

Issues and risks are not quite the same thing, however the exact nature of both is largely unknown at the start of a project. The Risk Management Methodology (Appendix 1) highlights how to identify and assess all potential risks. Issues, however, have to deal with as they happen. Issue management is therefore a planned process for dealing with an unexpected issue – whatever that issue may be – if and when one arises.

Issues can typically be classified into one of the following three types:

1. A previously identified risk that has now materialised and requires appropriate issue management action.
2. A request for change to some aspect of the programme, an operation, or a project
3. A problem affected all or part of the programme/project in some way.

2. Issue Register

Issues are recorded in the Issue Log (Appendix 4). The Issue Register is similar to the Risk Register and is a repository that focuses on all identified issues that have occurred. It includes former risks if they have materialised from previous projects / programmes / programmes to ensure a Lessons Learned approach. On the Project Risk and Opportunity Register template (Appendix 3), under column "Risk Status" it allows the risk status to be updated to "realised". Once the risk becomes realised, these are then migrated to the Issue Log (Appendix 4).

Having an Issue Register allows CPCA to:

- Have a safe and reliable method for the team to raise issues.
- Track and assign responsibility to specific people for each issue.
- Analyse and prioritize issues more easily.
- Record issue resolution for future reference and project learning.

3. Issue Management Methodology

Like the Risk Management Methodology (Appendix 1) the Issue Management Methodology is a cycle with 5 steps, shown below:

Within these 5 steps there are two ongoing activities. These are:

1. **Monitor and Control** ensures that the decision can be achieved within the estimates of time and cost and that the impact of the overall risk profile is not greater than anticipated.
2. **Embed and Review** ensures that issue management is being appropriately and successfully handled within each programme and ultimately across the organisation. It looks at each individual step of the cycle to determine its contribution to the overall quality of issue management.

1. Capture

The first step is to undertake an initial analysis to determine the type of issue that has been raised. When capturing the issue, it should be assessed by its severity and impact on the portfolio/programme/project and also allocated to an individual or group of people for examination.

When allocating an issue, the initial decision might be to direct the issue to where it can most appropriately be managed. Some issues will be managed by the Programme, and major issues might need to be managed at Portfolio level when outside the authority of the programme. Smaller issues might need to be managed at project level.

2. Examine

The next step is to examine the issue by undertaking impact analysis. The analysis should consider the impact that the issue, and the options for its resolution, will have on:

- The portfolio/programmes performance, especially how benefits are realisation will be affected.
- The portfolio/programmes/projects business case.

- The portfolio/programme risk profile – the impact on the overall risk exposure.
- The operational performance of the organisation and existing plans.
- Suppliers contact or service level agreements.

Impact analysis must include a broader view, the portfolio, the programme, its projects, operations, and strategic objectives. As a minimum, an issue should always be assessed against the impact on the projects/programmes objects and benefits.

3. Propose Course of Action

Alternative options should be considered before proposing a course of action to take. The action chosen should maintain an acceptable balance between the advantage to be gained (benefits) and the impact on cost, time, and risk. When the concurrent change initiatives affect the same operational areas, this acceptable balance may require an assessment across these other portfolio, programme, and projects.

Some changes may be mandatory, *for example to comply with new legislation*. Therefore, the action might be to then achieve compliance with minimum impact. However, in such cases the analysis work should explore where the mandatory change opens up other opportunities to improve the portfolio/programmes/projects performance and benefits.

4. Decide

As per the Risk Management Strategy Section 4, the roles, and responsibilities in terms of Risk and Issues have been defined. A table below demonstrates these roles and responsibilities set out relating to Issue Management:

Table 1: Roles and Responsibilities

Role	Responsibility / Action
Corporate Risk Owner	- Authorises the risk and issue management strategy and its adjustment, improvement, and enforcement. - Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. - In charge of monitoring the strategy / corporate risk register. - Define clear rules for escalation and promotion. - Deploys a consistent language of risk management across the corporate, portfolio, programme, and its projects.
Portfolio Director	- Ownership of portfolio-level risk and issues. - Assures portfolio adherence to the risk management principles. - Define clear rules for escalation and promotion. - Deploys a consistent language of risk management across the portfolio, programme, and its projects. - Escalates items across the programme boundaries to Corporate Risk Owner for resolution where necessary. - Communicates the progress of the resolution of issues in a clear and timely fashion across the portfolio.

	• Coordinates risk and issue management interfaces with programmes. • Provides support and advice on risks and issues to programmes. • Allocates risk and issues as appropriate.
Programme Risk Owner	• Ownership of programme-level risk and issues. • Assures programme adherence to the risk management principles. • Deploys a consistent language of risk management across the programme and its projects. • Escalates items across the programme boundaries to Portfolio Director for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the programme. • Coordinates risk and issue management interfaces with projects. • Provides support and advice on risks and issues to projects. • Allocates risk and issues as appropriate.
Project Risk Owner	• Ownership of project-level risk and issues. • Assures the project adherence to the risk management principles. • Deploys a consistent language of risk management across the projects. • Escalates items across the programme boundaries to Programme Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the project. • Allocates risk and issues as appropriate.

The Programme / Project Risk Owner may be able to resolve or delegate minor issues without reference to any other role for a decision. Some issues, however, may need to be referred to the Corporate Risk Owner or Portfolio Director or the proposal may need to be referred to a specialist role (monitoring officer or Section 73) when it involves business change.

If a decision for change is made, then this change should be planned with appropriate recognition of the need for contingency, additional resources and a fall-back plan should the change cause unexpected problems.

When a decision is made there will also need to be an issue owner, issue actioner and a response action plan identified. The Issue Register should also be updated.

5. Implement

The decision and response action plan will be communicated to the appropriate stakeholder for several reasons:

- So that personnel, especially each issue actioner, are aware of changes to their work schedules and can undertake their assigned tasks to fix the problems and implement the changes.

- To inform those who raised the issue and what course of action is being perused.
- To inform stakeholders who may be affected by the change (suppliers, contractors etc)
- To demonstrate effective management of the project/programme/portfolio.

The issue register is updated, and all other documents are revised whether the decision affects the content. In majority of cases the programme plan will need to be updated as well.

The change is then applied, and the impact of the change monitored, and lessons learned from its introduction. The impact of these should be used for the assessment of future changes/issue management.

As stated previously this a continual cycle and should be monitored and reviewed regularly to ensure compliance.

Appendix 3: Risk and Opportunity Register

	Project / Programme Risk					Inherent Score									Residual Score									
ID No	Risk or Opp	Date Identified	Cause(s)	Risk Event	Effect(s)	Risk Type	Risk Status	Proximity	Likelihood (1-5)	Impact (1-5)	RAG score	Date Last Review	Mitigation Plan (Current Controls)	Mitigation Action (New Controls)	Action Owner	Date Mitigation Due	Date Action Closed	Likelihood (1-5)	Impact (1-5)	RAG score	Financial Risk Implication (£k)	Comments/Notes /Assumptions	Risk Contingency (£k)	Risk Owner	Escalation Required?	EWN Ref	Date Closed
																				Tot.	£0.00		£0.00				
1											0									0							
2											0									0							
3											0									0							
4											0									0							
5											0									0							
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Appendix 4: Issue Log

Issue ID	Project ID and Project Name (if applicable)	Programme Directorate (drop down)	Issue Logged	Status (drop down)	Severity (drop down)	Priority (drop down)	Dated Reported	Issue Owner	Issue Actioner	Response Action Plan	Last Updated
Issue Management - Project / Programme											
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											

Report title: Internal Audit Progress Report

To:	Cambridgeshire and Peterborough Combined Authority Audit and Governance Committee
Meeting Date:	6 April 2021
Public report:	Yes
Lead Member:	n/a
From:	Jon Alsop Chief Finance Officer
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	The Committee is recommended to: a) note the internal audit progress report for 2020/21 as provided by the Combined Authority's internal auditors, RSM Risk Assurance Services LLP (RSM), b) consider the draft internal audit plan for 2021/22. Voting arrangements: A simple majority of all Members

1. Purpose

1.1 This paper is to provide an update to the work that RSM have conducted against the internal audit plan for 2020/21, and to consider their draft internal audit plan for 2021/22.

2. Background

2.1 At its November 2020 meeting, the Audit and Governance Committee approved the Internal Audit Strategy 2020/21 to 2024/25 and the 2020/21 internal audit plan as presented by RSM.

2.2 RSM then provided a first update report against that plan in January 2021. The attached report (at appendix 1) provides the second update to the approved plan.

2.3   RSM have issued two reports in draft form since the January update relating to the impact of COVID-19 on the delivery of projects, and to the appointments to Boards and Committees sponsored by the Combined Authority. Progress is also being made against reviews on financial controls (accounts payable) and on COVID-19 capital grants.

2.4   RSM have also prepared a draft 2021/22 internal audit plan (at appendix 2) which has been developed following discussions with members of the Combined Authority's Corporate Management Team.

2.5   The Audit and Governance Committee is asked to note progress made against the 2020/21 audit plan and to consider and provide comment on the draft audit plan for 2021/22.

2.6   Appendix 1, the 2020/21 update report, also includes a section on 'sector news' which has been provided by RSM for information.

Significant Implications

3.   Financial Implications

3.1   Internal audit fees are within those agreed as part of the internal audit service contract.

4.   Legal Implications

4.1   No legal implications have been identified.

5.   Other Significant Implications

5.1   No other significant implications have been identified.

6.   Appendices

6.1   Appendix 1 – Internal Audit update report 2020/21 (RSM)

6.2   Appendix 2 – Draft Internal Audit plan 2021/22 (RSM)

7.   Background Papers

7.1   None.

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Internal Audit Progress Report

6 April 2021

RSM

CONTENTS

1   Key messages

The internal audit plan for 2020/21 was approved by the Audit and Governance Committee at the November 2020 meeting. This report provides an update on progress against that plan and summarises the results of our work to date.

As the developments around Covid-19 will continue to impact on all areas of the organisation's risk profile, we will continue to work closely with management to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in the current circumstances.

2020/21 Internal Audit Delivery

Two reports have been issued in draft since the previous audit committee on Impact of COVID-19 on CPCA delivery of projects, and Appointments to Boards and Committees sponsored by the Combined Authority.

We are in the process of issuing a draft report for our work on Key Financial Controls – Accounts Payable audit and the fieldwork is underway for a review on COVID-19 Capital Grants.

[To discuss and note]

Changes to 2020/21 Internal Audit Plan

We have held discussions with members of the management team who have suggested a small number of changes for delivery of the 2020/21 internal audit plan. The Audit and Risk Committee are asked to note the changes to audit plan suggested within Appendix B – Other Matters. **[To note and approve]**

2021/22 Internal Audit Plan

We have prepared a 2021/22 Internal Audit plan which has been agreed in principle by the CMT taking into consideration the impact of COVID-19 to date and priorities for assurance coverage from Internal Audit. The plan has been included as a separate agenda item for consideration by the Audit Committee at this meeting. **[To note and approve]**

Other Matters

We have also included some sector news in Appendix B which highlights some of the current issues being faced in the sector and the areas that the Combined Authority may wish to consider. **[To note]**

Appendix A – Progress against the internal audit plan

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target Audit Committee	Actual Audit Committee
		L	M	H		
Risk Management (1.20/21)		1	7	0	January 2021	January 2021
Impact of COVID-19 on Project Delivery (2.20/21)	**Draft report issued: 16 March 2021**	**0**	**0**	**0**	**Was April 2021, now June 2021**	
Appointments to Boards and Committees including those sponsored by the Combined Authority (3.20/21)	**Draft report issued: 24 March 2021**	**0**	**0**	**0**	**Was April 2021, now June 2021**	
Key Financial Controls – Accounts Payable	Debrief Completed	0	0	0	Was April 2021, now June 2021	
IT Controls Assessment	Fieldwork ongoing	0	0	0	June 2021	
Added: COVID-19 Capital Grants	Fieldwork ongoing				June 2021	
Follow Up incl. Risk Management	Planned: 19 April 2021	0	0	0	June 2021	
Grant Verification - Additional Dedicated Home to School and College Transport *	Planned: 26 April 2021	0	0	0	Was April 2021, now June 2021	
Deferred to 2022/23: Climate Change	N/A	0	0	0	N/A	

* Our fieldwork for has been delayed due to additional extensions in the grant period.

Appendix B – Other matters

Changes to the audit plan

Audit/Area	Change Proposed
Impact of COVID-19 on Project Delivery (2.20/21)	Previously we reported that the Impact of COVID-19 on Project Delivery would be delivered in March 2021 however, this was brought forward and commenced in February 2021. **The Audit Committee are asked to approve this amendment.**
Grant Verification – Additional Dedicated Home to School and College Transport	The Additional Dedicated Home to School and College Transport grant verification review has been postponed due to the extension of the grant period, the audit review will be completed once the grant funding has come to a close. **The Audit Committee are asked to approve this amendment.**
Deferral: Climate Change	Following discussions with management, we have been asked to delay the Climate Change review due to the ongoing activity in this area for the CA and defer this to the 2022/23 Internal Audit Plan. **The Audit Committee are asked to approve this amendment.**
Addition: COVID-19 Capital Grants	Following discussions with management, we have agreed to undertake a review on COVID-19 Capital Grants within the 2020/21 Internal Audit Plan in place of the Climate Change review noted above. **The Audit Committee are asked to approve this amendment.**

Information briefings

We have appended to this report the following briefings for information:

- Virtual board and committee meetings; and
- Tips for managing risk through and after coronavirus.

Sector Updates

Community Champions to give Covid-19 vaccine advice and boost take up
60 councils and voluntary groups are set to receive a share of over £23m of funding to expand work to support those most at risk from Covid-19 and boost vaccine take up as part of the Community Champions scheme. Each of the 60 councils have developed their own plan to improve communications with these groups including helplines, school programmes, workplace engagement as well as training sessions to help people provide information and advice. The funding forms part of over £7.9bn government funding provided to councils to help them support their communities during the pandemic.

Councils urged to ensure local plans are up to date
Christopher Pincher, Housing Minister, has urged all councils to ensure they have an up to date local plan in place by the government deadline of December 2023 in order to ensure they can deliver the homes needed. Figures show that nine in ten local planning authorities have now adopted a local plan, but it has been made aware that many of them are not being kept up to date. The Housing Delivery Test measurement shows that 55 authorities delivered less than three-quarters of their housing need. Of these, 40 have a local plan that is more than five years old.

New funding boost for councils
Councils across England will receive £51.2bn next year, an increase of £2.2bn from last year. This financial package provides councils with additional resources to deliver effective local services and continue to support their communities during the pandemic, while protecting council taxpayers from excessive increases.

Government response to the Redmond review
The government has published its response to the independent review into the effectiveness of local audit which was carried out by Sir Tony Redmond. The response sets out how the government will implement many of the recommendations made by Sir Tony Redmond, including swift action to ensure the ongoing effectiveness of the local audit system and improvements to make financial information more transparent.

Spending Review 2020
Key points from Rishi Sunak's, Chancellor of the Exchequer, Spending Review includes:
•	£3bn in extra funding for local authorities, representing a 4.5 per cent increase in spending power
•	£151m of new local government funding for rough sleeping to help end rough sleeping in England, taking total funding for 2021/22 to£250m.

The government is also providing a range of other funding sources to support councils, improve services, and develop local economies

Appendix C - Key performance indicators (KPIs) for 2020/21 delivery

Delivery				Quality			
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales following scoping	Yes	100%		Conformance with PSIAS and IIA Standards	Yes	Yes	
Draft reports issued within 15 days of debrief meeting	100%	100%		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 15 days of draft report	100%	0%	*	Response time for all general enquiries for assistance	2 working days	100%	
Final report issued within 3 days of management response	100%	100%		Response for emergencies and potential fraud	1 working days	N/A	

Notes

* Our first draft report was issued on 11 December 2020 however, due to a combination of the Christmas break responses were not received within 15 days of the draft report.

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Virtual board and committee meetings

Harvesting the benefits

THE POWER OF BEING UNDERSTOOD
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Virtual meetings

We have all had to adapt to our changed environment, where through necessity, the world has harnessed the opportunities technology provides us and has shifted to virtual meetings. Although the capability to hold virtual meetings had been there before, as the fourth industrial revolution took hold, widespread custom and practice had been to continue to meet in person.

As we continue to navigate through the Covid-19 pandemic, virtual meetings are here to stay, with the ongoing challenges that travelling and meeting in person presents. There may also be some longer lasting impacts, as our experiences and adopted working practices help to shape the future.

Whilst many of us have transitioned to being comfortable with the technology, it is time to recognise the benefits of meeting remotely and identify tools to ensure meetings remain effective.

Benefits

Reduce costs, as online meetings are more cost effective, both in terms of time and money. Whilst unnecessary travel time is removed, organisations can also save on the cost of room hire, travel expenses, and production of paper-based packs, which all add up.

Encourage better attendance as the logistics of travel and location are removed, particularly from non-executive members. As meetings can be accessed anywhere in the world, it allows participants to join regardless of where they may be, and what else they have scheduled that day.

Enhanced participation, as meeting participants can share information in a multitude of ways including sharing screens, chat function and virtual hand raising. Participants who may not have always been comfortable sharing their thoughts verbally can interject through the range of tools available to them.

Increased opportunity to recruit from a wider pool of potential non-executive directors (NEDs) and trustees as location and logistical challenges are removed. Working age NEDs are more likely to be attracted to those organisations who reduce the need to be onsite for meetings and briefings.

Greater diversity in committee membership. For example, those with care commitments will be better able to manage their caring responsibilities with remote attendance.

Increased productivity and efficiency for executive members. As less time is spent travelling for meetings, executives are able to focus on the day job with greater ease.

Contribution to environmental sustainability and other corporate social responsibility aims due to reduced travel, carbon footprint and reduction in paper.

Effective meetings

Having outlined the numerous benefits of virtual board and committee meetings, let us consider the tools to make these meetings run effectively.

- Think about the purpose of the meeting. Is it to provide a briefing, encourage discussion or make decisions? In a virtual environment, how is it best to undertake these tasks?

- Set out how you want to use the technology at the beginning of each meeting. With chat functions, virtual hand raising and other tools, it is good to establish how people can effectively participate.

- If you are chairing the meeting, consider allocating the role of monitoring virtual tools to another meeting participant. It can be taxing to chair a meeting as well as keeping an eye on the various sources of feedback.

- Consider the frequency of meetings. Meeting schedules were often based around logistical factors and availability of key members. Is it worth considering if meetings should be held more regularly to keep abreast of a fast-moving environment but for a shorter time commitment?

- Consider the timing of your meetings. Historically, you may have held meetings outside of normal working hours to accommodate the schedule of members. Is this still necessary or can you move the meeting to a different time of day and improve the work life balance of NEDs and executive participants?

- Consider the length and format of your paper pack. Is it necessary to have a pack of papers that is hundreds of pages long as it can be difficult to navigate this in a virtual environment? If a paper is for information, could this be handled as part of a pre-meeting briefing, rather than taking up time in the main meeting. Also think about having papers in landscape form, as this often works better on computer / laptop screens, and those with tablets can be flexible either way.

- Encourage queries to be submitted to the chair in advance. This ensures that people can be brought in on key issues, and that debate, and challenge is not stifled.

- Nominate individuals to ask the first question(s) on relevant papers. It encourages people to be comfortable in raising queries in the virtual environment and that there is balance in the discussion.

Future meetings

It is important to acknowledge that 'in person' meetings of course have significant benefits – once we stabilise to the 'new normal'. When the time is invested to gather people together with the associated costs and environmental implications, this could be for longer sessions, perhaps strategy meetings, risk management workshops etc.

Governance meetings have largely been held and operated in much the same way since the start of the 20th century. Board and committee meetings have reflected this traditional model – even though how business is done and how we communicate has transformed beyond recognition. The pandemic provides an opportunity to reflect on how we deliver governance and oversight. There is a risk that in the initial desire to meet with people again, and also because of personal preference of some members, that some of the benefits of remote meetings may be overlooked and lost.

Organisations should start to think about how they will manage their board and committee meetings in the future. This is important in ensuring that 'in person' meetings focus on activities that most benefit from face to face engagement, with remote meetings enabling efficiency and a wider opportunity for diversity in membership. Virtual working is here to stay, so it is important that we harness the benefits in both the medium and longer term, whilst delivering effective governance.

Our effectiveness reviews

The board and its committees are fundamental in establishing and maintaining effective governance, and we know that good governance is a cornerstone of a successful organisation. The board's standing committees are an integral part of the governance structure, providing oversight to identify where things could go wrong, and providing comfort to the board that risks are being managed appropriately and that assurances have been sought to confirm this is the case.

The Covid-19 pandemic has affected all organisations in one form or another. It has led to a greater focus on internal controls and governance processes, as businesses have adapted and operate in a changed environment.

Self-assessments often focus on what boards and committees are doing, rather than how or why – the pandemic has changed the 'how' by necessity and provides an opportunity to reflect on the future 'how' and 'why'. Shifting focus, from an approach which places emphasis on ticking the box, to an approach focused on delivering outcomes, can help to improve impact and effectiveness.

Our effectiveness reviews focus upon role and purpose, knowledge and experience, relationships and challenge, and governance and leadership, and incorporates three levels of self-assessment questions.

Attributes: what needs to be in place regarding role, scope and people.	**Process:** delivering the fundamentals and core business of the committee.	**Behaviours:** the difference that effective members, chairmanship and meetings make.
1	2	3

Should you like more information on our approach to reviewing board and committee effectiveness, please speak to your RSM contact.

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Tips for managing risk through and after coronavirus
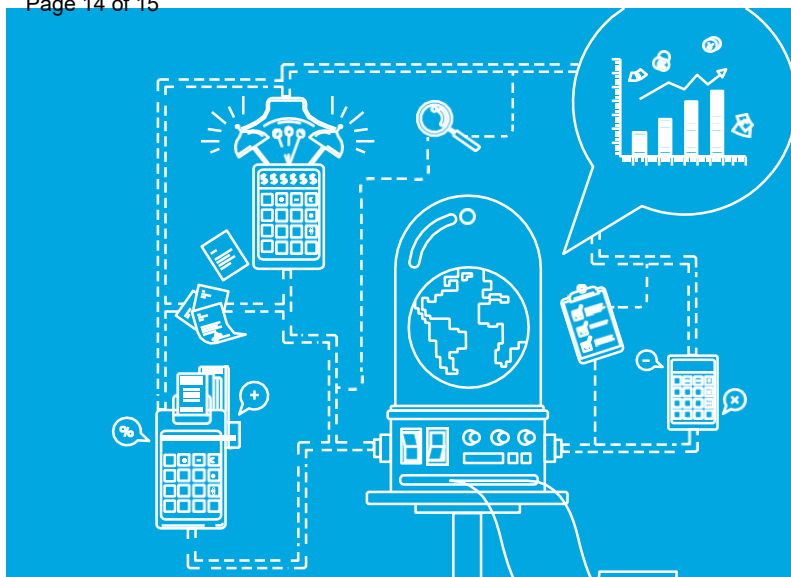
We have been having conversations with many organisations recently about coronavirus and its implications from a risk management perspective. This article explores some tips to help organisations with their risk management thinking as we head into the new normal.

Firstly, some context:
- most if not all organisations and individuals have been significantly affected by coronavirus, be this positively, negatively or both;
- the NHS are expecting coronavirus to impact all planning for the next two years;
- even when we come out of lock down it is unlikely that we shall return to how things were, there will be a 'new normal';
- the rapid emergence and spread of coronavirus is an exceptional event – and there will be other such events in the future, pandemic or not.

With the above in mind let's consider some risk management tips. In writing this we are not intending to provide a recap on all good risk management practices – which we assume are already being exercised; but what we see as coronavirus related, based on our experiences so far. These will not be the only tips I am sure.

Do not throw governance out the window – it's a coronavirus necessity

We encountered a few organisations particularly at the start of the pandemic (and some continue to be) that took on a state of emergency and ended all board activity and interactions as well as allowing the Executive a greater decision-making power. However, whilst the physical aspect of direction and control may be changing (likely forever), the fundamentals of good governance should remain and be applied.

Without governance actually serving an effective purpose (be it within a coronavirus setting or not) then the management of risk can easily become a cosmetic exercise.

Those charged with governance should be in a position to monitor, guide and challenge (constructively) the progress of an organisation's response to the coronavirus event. Coronavirus event response monitoring and reporting ie progress, issues, innovations and key learning should be a standing agenda item for management.

Tip

Adapt your governance arrangements to ensure that your Board is able to function effectively. This will allow it to set direction, measure performance, have oversight, undertake scrutiny and make decisions.
It is in exceptional circumstances such as this that an effective board comes to the fore.

Coronavirus is not a risk in its own right – it currently affects everything

Some organisations now include coronavirus as a new risk in their strategic risk register. This suggests that the risk exists in isolation with a specific set of controls and actions, impacting one part of the business or objective. This is clearly not the case. Coronavirus adds a new dimension to an organisation's strategic risks and the subsequent effects on the organisation.

Organisations should look holistically at their strategic risk profile and understand the interdependencies. If we exclude coronavirus for the moment, it is clear that too many risks (risk registers) are reviewed on a transactional basis ie in parts but not as a whole.

Tip

Review your strategic risks cause descriptions. This in turn will likely mean that you have to adapt your controls or create new actions in the context of the risk to ensure that it is being suitably managed.

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Coronavirus response – things do happen.

Response or contingency planning is a key feature in the management of risk. It is impossible to predict or foresee all future events, they happen unexpectedly, and organisations need to be able to suitably respond. By now most organisations will have some form of coronavirus response plan in hand to ensure the survival, recovery and continuity of operations.

The above goes for any kind of significant event to which an organisation is responding, not just the current coronavirus situation. Having an effective business continuity framework and plan (which is tested) is a must have for all organisations.

Tip

All organisations should have a contingency framework within which it can operate when situations like coronavirus or similar arise.

To this end the World Economic Forum Global Risk report may be helpful. It is produced annually and focusses on what might be the world shapers in the next 12 months. A global pandemic has been in the report for a number of years. The point here is that an organisation may wish to consider how the realisation of such risks in the future might impact on its operations and / or existence ie what happens globally will eventually impact locally. Then consider the organisation contingency framework in that context.

Don't manage the coronavirus response via spreadsheets

We have seen a number of behemoth spreadsheets created to record actions taken, as well as updates. This will create difficulties when considering a wide spread workforce.

Spreadsheets are currently being circulated to management and the Board as a form of progress report. A spreadsheet is not a reporting tool and is reminiscent of organisations that still put the whole of the risk register (in spreadsheet form) on the Board room table. In doing this, where do you start? It is also highly likely that it is already out of date by the time this happens.

Contact:

Matt Humphrey, Risk Advisory Partner
Matthew.Humphrey@rsmuk.com
www.insight4grc.com

Tip

This is a fast-moving environment so equally make sure that the Board, management and staff have access to real time information eg updated actions, communications, evidence etc all in one place. This will provide all the main stakeholders visibility of the response and ensure a more coordinated and consistent approach to managing the unfolding situation.

Investing in a system, with workflow, to communicate and track actions, progress and updates and provide useful management information doesn't have to be expensive and will cut down on unnecessary and inefficient administration at a time when resources are tight. This will provide a good return on investment now as it will in the future. The old adage "what gets measured gets done" is as important now as anytime.

Prepare to manage the change and the (opportunity) risks this presents - take advantage of the 'new normal'

What is a certainty is that as a result of coronavirus all organisations will be change.

All organisations will need to adjust to a new way of working and grasp the opportunities that this presents for increased operating efficiency and effectiveness. These will be wide ranging from where we work, how we work and how we engage with customers, suppliers and stakeholders.

In some cases this might necessitate a top to bottom organisation restructure to realise the benefits that this change can bring. This change process will likely last a period of time, it will not be quick.

Tip:

Organisation leaders need to still be looking ahead, capturing the learning from this C-19 event, reviewing strategy and operating models, identifying emerging innovations and opportunities, listening to stakeholders. As important as it is to survive and bounce back, it is more important to bounce forward and be ready to capitalise on the "new normal".
Having appropriate mechanisms in place to prepare, initiate and progress the forthcoming change in the future short, medium and longer term will be as crucial (if not more so) as the initial response to the emergence of C-19 to ensure sustainability and growth. The main risk here is that organisation leaders will not embrace the change that is ahead and take the advantage.

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Internal Audit Strategy 2021/22 - 2024/25 (including our internal audit plan 2021/22)

DRAFT PLAN

Presented at the Audit & Governance Committee meeting of 6 April 2021

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EXECUTIVE SUMMARY

Our draft Internal Audit Plan for 2020/21 is presented for consideration by the Audit Committee.

As the developments continue around the COVID-19 pandemic, we understand this will continue to impact on all areas of the organisation's risk profile, we will work closely with management to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in the current circumstances.

The key points to note from our plan are:

2020/21 Internal Audit priorities: Internal audit activity for 2020/21 is based on analysing your corporate objectives, risk profile and assurance arrangements as well as other factors affecting you in the year ahead, including changes within the sector.

Specifically, our audit areas are linked into the Combined Authority's Risk Register and the proposed areas have been identified following discussions with the CMT during meetings held in October 2020. Our detailed plan for 2020/21 is included at Section 2.

Level of Resource: The level of resource required to deliver the proposed plan for 2020/21 plan has been discussed and agreed with the Chief Finance Officer. The first draft of the plan detailed areas suggested for priority consideration as part of the recent audit needs assessment process undertaken with the CMT. These were further prioritised by the CMT, were they highlighted areas for suggested coverage in 2020/21, and we have updated the original draft to reflect that feedback in this paper.

We will continue with our approach of introducing the use of technology when undertaking our operational audits. During 2020/21 we embraced more ways of using technology to undertake our audit work including the use of 4questionnaires, MS Teams meetings, secure web portals for audit data sharing (Huddle) and data analytics technology. This will strengthen our sampling and focus our audit testing. Refer to Appendix A.

Core Assurance: The core assurance pieces for the 2021/22 audit plan includes the review of Key Financial Controls which would focus on Financial Regulations and Delegated Financial Authority and the application and design of controls in this respect. In addition, as part of our work to support and inform the Head of Internal Audit Opinion we will review the effectiveness of the organisations Risk Management arrangements (given the 2020/21 partial assurance opinion), a review of subsidiary company governance, the use of Data a fraud risk assessment, as well as the follow up of previous internal audit identified actions to assess implementation.

'Agile' approach: Our approach to working with you will always be one where we will respond to your changing assurance needs, which is particularly important in light of the COVID-19 pandemic. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to Audit & Governance committee during the year.

CONTENTS

1. YOUR INTERNAL AUDIT PLAN 2021/22

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Cambridgeshire and Peterborough Combined Authority in the year ahead, including changes within the sector.

Risk management processes

In developing our Internal Audit Strategy, we have met with the officers detailed below to gain a thorough understanding of the current issues faced by the Combined Authority. We have also reviewed the Risk Register to gain an understanding of the key risks facing the organisation together with the controls in place to manage them:

- Kim Sawyer – Joint CEO
- John Hill – Joint CEO
- Jon Alsop – Chief Finance Officer
- John T Hill – Director of Business & Skills

- Paul Raynes – Delivery & Strategy Director
- Roger Thompson – Housing Director
- Robert Emery – Deputy Chief Finance Officer
- Robert Parkin - Chief Legal Officer (LMO)

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.

Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (see Section 2 and Appendix B for full details).

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2. INTERNAL AUDIT PLAN 2021/22

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2020/21. The table details the linked strategic objectives which may warrant internal audit coverage. This allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes time for tracking the implementation of actions and an audit management allocation.

Objective of the review (Strategic risk)	Audit approach	Proposed timing	Proposed Audit Committee
Subsidiary Company Governance To provide assurance over the governance arrangements in place to monitor, manage and support the subsidiary companies of the Combined Authority (CA). This will include consideration over governance approaches adopted within the subsidiaries, formation and formalisation of roles and responsibilities and how matters are escalated/reported through to the CA for due oversight, challenge and scrutiny. *As part of the scoping of this audit we will establish which subsidiaries will be reviewed.* **Risk ID 6: Lack of structural resilience / insufficient internal resources**	Risk Based	January 2022	April 2022
Adult Education Budget The Adult Education Budget is a major funding mechanism underpinning the strategic aims and objective of the CA and specifically the Skills Strategy. The 2020/21 financial year has resulted in unexpected variances in activity and spending within adult education. We will assess how the CA has apportioned funding with priority areas, reacted to the pandemic and further developed the delivery of Adult Education. The audit will also consider the financial controls in place to monitor budgetary spend in the delivery of Adult Education related services. **Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment**	Risk Based	October 2021	January 2022
Use of Data (including commissioning of research) We will undertake a review to assess how the CA identify gaps in relation to data intelligence and how this dictates the commissioning of projects to data partners. The review will include consideration of the governance arrangements in place between the CA and partner organisations to ensure the delivery of the CA's objectives.	Risk Based	November 2021	January 2022

Objective of the review (Strategic risk)	Audit approach	Proposed timing	Proposed Audit Committee
Risk ID 1: External delivery partners unable to deliver on agreed commitments to CPCA projects			
Fraud Risk Assessment	Risk Based	July 2021	September 2021
To identify and assess the organisation's fraud and bribery risk profile and susceptibility to fraud and bribery threats in the following operational areas, using RSM fraud risk assessment methodology. As part of this exercise we will review the key risks of the organisation, to ensure that CPCA has processes and procedures in place to mitigate fraud and bribery risks.			
HR Policies	Systems Based	September 2021	November 2021
We will undertake a review of the governance and control framework in place, focussing on how HR related policies and documents have been developed, approved and then communicated to staff. The audit will also consider how the Combined Authority intends to ensure compliance with the content of these documents.			
Core Assurance			
Risk Management	Systems Based	February 2022	March 2022
• The arrangements in place for the identification of key risks threatening the achievement of the organisation's objectives and the documenting of these on the risk register together with the controls in place to manage these; and • The effectiveness of arrangements in place for monitoring the management of key risks at Board and Committee level, including the use of the Assurance Framework as a tool to deliver this. We will utilise a risk management culture questionnaire as part of our audit approach to gauge the views of staff throughout the organisation on the effectiveness of risk management arrangements in place			
Key Financial Controls	Key Controls Compliance	January 2022	March 2022
This audit will look to provide assurance over the design and application of controls in relation to the Financial Regulations as well as the application of delegated authority. We may also include a combination of core financial controls from the relevant systems below • General Ledger • Income and Debt Management			

Objective of the review (Strategic risk)	Audit approach	Proposed timing	Proposed Audit Committee
• Payments and Creditors • Cash Management **Risk ID 10: Absence of Resource Planning & Financial Management.**			
Grants (COVID-19) *Following the completion of a number of grant returns in 2021/22 which require the sign of both the Chief Executive and the Chief Internal Auditor we have included a note within the internal audit plan to undertake reviews in our capacity of the CPCA Chief Internal Auditor on the use of grant funding received, which will include review of evidence to substantiate compliance against grant terms.* *We will also consider the control framework in place to manage the receipt of grants and how the CA are assured that the terms of each grant are adhered to.*	N/A	Ongoing	Ongoing
Other Internal Audit activity			
Contingency To allow an additional one or two reviews to be undertaken in agreement with the AGC or management based on changes in risk profile or assurance needs as they arise during the year. *This contingency will need to be used in 2021/22 to ensure that RSM are able to meet the minimum level of coverage to provide a Head of Internal Audit Opinion for 2021/22 on risk management, governance and internal control.*	N/A	TBC	TBC
Follow up To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	N/A	February 2022	March 2022
Advice and Consultancy To provide advice on an ongoing basis on all aspects of governance, risk management and internal control.	N/A	Ongoing	Ongoing
Management This will include: • Annual planning • Preparation for, and attendance at, audit and governance committee • Regular liaison and progress updates	N/A	Ongoing	Ongoing

Objective of the review (Strategic risk)	Audit approach	Proposed timing	Proposed Audit Committee
• Liaison with external audit and other assurance providers			
• Preparation of the annual opinion			

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

2.1 Working with other assurance providers

The Audit & Governance Committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

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APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Dan Harris as your Head of Internal Audit, supported by Jay Desai as your client manager.

Core team

The delivery of the 2020/21 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required, for example Technology risk specialists, Fraud Risk Specialists and HR specialists have been included within the 2021/22 plan above.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that "there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers". RSM was found to have an excellent level of conformance with the IIA's professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

Conflicts of interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

APPENDIX B: INTERNAL AUDIT STRATEGY 2020 – 2025

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided	
Red	Red - Minimal Assurance / Poor Progress
Amber/red	Amber/red - Partial Assurance / Little Progress
Amber/green	Amber/green - Reasonable Assurance / Reasonable Progress
Green	Green - Substantial Assurance / Good Progress
Advisory	Advisory / AUP
IDEA	IDEA

Audit Area	Linked Risk Ref	Internal Audit – Third Line of Assurance (Independent review / assurance)				
		2020/21	2021/22	2022/23	2023/24	2024/25
Climate Change Strategy	Risk ID 18: Climate change related events, policies and political pressures			✔	✔	
Government Funding	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment			✔		✔
Public Communication and Perception	Risk ID 16: Disruption of the delivery of the Combined Authority objectives.					✔
Political Changes and Priorities	Risk ID 4: Changes in Political Management which could lead a change of priorities for CPCA			✔		
Brexit	Risk ID 20: Potential impact of Brexit on delivery of the Combined Authority's Growth Ambition Programme (B)			✔		

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Area	Risk					
Partnerships and Collaboration	Risk ID 10: Absence of Resource Planning & Financial Management			✓		
Strategic Planning and Partnerships	Risk ID 10: Absence of Resource Planning & Financial Management				✓	
The Business Board	Risk ID 20: Potential impact of Brexit on delivery of the Combined Authority's Growth Ambition Programme (B)			✓		✓
Local Industry Strategy	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment			✓		
Local Transport Plan	Risk ID 17: Unbudgeted increases in costs for highways and transport schemes funded by the Combined Authority and delivered by partner agency.				✓	
Skills Strategy	Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment		✓			✓
IT Controls Assessment / IT Strategy	Risk ID 14: Disruption to the operation of the Combined Authority.	✓			✓	
Cyber Security/ Network Security	Risk ID 14: Disruption to the operation of the Combined Authority			✓		✓
Information Governance	Risk ID 14: Disruption to the operation of the Combined Authority				✓	

Digitalisation	**Risk ID 6: Lack of structural resilience / insufficient internal resources**		✓		
Declarations of Interest	***Risk ID 4: Changes in Political Management which could lead a change of priorities for CPCA***		✓		
Corporate Governance	**Risk ID 6: Lack of structural resilience / insufficient internal resources**			✓	
Governance, Transparency and Decision Making *(2020/21 - Appointments to Boards and Committees sponsored by the Combined Authority)*	**Risk ID 6: Lack of structural resilience / insufficient internal resources**	✓	✓	✓	✓
Cross Charging of Corporate Services	**Risk ID 10: Absence of Resource Planning & Financial Management**		✓		
Subsidiary Company Governance	**Risk ID 6: Lack of structural resilience / insufficient internal resources**	✓			
Project Planning and Delivery *(2020/21 - COVID-19 – Impact of COVID-19 on delivery of Projects)*	**Risk ID 8: Ambitious and long stalled programmes cannot proceed due to lack of government funding and or private investment**	✓	✓		✓
Business Continuity and Disaster Recovery	***Risk ID 14: Disruption to the operation of the Combined Authority.***			✓	
Procurement and Contract Management	***Risk ID 10: Absence of Resource Planning & Financial Management***				✓
Fraud Risk Assessment	***Risk ID 14: Disruption to the operation of the Combined Authority.***		✓		✓

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Capital Programme	*Risk ID 10: Absence of Resource Planning & Financial Management*			✓		
Financial Planning and Delivery	*Risk ID 10: Absence of Resource Planning & Financial Management*				✓	
People Management / HR Policies	*Risk ID 10: Absence of Resource Planning & Financial Management*		✓			✓
Recruitment	*Risk ID 10: Absence of Resource Planning & Financial Management*			✓		
Use of Data (including commissioning of research)	**Risk ID 1: External delivery partners unable to deliver on agreed commitments to CPCA projects**		✓			
Data Quality and Performance Management	**Risk ID 6: Lack of structural resilience / insufficient internal resources**				✓	
Grant Verification		✓	✓	✓	✓	✓
Risk Management		 	✓		✓	
Key Financial Controls	*Risk ID 10: Absence of Resource Planning & Financial Management.*	✓	✓	✓	✓	✓
Payroll	*Risk ID 10: Absence of Resource Planning & Financial Management.*				✓	
Follow Up		✓	✓	✓	✓	✓

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Cambridgeshire and Peterborough Combined Authority. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the audit committee.

The internal audit service is provided by RSM Risk Assurance Services LLP ("RSM").

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;

- Definition of internal auditing;

- Code of ethics; and

- The Standards.

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner, Dan Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Chief Financial Officer.

The head of internal audit has unrestricted access to the chair of audit committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Cambridgeshire and Peterborough Combined Authority. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit committee for review and approval each year before work commences on delivery of that plan.

- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit committee.

- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.

- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.

- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.

- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.

- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.

- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.

- Report regularly to the audit committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

- Management team who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.

- Combined Authority Board - The highest-level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (eg an audit committee).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.

- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.

- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.

- Fieldwork takes place on agreed dates with key issues flagged up immediately.

- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.

- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.

- Management responses to the draft report should be submitted to RSM.

- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

We continue to closely monitor and implement official guidelines from the Government and health organisations in respect of Covid-19. All our staff must adhere to the relevant RSM Policies, including limiting time on site and completing the relevant approvals prior to any site visit.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.

- Have full and free access to the audit committee.

- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.

- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.

- Initiate or approve accounting transactions on behalf of the organisation.

- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the audit committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the audit committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the audit committee.

Fraud

The audit committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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Agenda Item No: 8

Adult Education Budget Audit and Assurance Programme

To: Audit and Governance Committee

Meeting Date: 06 April 2021

Public report: Public Report

From: Janet Warren
                                   Lead Commissioner – Adult Education

Recommendations: The Combined Authority Board is recommended to:

a) note the update to the arrangements for the provision of Audit and Assurance in respect of the delivery of the devolved Adult Education Budget in Cambridgeshire and Peterborough.

Voting arrangements: N/A

1. Purpose

1.1 To present an update for the Committee on the Adult Education Budget Audit and Assurance approach.

2. Background

Following the devolution of the Adult Education Budget (AEB) to the Mayoral Combined Authorities (MCAs) and the Greater London Authority (GLA) in August 2019, an agreement was made that the Education and Skills Funding Agency (ESFA) will undertake a funding assurance review on a sample of providers in receipt of AEB devolved funds for the funding year 2019 to 2020 (2019/20). This has become known as the Year One offer.

2.2 As part of the Year One offer, the ESFA had appointed their audit firms to undertake funding assurance reviews for the MCAs and GLA as part of the sample described above. The Cambridgeshire and Peterborough Combined Authority (the CA) had been requested to identify three out of the seventeen AEB providers in the 2019/20 academic year for audit selection, who were identified within the ESFA random sample. The chosen providers as previously reported were:

1. Cambridgeshire County Council
2. West Suffolk College
3. TCHC Group

2019/20 Audit Results

1. West Suffolk College	Audit firm: Price Waterhouse Coopers Status: Completed 01 February 2021 Results: £0 funding errors identified, and satisfactory conclusion on the use of funds No further action
2. Cambridgeshire County Council	Audit firm: Mazars Status: Incomplete due to provider delays Results: £3,898 overclaim in relation to nine learners Awaiting final report
3. TCHC Group	Audit firm: Mazars Status: Incomplete due to provider delays Results: £6,949 overclaim in relation to eleven learners Awaiting final report

2.3   The total amount of funding that has been identified as incorrectly claimed as set out in the table above, noted as a provider overclaim, stands at £10,847 and shall be recovered back to the CA in due course.

2.4   TCHC are no longer contracted with the CA, however Cambridgeshire County Council are grant funded and therefore it will be easier to return the funding to us. The completed reports were expected in January 2021, however the audit firm reported major delays in the response time from both providers as the main contributing factor.

2020/21 Audit Approach

2.5   The core AEB allocation for our region was £11,968,970 in academic year 2020/21 with additional funding received in-year. This included £466,297 allocated for the COVID-19 Skills Recovery Package and £212,308 for the Lifetime Skills Guarantee. This allocation increases to £12,793,417m in 2021/22.

2.6   The AEB is delivered by ten grant funded providers comprised of two local authorities and eight local further education colleges and four independent training providers.

2.7   The ESFA and the MCAs fund adult skills in England and both organisations have a duty to demonstrate public money is spent in accordance with HM Treasury's guidelines.

2.8   Using a risk-based approach we have identified four providers for planned funding audits the current 2021/22 academic year. They will be notified in due course.

2.9   Independent Training Providers are usually audited between April and October and grant funded Colleges and Local Authorities between September and October. Due to the impacts of COVID-19, firms are still not undertaking audits as normal, however with the lifting of lockdown restrictions it is hoped timings shall be less affected this year.

2.10   The CA intends to start the 2020/21 funding audits week commencing 24 May 2021, we are required to notify the providers no less than four weeks prior, with a view to receiving the outcome reports in June 2021. We shall create our own audit working papers updated with our own funding guidance, to allow for full compliance testing against our funding and performance management rules.

MAIN ISSUES

2.11   Since AEB was devolved in 2019 to MCAs, the ESFA and the devolved authorities continue to cooperate in respect of their audit and assurance arrangements. Regular meetings have been taking place with the relevant lead officers from each organisation. At each meeting topics include:

- Updates on Fraud and Investigations
- Updates on Audit and Assurance
- Collective group discussions

The next meeting is due to take place in April.

Assurance

2.12   MCAs are responsible for their own assurance processes, for the CA this includes:

- Audit of annual accounts
- Funding data returns by the provider to CA
- Financial health assessments
- Regular and robust contract management
- Targeted work on any identified concerns
    - Information sharing with Ofsted
    - Information sharing with other MCAs and ESFA

Funding Validation

2.13   AEB providers receive funding under grant funding agreements and contracts for services with the CA. These agreements and contracts require providers to comply with the CA's funding and performance rules, maintain individualised learner records (ILRs) and submit monthly ILR data returns to the CA in support of their funding claims.

2.14   The CA conducts a programme of funding validation, which involves explaining to providers how to rectify any incorrect data and pointing out that submitting inaccurate data is a breach of contract. The CA conducts data validation to ensure that funding has been legitimately earned and therefore paid to each provider.

Audits

2.15   The ESFA conducts a programme of direct audits based on both random and risk-based sampling of providers which provides sector-wide assurance over funding claimed.

2.16   External auditors are then responsible for identifying any errors in a sample and asking the provider to carry out a 100% check where these errors appear to be systematic. This will enable them to arrive at an overall error rate and identify actual funds at risk. At this point, it will be the CA's responsibility to take action concerning recovery of funds, and we would in the first instance consult our Legal team.

Fraud and Investigations

2.17   If either the ESFA or CA suspect fraud or receive information and/or allegations in relation to a provider, including a subcontractor which is funded by both ESFA and the CA an action plan has been set out by the ESFA which is discussed and reviewed on a quarterly basis.

Risk and Implication

2.18   There is a risk that funding claimed and/or data held in the ILR is not supported by appropriate documentation or provision is not being funded in accordance with the funding rules. The Risk Register for the AEB programme records and monitors individual provider risks, with external audit being a key mitigation.

Financial Health

2.19   The ESFA will continue to share financial health grades and key financial indicators with the CA.

2.20   The information will be shared under a Data Sharing Agreement (DSA) on an agreed timetable utilising current arrangements about sharing financial dashboards with Colleges and financial health details with ITPs.

3.   Financial Implications

3.1   In this academic year it has been necessary for the CA to seek its own assurance as to the effectiveness of providers spend on Adult Education. To fund its own audits of up to four providers the likely cost would be £30,000 based upon applying similar resources for each audit as the ESFA regime.

3.2   The costs of audit have been budgeted from the AEB top slice that is used to facilitate the administration costs of the programme and will therefore have no effect on the wider CA budget.

4.   Legal Implications

4.1   The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 conferred specified adult education functions of the Secretary of State onto the Combined Authority.

Report title: Audit and Governance Committee Draft Annual Report

To:	Audit and Governance Committee
Meeting Date:	6 April 2021
Public report:	Public Report
From:	John Pye Chair of Audit and Governance Committee
Recommendations:	a) The Audit and Governance Committee is asked to comment on the draft Annual Report of the Chair of Audit and Governance Committee for 2020/21 (Appendix 1) before it is submitted Combined Authority Board. b) Approve the draft report subject to agreed changes.
	Voting arrangements: N/A

1.   Purpose

1.1   The Audit and Governance Committee has been in operation since the Combined Authority Board approved the membership and appointment of the Independent Person in May 2017. The Committee met eight times during the 2020/21 municipal year.

1.2   The Committee provides independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework.

1.3   The Draft Annual Report of the Chair of Audit and Governance Committee is the work carried out by the Committee over the municipal year 2020/21 is at Appendix 1.

2.   Background

2.1   It is recommended by relevant professional bodies that audit and governance committees should produce an annual report which details the work of the Committee for the Municipal Year. A draft annual report has been prepared for 2020/21 (Appendix 1).

2.2   The draft annual report shows:

- Background to the Committee, its roles, responsibilities and membership;

- An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities;
- Training provided to ensure that suitable challenge and scrutiny is adopted.
- Records of complaints, Freedom of Information requests and attendance levels for the committee to consider.

2.3 The Committee is asked to comment on the draft report before it submitted by the Chair to the Combined Authority Board in July.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Appendices

5.2 Appendix 1 – Draft Annual Report

ANNUAL REPORT FROM THE CHAIRMAN OF AUDIT & GOVERNANCE COMMITTEE FOR THE COMBINED AUTHORITY OF CAMBRIDGESHIRE AND PETERBOROUGH 2020/2021

CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY

To review and scrutinize the authority's financial affairs

To make reports and recommendations to the CA on these reviews

To review and assess the economy, efficiency and effectiveness of the authority's use of resources

To review and assess the authority's risk management, internal control and corporate governance arrangements

To ensure high standards of conduct amongst Members

1

DRAFT

AUDIT AND GOVERNANCE COMMITTEE: ANNUAL REPORT 2019/2020

FOREWORD FROM THE CHAIRMAN OF THE AUDIT & GOVERNANCE COMMITTEE

I am pleased to provide the Audit and Governance Committee's (A&G) Annual Report for the municipal year 2020/21. The Combined Authority Board is asked to:

- Note the work carried out by the Committee in scrutinizing the governance arrangements across the Combined Authority.

- Provide any feedback to the Committee.

The report describes the A&G Committee's routine programme of work throughout the year, together with the issues referred to the Combined Authority Board. Members have supported and challenged officers to help in the further development of effective and transparent risk management, internal control and governance processes.

Points to bear in mind, as you read the report, are:

- All meetings were virtual, and there were no quoracy concerns.
- Workload increased, with eight meetings held instead of the five planned.
- The Committee benefited from a stable membership.
- New Internal Auditors were appointed.
- The Committee is supported by Officers in an open and responsive manner.
- The Mayor attends the Committee when requested.
- All the Committee's recommendations to the Combined Authority Board were accepted.
- There are no material governance concerns to report.

I would like to thank Committee Members and Officers for their support of the A&G Committee work during the year.

John Pye
Audit and Governance Chair

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INTRODUCTION

This is the A&G Committee's fourth annual report and is prepared in line with best practice[1].

The A&G Committee was established by the Combined Authority in May 2017. The membership comprises seven elected members representing each of the Combined Authority's constituent councils, together with an Independent Person. The Combined Authority Board agreed at its annual general meeting in May 2017 that the Independent Person should act as the A&G Committee's Chair.

The Committee's purpose is to provide: independent assurance of the adequacy of the risk management framework and the associated control environment; independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risks and weaknesses; and to oversee the financial reporting process.

The key benefits of an Audit and Governance Committee can be seen as:

- Raising awareness of the need for internal control, and the implementation of internal and external audit recommendations;
- Increasing public confidence in the objectivity and fairness of financial and other reporting;
- Reinforcing the importance and independence of internal and external audit and similar review processes; and
- Providing additional assurance through a process of independent and objective review.

The A&G Committee's Terms of Reference are at **Annex A** of this report.

This report sets out the work undertaken by the A&G Committee for 2020/21. The A&G Committee has seen good progress in all areas under its remit, with rigorous of scrutiny of the Corporate Risk Register, Value for Money and the Assurance Framework.

The A&G Committee's specific actions and recommendations during the year included:

1) That Climate Change be included on the Corporate Risk Register

2) The approval and consideration of an Independent Review into Lancaster Way.

3) A review of the Constitution, which was put to Combined Authority Board for approval with supporting suggestions.

4) A review of the Assurance Framework, which was put to Combined Authority Board for approval, with the recommendation that Business Board meetings should be open to the public unless the Chair decided otherwise.

5) Obtaining updates on the liaison between the Combined Authority and civil servants in London, after the Ministry Housing Communities and Local Government raised concerns about the governance arrangements.

6) Obtaining updates on the working relationship between the Combined Authority and Greater Cambridge Partnership

7) Recommending that the Combined Authority Board adopt of defined relationship between the Risk and Change Control documents.

8) Obtaining updates on the Adult Education Budget.

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1 Best practice as contained in the Chartered Institute of Public Finance and Accountancy (CIPFA) document "*A Toolkit for Local Authority Audit Committees*"

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MEMBERSHIP AND MEETINGS

All meetings were virtual using Zoom.

During 2020/21, the Audit and Governance Committee met on the following dates:

- 26 May 2020
- 31 July 2020
- 24 September 2020 (Extra Meeting to consider review outcomes of constitution)
- 2 October 2020
- 27 November 2020
- 29 January 2021
- 5 March 2021 (Extra meeting to consider the Assurance Framework)
- 6 April 2021

The Committee met eight times instead of the planned five. The additional meetings were:

- In September, to review the Constitution prior to it being taken to the Combined Authority Board.

- In November, to align with the revised timescales for the approval of the statement of account after the delay due to the Covid 19 Pandemic.

- In March 2021, to review the Assurance Framework prior to it being taken to the Combined Authority Board.

There is a cross representation of parties in accordance with the make-up of the constituent councils across the Combined Authority area. The members for 2020/21 were:

Table 1: Councillor Audit Committee Membership 2020/21 as at 6 April 2020:

Independent Person	Conservative	Liberal Democrats	Labour
John Pye (Chair)	Cllr Ian Benney Cllr David Brown (Vice Chair) Cllr Mark Goldsack Cllr Graham Bull	Cllr Tony Mason Cllr Nick Sandford	Cllr Mike Davey

Senior officers from the Combined Authority are also present at the A&G Committee meetings, including the Chief Finance Officer, Chief Legal and Monitoring Officer, Chief Executive Officer and Chief Internal Auditor.

Dependent on the agenda, other officers attend as do the External Auditors, Ernst & Young.

The Mayor for the Combined Authority attended one meeting.

The Committee was well supported by the Combined Authority's senior officers throughout the year.

KEY ACTIVITIES DURING THE MUNICIPAL YEAR

Background

The Audit and Governance Committee's terms of reference cover six main areas:

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- Annual Accounts
- Review Corporate Governance
- Internal Audit
- External Audit
- Financial Reporting
- Code of Conduct

The work to fulfil these terms of reference is summarised below.

Annual Accounts

Remit   Approve the annual statement of accounts.

Audit & Governance Committee Actions:

<u>26 May 2020</u>

- *Workshop: Draft Statement of Accounts:* The A&G Committee considered and commented on the draft accounts for the Combined Authority 2019/20

<u>31 July 2020</u>

- *Draft Statement of Accounts:* Some sections of the 26 May version of the draft accounts were incomplete because of the late receipt of the actuarial report containing information necessary for the proper accounting treatment and accompanying notes of the Combined Authority's pension fund.

<u>2 October 2020</u>

- *Statement of Accounts Update:* Due to the impact of COVID-19 on local authorities, MHCLG made amendments to the required timing of the publication of local authority accounts and of the public inspection requirement, the Committee noted progress towards the preparation and audit of the 2019/20 Statement of Accounts.

<u>27 November 2020</u>

- *Audited Statement of Accounts 2019/20:* Due to the impact of COVID-19 on local authorities, MHCLG amended the publication date for final, audited, accounts from 31 July (for Category 1 authorities) to 30 November 2020 for all local authority bodies. The Committee received and approved the final Statement of Accounts 2019/20.

Governance

Remits

Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;

Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;

Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;

Monitor the Authority's risk and performance management arrangements including

reviewing the risk register, progress with mitigating actions and assurances;

Monitor the anti-fraud and whistleblowing policies and the complaint process;

Audit & Governance Committee Actions:

26 May 2020

- *Corporate Risk Register:* The Committee received and commented on the Corporate Risk Register

- *Complaints Procedure:* The Committee noted the revised procedures and recommended them to the CA Board.

- *Trading Companies – Scrutiny Arrangements:* The Committee received the report in order that it understood the dynamic of the Overview & Scrutiny functions in terms of the traded companies. Additionally, the Committee needed to be satisfied with the governance and expenditure of the trading companies.

- *Revised Guide for Project Management:* The Committee received and noted the revised guide.

31 July 2020

- *Corporate Risk Register:* The Committee received and commented on the Corporate Risk Register.

- *Annual Governance Statement:* The Committee received and reviewed the Annual Governance Statement.

- *Independent Commission on Climate Change:* The Committee received and commented on the report.

24 September 2020

- *Constitution Review:* The Committee received and commented on the review of the constitution carried out by officers. It recommended the adoption of the Constitution to the CA Board, and provided some suggestions for further improvements..

2 October 2020

- *Corporate Risk Register:* The Committee received and commented on the Corporate Risk Register

27 November 2020

- *Corporate Risk Register:* The Committee received and commented on the Corporate Risk Register

- *Relationship Risk and Change Document:* The Committee received the report which provided the Committee with a proposed Relationship between Risk and Change Control document and recommend to the Combined Authority Board the adoption of the proposed Relationship between Risk and Change Control document

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- *Lancaster Way:* The Committee received the report which provided the Committee with an update on the independent value for money review of the Lancaster Way project, as jointly commissioned by the Combined Authority (CPCA) and Cambridgeshire County Council (CCC).

29 January 2021

- *Corporate Risk Register:* The Committee received and commented on the Corporate Risk Register

5 March 2021

- *Assurance Framework:* The Committee received the report which requested that the Committee recommend the revised draft of the Assurance Framework to the Combined Authority Board .

- *Constitution Update:* The Committee received the report which requested that the Audit and Governance Committee, as the custodians of the Combined Authority Constitution, consider and comment on a recommendation from the Housing and Communities Committee.

- *Information Governance Update:* The Committee received the report which advised the Audit and Governance Committee of the Information Governance report including findings and recommendations for implementation.

- *Standing Enquiries:* The Committee received the report on how it scrutinises assurance, and agreed how it should monitor the incidence of whistleblowing, fraud and complaints.

Internal Audit

Remits

Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;

Review internal audit requirements undertaken by the Combined Authority;

Approve the internal audit plan;

Consider reports and assurances from the Chief Finance Officer in relation to:

(a) Internal Audit performance;

(b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;

(c) Risk management and assurance mapping arrangement;

(d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable

Audit & Governance Committee Actions:

26 May 2020

- *Internal Audit Update:* The Committee received a progress report from the Internal Auditor

31 July 2020

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- *Internal Audit 2020/21:* The Committee were informed of the expressions of interest in assuming the Internal Audit function, following the end of the Service Level agreement with Peterborough City Council. The Internal Audit Plan 2020/21 would be presented at the 2 October 2020 meeting of the Committee

2 October 2020

- *Internal Audit – Progress Report:* 1. A final update on Internal Audit for 2019/20 was provided, and the new Internal Auditors, RSM presented the initial draft audit plan for 2020/21

27 November 2020

- *Internal Audit – Progress Report:* The Committee received the report which provided details of the progress made in delivering the approved Audit Plan for 2019/20

29 January 2021

- *Internal Audit Update Report:* The Committee received the report which provided an update to the work that RSM have conducted against the internal audit plan for 2020/21.The paper also provided the conclusions and recommendations of RSM's review of Risk Management: management had accepted all the recommendations of the partial assurance.

External Audit

Remits

Review the annual accounts;

Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Audit & Governance Committee Actions:

26 May 2020

- *External Audit Update:* The external auditors presented an update and reiterated the change in deadlines for the publication of accounts.

31 July 2020

- *External Audit Update:* The Committee received the report which advised that, owing to complexities related to the Cambridgeshire Pension Fund, the audit would not be complete until the end of September and would be presented to the 2 October meeting of the Committee.

2 October 2020

- *CPCA Statement of Accounts and External Audit 2019/20:* The Committee received the report that provided an update on the Ernst and Young (EY) audit, with an expectation that procedures would be completed by 9 October.

27 November 2020

- *External Audit Report and Opinion:* The Committee received and noted the unqualified opinion.

<ins>29 January 2021</ins>

- *External Audit – Annual Audit Letter:* The Committee noted the report and annual audit letter 2019/20

<ins>5 March 2021</ins>

- *External Audit – Outline Audit Plan:* The Committee received and noted the report which provided the Committee with EY's outline audit plan for the 2020/21 financial statements.

Financial Reporting

Remits

> Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
>
> Consider any issues arising from External Auditor's audit of the account;
>
> Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
>
> Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Audit & Governance Committee Actions:-

<ins>26 May 2020</ins>

- *Treasury Management Strategy Summary: The Committee received and noted the strategy.*

<ins>2 October 2020</ins>

- *Treasury Management Strategy Review:* The Committee received and noted a report reviewing the current performance against the prudential indicators included within the Treasury Management Strategy.

<ins>27 November 2021</ins>

- *Adult Education Budget:* The Committee received and noted the report that provided an update for the Committee on the Adult Education Budget arrangements

<ins>29 January 2021</ins>

- *Treasury Management Strategy Update:* The Committee received and noted the report which outlined the Treasury Management and Capital Strategies for 2021-22 and requested that the committee note the in-year performance against the adopted 2020-21 prudential and treasury indicators.

<ins>Code of Conduct</ins>

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Remits

Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;

Assisting the Members and Co-opted Members to observe the Code of Conduct;

Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;

Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

24 September 2020

- *Constitution Review:* Part of the constitution review introduced a new Code of Conduct, which the committee reviewed and recommend for adoption to the CA Board.

MEMBER DEVELOPMENT AND ATTENDANCE

Throughout the year, the provision of ongoing Members' development has been the cornerstone of collective skills of the Committee. During the year, officers provided presentations on:

- Constitution review workshop
- Value for Money Workshop – National Audit Office
- Combined Authority Board Updates

Attendance

Date of Meeting	Number of members attended	Substitutes sent	Meeting Quorate
26 May 2020	8	0	Yes
31 July 2020	6	1	Yes
24 September 2020	8	0	Yes
2 October 2020	8	0	Yes
27 November 2020	8	0	Yes
29 January 2021	7	0	Yes
5 March 2021	8	0	Yes

Whilst quoracy has been a challenge in previous years, this municipal year of virtual meetings has been quorate.

Nevertheless, the Committee, in conjunction with the Overview and Scrutiny Committee, for the Combined Authority requested that the Mayor for the Combined Authority write to the MHCLG to raise our concern about the high quorum requirement for Combined Authority Committees. The response received from the Minister said that these concerns would be taken into consideration as the government developed their English Devolution and Local Recovery White Paper.

GOVERNANCE MONITORING

FREEDOM OF INFORMATION REQUESTS (DATA AWAITED)

The Combined Authority for Cambridgeshire and Peterborough is a public body for the purpose of the Freedom of Information Act 2000. (Schedule 1 Part 2 S19B); and as such must respond to requests for information held by the authority.

There have been 32 requests from 1st March 2020 and 1st March 2021, 4 of these requests were

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Environmental Information Regulation (EIR) requests. All responses are published on the Cambridgeshire and Peterborough Combined Authority website.

A member of the public has the right to ask for an internal review if they are dissatisfied with the handling of a Freedom of Information request. Over the last year the Combined Authority received 1 request for internal reviews.

The table below shows how many Freedom of Information request were received this year and details whether they were responded to within the statutory deadline required of 20 working days.

Freedom of Information Requests Received March 2020 – March 2021

Number of FOI & EIR received between 1st March 2020 – 1st March 2021	Responded within deadline	Late responses	Internal review undertaken	Outcome of internal review
32	27	8	1	No finding of the CPCA failing to comply with the EIR or of information being wrongly withheld.

COMPLAINTS

The Combined Authority has a two stage complaints process which is published on the website.

- Stage One follows an informal complaints process where the relevant officer will do their best to settle the complaint without further action being taken.
-
- Stage Two follows a more formal process which allows for a complainant to   make a formal complaint in writing to the Monitoring Officer, which will then be thoroughly investigated.

The Combined Authority has received and responded to 5 complaints.

WHISTLEBLOWING

Whistleblowing is where an individual who has concerns about a danger, risk, and contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds.
The concerns can include something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for Cambridgeshire and Peterborough Combined Authority Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

The procedure that must be followed was approved by the Audit and Governance Committee last year and is published on the Combined Authority website.

At the time this report is published a complaint is being assessed to examine whether it is a whistleblowing matter, in which case it will be processed in accordance with the policy.

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FUTURE DEVELOPMENTS AND PLANS FOR 2020/21

Overall, the Audit and Governance Committee want to continue to develop and build on our current achievements. For 2021/22 this will involve:

- Governance of Trading Companies
- Governance of the Business Board
- Corporate Risk Register
- Role of the committee in the governance of projects.

John Pye

Chair

Audit and Governance Committee

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Agenda Item No:10

Report title: Audit and Governance Committee Work Programme

To:	Audit and Governance Committee
Meeting Date:	6 April 2021
Public report:	Public Report
From:	Anne Gardiner Scrutiny Officer
Recommendations:	Note the work programme for the Audit and Governance Committee for the 2021/22 municipal year attached at Appendix 1 and agree to regularly review the work programme at each meeting. Voting arrangements: N/A

1.   Purpose

1.1   To provide the Committee with the draft work programme for Audit and Governance Committee, looking ahead to the 2021/22 municipal year.

2.   Background

2.1   In accordance with the Constitution, the Audit and Governance Committee must perform certain statutory duties including the approval of accounts, governance arrangements, financial reporting and code of conduct.

2.2   A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.

2.3   The document attached at Appendix 1 provides commentary on items received by the Committee over the last two municipal years (including the current one) alongside future items to be received throughout the remainder of this municipal year. This includes those items that must be considered annually by the committee.

3.   Financial Implications

3.1   None.

4. Legal Implications

4.1   None.

5. Appendices

5.2   Appendix 1 – Work Programme for 2021/22

AUDIT AND GOVERNANCE COMMITTEE
WORK PROGRAMME 2019/20 – 2020/21

Meeting Date	Item	COMMENTS
6 April 2021 **Venue: TBA**		
	MEETING	**INTERNAL & EXTERNAL AUDIT**
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	Adult Education Budget	
Meeting Date **2020/21**	**Item**	**COMMENTS**

ITEMS TO BE SCHEDULED		
	Governance Review of the Business Board	
	Trading Companies (Development Session)	AUTUMN/WINTER 2020/21
	Audit & Governance Committee Annual Constitution Review	AUTUMN 2021
	Member Skills Training (joint session with the O&S Committee)	WINTER 2021
	Occurred Meetings – Work Programmes	
19 July 2019 Fenland District Council	Internal Auditors Annual Report	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019
	Statement of Accounts 2018/19 and External Audit Final Results	The Committee resolved that: i) That the Chief Executive circulate the draft statutory notice to the members of the Audit and Governance Committee prior to publication. ii) That the Chief Executive liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the auditors performance and the impacts this has had on each Council. iii) That the Chair of the Audit and Governance Committee write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committee extreme disappointment.

	iv) That the Committee receive and approve, in principle, the final Statement of Accounts. v) That the Committee agree to the additional recommendations below: a) Note that the Combined Authority's external auditors are not able to guarantee that they will have completed their audit of the accounts for 2018/19 before the statutory deadline of 31 July 2019 for the publication of the statement of accounts together with any certificate or opinion from the external auditors; b) Note that if it is not possible to publish the statement of accounts on time the law requires the Combined Authority to publish as soon as reasonably practicable on or after the deadline a notice stating that it has not been able to publish the statement of accounts and its reasons for this; c) Authorise the Chief Finance Officer in consultation with the Chair of Audit and Governance Committee, as and when the final Audit Opinion is provided by the external auditors, to make any minor amendments to the statement of accounts arising from the final Audit Opinion and to authorise the Chief Finance Officer and Chair of Audit and Governance to then sign and publish the statement of accounts together with any certificate or opinion from the external auditors;

		d) In the event that amendments arising from the final Audit Opinion would constitute a "material adjustment" to the final accounts as defined in the external auditor's final audit plan a further report is to be brought to Committee; and e) That the Committee receive and approve the Annual Governance Statement 2018/19 as included within the statement of accounts.
	Chairman's Annual Audit Report	The Annual Report of the Chair of the Committee be submitted to the Combined Authority Board was approved.
	Internal Audit Plan	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019.
	Value for Money Report	The Committee noted the Combined Authority's approach to delivering value for money.
	Treasury Management Annual Report	The Committee reviewed the actual performance for the year to 31st Match 2019, against the adopted prudential and treasury indicators.
	Human Resources Risk Reduction Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2019/20	**Item**	**COMMENTS**
27 September 2019 Cambridge City Council	**Audit Results Reports & Statement of Accounts 2018/19**	The Committee received the audit results report for the year ended 31st March 2019.

	Transport Acceleration and Risk Report	The Committee noted the officers' assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk.
	Medium-Term Financial Plan and Business Plan	The report was noted.
	Combined Authority Board Update	The Committee noted the update.
	Business Board Update	The Committee noted the priorities and objectives of the Business Board.
	Internal Audit Update	The progress report from Internal Audit was considered. Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.
	Governance Review Report	The proposed new governance arrangements for the Combined Authority had been considered and the Committee's Work Programme be amended to include a future report to the Committee reviewing the effectiveness of the proposed new governance arrangements.
	Risk Register and Performance Update	The Committee noted the Performance Reporting processes that are in place for the Combined Authority. The Committee requested that the Performance Reporting Dashboard is presented to the Board on a quarterly basis and recommend any proposed changes be noted. The Committee requested that the proposed changes to the Corporate Risk Register be reported to the next Board meeting for approval.
	Report on Freedom of Information,	The Committee would advise how the Combined

Meeting Date 2019/20	Item	COMMENTS
	Whistleblowing and Fraud	Authority communicated the Whistleblowing Policy and encouraged its use.
	Response to National Audit Office Consultation	The proposed changes to the Code of Audit practice and the potential impact on reporting to the Committee for local audit work was noted.
	Work Programme	The update was noted.
16 December 2019 South Cambridgeshire District Council	Assurance Framework	A paper will be produced for Audit & Governance Committee meeting in March 2020. The Committee noted the revised Assurance Framework
	Corporate Risk Register	The proposed revised Strategy and changes to the Corporate Risk Register were recommended.
	Data Protection Policy	An update from the Data Protection Officer be put on Audit & Governance Committee Work Programme for December 2020. That the Combined Authority would keep an eye on implications on data protection after Brexit. The Data Protection Policy report was recommended
	Internal Audit Progress Report	That an update report be brought back to Audit & Governance Committee in March 2020, including a procedure for urgent items. That a reminder email be sent to Members regarding themes for internal auditors for the following year. The Committee noted the report.

	Adult Education Budget and Assurance Programme	An annual insight to be received by the Committee every year. A briefing session to be organised for the Committee in summer/autumn 2020. The Adult Education Budget Audit and Assurance Programme, along with the arrangements, was noted.
	Treasury Management Strategy Update	The update was reviewed by the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2020/21	**Item**	**COMMENTS**
26 May 2020 Remote Meeting	**Confirmation of Membership of the Audit & Governance Committee**	Membership was the same as in the last municipal year and there had been no changes amongst substitute members. The Committee noted Fenland DC Annual General Meeting was to be held on 17 June, which could signal change in Fenland DC membership of the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Statement of Accounts 2019/20	The statement of accounts to be presented at the 31 July 2020 meeting of the Committee will be circulated to members two-weeks in advance of the meeting.
	External Audit Update	A further report will be received at the 31 July 2020 meeting of the Committee.
	Internal Audit Update	The Internal Audit with opinion be received at the 31 July 2020 meeting of the Committee.
	Draft Annual Report of the Chair of the Audit & Governance Committee	The report was approved by the Committee for submission to the CA Board meeting on 5 August 2020, subject to the correction of a typographical

		error.
	Corporate Risk Register	The Committee recommended climate change is included on the on the Risk Register in future.
	Complaints Procedures	The Committee noted the revised procedures and, with the addition of the contact details of 'street scene' issues for the borough, city and district councils, approve them to the CA Board.
	Treasury Management Strategy	The Committee noted the strategies.
	Trading Companies	A development session on the trading companies be held, possibly in autumn 2020.
	Revised Guide for Project Management	The Committee received and noted the revised guide.
	Work Programme	The Committee requested greater clarity on the work programme for future meetings.
	Urgent Item: Lancaster Way	The Committee responded positively to the request for an independent review. and that this has no impact on the delivery of the project. The Committee is open to an Extraordinary meeting, if necessary, with the proviso that sufficient time is afforded to enable the Committee to have all the background information it requires.
Meeting Date 2020/21	**Item**	**COMMENTS**

31 July 2020 Remote Meeting	Appointment of a Vice-Chairman of the Audit & Governance Committee	A Vice-Chairman of the Committee would be appointed at the meeting on 31 July as the Combined Authority Board Annual Meeting was not until 3 June and a decision on a Vice-Chairman appointment would be ratified at that meeting.
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting. The report to be presented to the 31 July 2020 meeting of the Committee to include the top three to four risks that are improving/getting worse.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit 2020/21	A separate paper on how the Combined Authority is to take Internal Audit forward after the Service Level Agreement with Peterborough City Council concludes was requested for this 20 meeting.
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	External Audit Final Results	The Committee receive the audit results report

		from the external auditors.
	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.
	Draft Financial Statements 2019/20	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Independent Commission on Climate Change	Committee to receive a report on the procedures undertaken in the appointment of the Independent Chair of the Commission
Meeting Date 2020/21	**Item**	**COMMENTS**
2 October 2020 Venue: TBA	**Combined Authority Board Update**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their

		upcoming work programme.
	Internal Audit Plan 2020/21	Report from the Internal Auditors on the Internal Audit Plan for the municipal year.
	Financial Statement 2019/20 and External Audit Update	
	Treasury Management Strategy Review	The Committee receive the report which review the current performance against the prudential indicators included within the Treasury Management Strategy.
27 November 2021 Virtual Meeting		
	DEVELOPMENT SESSION	**VALUE FOR MONEY**
	The Mayor of the Combined Authority	Mayor James Palmer will be in attendance
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Lancaster Way Update	
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.

	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit: Internal Audit Plan	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit and Opinion 2019/20	To receive the External Audit and Opinion from Ernst & young for the previous financial year.
	End of Year Financial Statements 2019/20	
	Adult Education Budget	
29 January 2021 Virtual Meeting	**Combined Authority Board Update** **Update on MCHLG work**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits including Cyber Security and IT systems and the attempted fraud

	External Audit – Draft Audit Plan	The Committee receive the draft Audit Plan and comment whether the planned audit is aligned with the Committee's expectations.
	Treasury Management Strategy Update	The Committee receive the report which provides the Audit and Governance Committee with an update on the Combined Authority (CPCA)'s Treasury Management Strategy.
5th March 2021 - Extra Meeting		
	Minutes	
	Assurance Framework	The Assurance Framework is a set of systems, processes and protocols, which along with standing orders, financial regulations, departmental procedures, and codes of practice is linked in a hierarchy of management and financial control procedures, which clearly define the responsibilities of members and the duties of the CPCA's officers, consultants and partners. – Approved annually.
	External Audit – Outline Audit Plan	
	Information Governance Update	
	Constitution Update – Housing Committee	
	Capital Investment Strategy	

AUDIT AND GOVERNANCE COMMITTEE
WORK PROGRAMME 2021/22

Meeting Date 2020/21	Item	COMMENTS
25 June 2021 Virtual Meeting	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Independent Commission on Climate Change	
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits
	Draft Accounts	Committee to review the draft accounts.
	Review Whistleblowing Policy	
Meeting Date	Item	COMMENTS

Meeting Date	Item	Comment
30 July 2021 Venue: TBA		
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Audit Plan	The Committee receive and approve the final audit plan prepared by the external auditors
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	Value-for-Money	Statement report on Value for Money to be considered including 'benefit-cost-ratio'.

	External Audit Final Results	The Committee receive the audit results report from the external auditors.
	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.
	Code of Corporate Governance	Code of Corporate Governance is based upon the CIPFA / SOLACE publication entitled "Delivering Good Governance in Local Government: Framework 2016 Edition." An annual review is undertaken each year.
	Annual Financial Report	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Annual Audit report	The Audit and Governance Committee review annually the work undertaken by the committee to ensure best practice and effectiveness for the Combined Authority is being achieved.
	Governance Review – Business Board	
Meeting Date 2020/21	**Item**	**COMMENTS**

DEVELOPMENT SESSION: TRADING COMPANIES		
24 Sept 2021 **Venue: TBA**	**Combined Authority Board Update**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Annual Constitution Review	
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Annual Audit Letter	The Committee receive the annual audit letter which communicates the key issues arising from external auditors work in carrying out the audit of the statement of accounts for the Cambridgeshire and Peterborough Combined Authority.
	Internal Audit – Progress Report	Update to be delivered by the Internal Auditors.
	Treasury Management Strategy Review	The Committee receive the report which review the current performance against the prudential

		indicators included within the Treasury Management Strategy.
	Trading Companies	The Committee requested that a report on how the governance of Trading Companies would be arranged.
Meeting Date	**Item**	**Comment**
26th November 2021	**Combined Authority Board Update**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Draft Audit Plan	The Committee receive the draft Audit Plan and comment whether the planned audit is aligned with the Committee's expectations.
	Treasury Management Strategy Update	The Committee receive the report which provides the Audit and Governance Committee with an update on the Combined Authority (CPCA)'s

		Treasury Management Strategy.
	Assurance Framework	Committee agreed in May 2019 that the A/Framework be presented to Committee on 6-month basis.
	Complaints, Fraud, Whistleblowing Update	The Committee receive an bi-monthly report which provides an update on the number of complaints received, incidents of fraud and reports of whistleblowing.
28th January 2022	**RESERVE MEETING**	
Meeting Date	**Item**	**Comment**
11th March 2022	**Combined Authority Board Update**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	External Audit – Audit Plan	The Committee receive and approve the final audit plan prepared by the external auditors

	Internal Audit Plan:	Details of audit activity for the following year.
	Treasury Management Strategy Summary	The Committee receive the report asks for comments comment on the draft Treasury Management Strategy.
	Code of Corporate Governance	Code of Corporate Governance is based upon the CIPFA / SOLACE publication entitled "Delivering Good Governance in Local Government: Framework 2016 Edition." An annual review is undertaken each year.
	Assurance Framework	The Assurance Framework is a set of systems, processes and protocols, which along with standing orders, financial regulations, departmental procedures, and codes of practice is linked in a hierarchy of management and financial control procedures, which clearly define the responsibilities of members and the duties of the CPCA's officers, consultants and partners. – Approved annually.
Meeting Date	**Item**	**Comment**
27 May 2022	**Combined Authority Board Update**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.

	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
Occurred Meetings – Work Programmes		
19 July 2019 Fenland District Council	**Internal Auditors Annual Report**	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019
	Statement of Accounts 2018/19 and External Audit Final Results	The Committee resolved that: i) That the Chief Executive circulate the draft statutory notice to the members of the Audit and Governance Committee prior to publication.

ii) That the Chief Executive liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the auditors performance and the impacts this has had on each Council.

iii) That the Chair of the Audit and Governance Committee write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committee extreme disappointment.

iv) That the Committee receive and approve, in principle, the final Statement of Accounts.

v) That the Committee agree to the additional |

| | recommendations below:

a) Note that the Combined Authority's external auditors are not able to guarantee that they will have completed their audit of the accounts for 2018/19 before the statutory deadline of 31 July 2019 for the publication of the statement of accounts together with any certificate or opinion from the external auditors;

b) Note that if it is not possible to publish the statement of accounts on time the law requires the Combined Authority to publish as soon as reasonably practicable on or after the deadline a notice stating that it has not been able to publish the statement of accounts and its reasons for this;

c) Authorise the Chief Finance Officer in consultation with the Chair of Audit and Governance Committee, as and when the final Audit Opinion is provided by the external auditors, to make any minor amendments to the statement of accounts arising from the final Audit Opinion and to authorise the Chief Finance Officer and Chair of Audit and Governance to then sign and publish the statement of accounts together with any certificate or opinion from the external auditors;

d) In the event that amendments arising from the final Audit Opinion would constitute a "material adjustment" to the final accounts as defined in the

		external auditor's final audit plan a further report is to be brought to Committee; and e) That the Committee receive and approve the Annual Governance Statement 2018/19 as included within the statement of accounts.
	Chairman's Annual Audit Report	The Annual Report of the Chair of the Committee be submitted to the Combined Authority Board was approved.
	Internal Audit Plan	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019.
	Value for Money Report	The Committee noted the Combined Authority's approach to delivering value for money.
	Treasury Management Annual Report	The Committee reviewed the actual performance for the year to 31st Match 2019, against the adopted prudential and treasury indicators.
	Human Resources Risk Reduction Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2019/20	**Item**	**COMMENTS**
27 September 2019 Cambridge City Council	**Audit Results Reports & Statement of Accounts 2018/19**	The Committee received the audit results report for the year ended 31st March 2019.
	Transport Acceleration and Risk Report	The Committee noted the officers' assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk.

	Medium-Term Financial Plan and Business Plan	The report was noted.
	Combined Authority Board Update	The Committee noted the update.
	Business Board Update	The Committee noted the priorities and objectives of the Business Board.
	Internal Audit Update	The progress report from Internal Audit was considered. Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.
	Governance Review Report	The proposed new governance arrangements for the Combined Authority had been considered and the Committee's Work Programme be amended to include a future report to the Committee reviewing the effectiveness of the proposed new governance arrangements.
	Risk Register and Performance Update	The Committee noted the Performance Reporting processes that are in place for the Combined Authority. The Committee requested that the Performance Reporting Dashboard is presented to the Board on a quarterly basis and recommend any proposed changes be noted. The Committee requested that the proposed changes to the Corporate Risk Register be reported to the next Board meeting for approval.
	Report on Freedom of Information, Whistleblowing and Fraud	The Committee would advise how the Combined Authority communicated the Whistleblowing Policy and encouraged its use.
	Response to National Audit Office Consultation	The proposed changes to the Code of Audit practice and the potential impact on reporting to

Meeting Date 2019/20	Item	COMMENTS
		the Committee for local audit work was noted.
	Work Programme	The update was noted.
16 December 2019 South Cambridgeshire District Council	Assurance Framework	A paper will be produced for Audit & Governance Committee meeting in March 2020. The Committee noted the revised Assurance Framework
	Corporate Risk Register	The proposed revised Strategy and changes to the Corporate Risk Register were recommended.
	Data Protection Policy	An update from the Data Protection Officer be put on Audit & Governance Committee Work Programme for December 2020. That the Combined Authority would keep an eye on implications on data protection after Brexit. The Data Protection Policy report was recommended
	Internal Audit Progress Report	That an update report be brought back to Audit & Governance Committee in March 2020, including a procedure for urgent items. That a reminder email be sent to Members regarding themes for internal auditors for the following year. The Committee noted the report.
	Adult Education Budget and Assurance Programme	An annual insight to be received by the Committee every year. A briefing session to be organised for the Committee in summer/autumn 2020.

		The Adult Education Budget Audit and Assurance Programme, along with the arrangements, was noted.
	Treasury Management Strategy Update	The update was reviewed by the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2020/21	**Item**	**COMMENTS**
26 May 2020 Remote Meeting	**Confirmation of Membership of the Audit & Governance Committee**	Membership was the same as in the last municipal year and there had been no changes amongst substitute members. The Committee noted Fenland DC Annual General Meeting was to be held on 17 June, which could signal change in Fenland DC membership of the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Statement of Accounts 2019/20	The statement of accounts to be presented at the 31 July 2020 meeting of the Committee will be circulated to members two-weeks in advance of the meeting.
	External Audit Update	A further report will be received at the 31 July 2020 meeting of the Committee.
	Internal Audit Update	The Internal Audit with opinion be received at the 31 July 2020 meeting of the Committee.
	Draft Annual Report of the Chair of the Audit & Governance Committee	The report was approved by the Committee for submission to the CA Board meeting on 5 August 2020, subject to the correction of a typographical error.
	Corporate Risk Register	The Committee recommended climate change is included on the on the Risk Register in future.

	Complaints Procedures	The Committee noted the revised procedures and, with the addition of the contact details of 'street scene' issues for the borough, city and district councils, approve them to the CA Board.
	Treasury Management Strategy	The Committee noted the strategies.
	Trading Companies	A development session on the trading companies be held, possibly in autumn 2020.
	Revised Guide for Project Management	The Committee received and noted the revised guide.
	Work Programme	The Committee requested greater clarity on the work programme for future meetings.
	Urgent Item: Lancaster Way	The Committee responded positively to the request for an independent review. and that this has no impact on the delivery of the project. The Committee is open to an Extraordinary meeting, if necessary, with the proviso that sufficient time is afforded to enable the Committee to have all the background information it requires.
Meeting Date 2020/21	**Item**	**COMMENTS**
31 July 2020 Remote Meeting	**Appointment of a Vice-Chairman of the Audit & Governance Committee**	A Vice-Chairman of the Committee would be appointed at the meeting on 31 July as the Combined Authority Board Annual Meeting was

		not until 3 June and a decision on a Vice-Chairman appointment would be ratified at that meeting.
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting. The report to be presented to the 31 July 2020 meeting of the Committee to include the top three to four risks that are improving/getting worse.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit 2020/21	A separate paper on how the Combined Authority is to take Internal Audit forward after the Service Level Agreement with Peterborough City Council concludes was requested for this 20 meeting.
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	External Audit Final Results	The Committee receive the audit results report from the external auditors.
	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and

		meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.
	Draft Financial Statements 2019/20	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Independent Commission on Climate Change	Committee to receive a report on the procedures undertaken in the appointment of the Independent Chair of the Commission
Meeting Date 2020/21	**Item**	**COMMENTS**
2 October 2020 Venue: TBA	**Combined Authority Board Update**	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
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	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit Plan 2020/21	Report from the Internal Auditors on the Internal

		Audit Plan for the municipal year.
	Financial Statement 2019/20 and External Audit Update	
	Treasury Management Strategy Review	The Committee receive the report which review the current performance against the prudential indicators included within the Treasury Management Strategy.
27 November 2021 Virtual Meeting		
	DEVELOPMENT SESSION	**VALUE FOR MONEY**
	The Mayor of the Combined Authority	Mayor James Palmer will be in attendance
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Lancaster Way Update	
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.

	Internal Audit: Internal Audit Plan	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit and Opinion 2019/20	To receive the External Audit and Opinion from Ernst & young for the previous financial year.
	End of Year Financial Statements 2019/20	
	Adult Education Budget	