



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Date: Friday, 17 November 2023

Democratic Services

Edwina Adefehinti
Chief Officer Legal and Governance
Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Civic Suite, Pathfinder House, St Mary's Street, Huntingdon
PE9 3TN
[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 and Action Log

4 - 13

To approve the minutes of the meeting held on 8 September 2023 and to note the Action Log.

4 Improvement Framework report

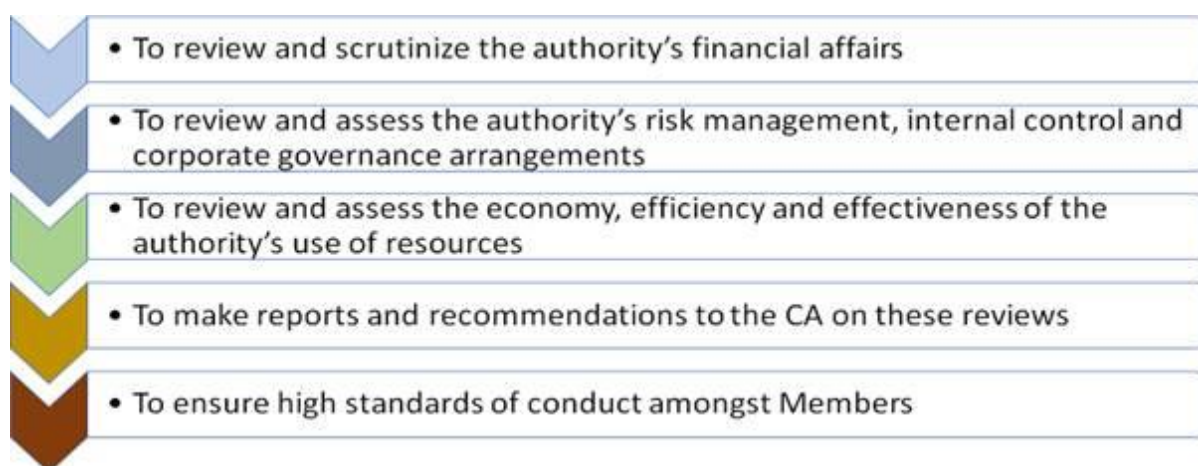
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5	Corporate Risk Register	46 - 57
6	External Audit - Cambridgeshire & Peterborough Combined Authority - Audit Results Report	58 - 108
7	Treasury Management Strategies - Mid Year Update	109 - 119
8	Internal Audit - Progress Report November 2023	120 - 130
9	Whistleblowing Arrangements	131 - 141
10	Audit and Governance Work Programme	142 - 152
11	Date of next meeting: Friday 12th January 2024 at 10am Huntingdonshire District Council	

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.



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

Cllr Gary Christy

Councillor Andy Coles

Councillor Stephen Corney

Cllr Geoff Harvey

Cllr Mark Inskip

Cllr Simon Smith

Councillor Graham Wilson

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



Audit & Governance Committee

Friday 8th September 2023

Venue:	Civic Suite, Pathfinder House, Huntingdon PE29 3TN	
Time:	10.00 to 13.00	
Present:	Cllr G Christy Cllr A Coles Cllr G Harvey Cllr S Smith Cllr M Inskip Cllr G Wilson Mr John Pye	Fenland District Council Peterborough City Council South Cambs District Council Cambridge City Council East Cambs District Council Cambridgeshire County Council Independent Person
Also in attendance:	Cllr Edna Murphy Mark Hodgson Dan Harris	Lead Member for Governance (CA Board) External Auditor (Ernst & Young) Internal Auditor (RSM)

Minutes:

1	Apologies for Absence and Declarations of Interest
1.1	No apologies were received.
1.2	No disclosable interests were declared.
2	Chair's Announcements
2.1	Chair had met with the Lead Member for Governance, Cllr Edna Murphy who was also in attendance at the meeting.
2.2	The Chair had a meeting scheduled with the IIB Chair Richard Carr on 11 th September.
2.3	Register of Interest forms – members had been provided with paper copies to be completed if they hadn't already done so.
3	Minutes
3.1	The minutes of the meeting held on 7 th July 2023 were approved as a correct record.
3.2	The Action Log was noted.
4	Improvement Framework Report
4.1	The Committee received the report which provided the Audit and Governance Committee with an opportunity to review progress over July and August against the key areas of concern identified by the External Auditor in his letter dated June 2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its letter dated January 2023.
4.2	The following points were raised during the discussion:-

	<ul style="list-style-type: none"> Members commented that it would be useful to have included key milestones that had to be met as part of the report – officers advised that work was being done on creating a user-friendly document and would include a map highlighting key milestones in future reports. The next staff survey would be carried out in the next couple of weeks in time for it to be fed into the staff conference which would take place on the 12th October. Members requested that further detail on how the RAG ratings were achieved be provided. Officers advised that as part of the project management process in place there were clear action dates where the CPCA had to deliver by and these fed into the RAG ratings but would provide more focus on the RAG ratings in future reports. The CEO had met with colleagues from DLUCH to discuss issues of the improvement plan and feedback given to staff to provide a level of reassurance. Officers continued to make the case for additional flexibilities in regard to financial risk around the impact of inflation. In response to a question regarding the code of conduct investigation officers advised that the case was being investigated by an external law firm and the last update indicated that it should be completed in the next month and would be reported to the A&G Sub-Committee. The Lead Member for Governance, Cllr Murphy provided her view that developing processes that were fit for purpose was necessary but these need to be put into operation and it needed to be recognised that delivering a good culture would not happen overnight. The Board were as confident as it was possible at this point that there would be genuine change. The External Auditor advised that his view was that there was still a journey for the CPCA to go on with the improvement work but there were currently no red flags. In response to a question about the alignment of the improvement report ratings and the risks on the Corporate Risk register, officers advised that in regard to the improvement work the authority was where it currently expected to be and therefore was showing green; however the risks that had been identified on the register remained red and would do so until the improvement work had been completed. In response to a comment from members the Lead Member for Governance advised that the Board was conscious that all members of the Board had to take on the challenge to lead and model the appropriate behaviours.
4.3	<p>RESOLVED</p> <p>a) The Committee noted the progress made over July and August against stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023 as reported to the CA Board on 31 May 2023.</p>
4.4	<p>ACTION</p> <p>1) Add Performance Framework to the work programme.</p>
5	Update to the Member Officer Protocol
5.1	The Committee received the report which sought the views of the Audit and Governance Committee on the revised Member/Officer Protocol and requested approval of the amendments.
5.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> The Member/Officer Protocol had been discussed at the July CA Board, the Board had requested that the A&G Committee had final approval on the protocol before it was added to the Constitution. Members were advised that the member induction pack which had been circulated to members outlined the officers within the top three tiers of the organisation. The protocol recognised that there may be times when members may need to contact junior officers regarding certain matters and the protocol was there as an extra level of protection for junior officers.

	<ul style="list-style-type: none"> The Monitoring Officer advised that the report requested at the July meeting which would detail the context around the protocol was linked to the code of conduct investigation and therefore would need to be delayed until that investigation was concluded. Members agreed that the report was no longer required as the information would be included as part of the report provided.
5.3	<p>RESOLVED:-</p> <ul style="list-style-type: none"> a) Approve the amendments to the member officer protocol b) Review the protocol every two years and add this to the Committee's work programme. c) The extra report requested at the July meeting to provide context around the member officer protocol was no longer required.
6	<p>Risk Management Framework and Risk Deep Dive</p>
6.1	<p>The Committee received the report which requested the Committee recommend to CPCA Board approval of the CPCA's Risk Management Framework and Procedure and provided information on the Risk Deep Dive – Finance – Inflation and Future funding as requested by the Committee at their previous meeting. The report all presented the Corporate risk register and supporting reports for July 2023 for review.</p>
6.2	<p>The following points were raised during the discussion:-</p> <p><u>Risk Management Framework</u></p> <ul style="list-style-type: none"> The Risk Management Framework covered a number of issues related to risk. Part of the improvement work being done was to do a refresh on risk. The framework had been reviewed with input from the internal auditors RSM and would be reviewed every two years going forward. Members were advised that as well as the Central Management Team (CMT) reviewing the corporate risk register on a monthly basis that directors reviewed the directorate registers monthly as well. Risk appetite would be brought back on a regular basis for review; what was currently presented in the framework reflected the position of the organisation but officers recognised that would fluctuate overtime as the organisation changed. <p><u>Deep Dive on Finance – Inflation and Future Funding</u></p> <ul style="list-style-type: none"> Where decisions were needed in regard to funding options – this would be a CA Board decision as part of the MTFP discussions and the risks related. Less strategic decisions, for example the Rail Summit – did not require a long term process but would involve discussions with key stakeholders. Operational project risks were different to strategic long term risks. In response to a question on managing risk that an organisation has little control over; officers advised that these risks were reviewed regularly to identify where there might be opportunities or highlight any risks. There was a need to be cautious and acknowledge some risks were out of the organisations control, however by working with central government there could be opportunities to attract new funds to the area. The decision to use precept raising powers was a policy decision; within the Medium Term Financial Plan there were no current proposals for this to be used but officers would layout the range of options that were open to the CA Board when considering the MTFP. Part of the changes proposed in the report were how the matrix produces the ratings and members were advised that in future reports they should expect to see less red risks as the matrix for this would be smaller.

	<ul style="list-style-type: none"> Members were advised that there was a difference between urgent risk versus long term risk despite ratings being similar. Focus needed to remain on long term risk to enable the organisation to carry out their work and identify potential issues coming down the line. The risk related to long term funding was being kept on the register to ensure that it was on officers' radar when planning projects. Members were advised that in the past any financial risks more than £300k would have been classed as critical risks; the changes made now meant that it now had to be over £5m which would help remove a number of critical risks from the register. The Committee requested that when the register was brought to the November meeting that the report should include a proposal for how often the register should be reviewed going forward based on best practice.
6.3	<p>RESOLVED:-</p> <ol style="list-style-type: none"> The Committee recommended to CPCA Board approval of the Risk Management Framework and Procedure (including refined Financial risk scoring definitions). The Committee would review the risk appetite annually and the framework every two years. noted the Risk Deep Dive – Finance – Inflation and Future funding noted the July - Risk Register
6.4	<p>ACTION</p> <ol style="list-style-type: none"> Risk appetite and risk management framework be added to future A&G Committee work programmes. Risk register report in November include a proposal for how often the register should be reviewed going forward based on best practice.
7	Single Assurance Framework
7.1	The Committee received the report which requested that they consider the Draft SAF document and provide comment on its content and endorsement before it moved forward for consideration at the Combined Authority Board The report also requested that the Audit & Governance Committee consider the developing Draft terms of reference for the Investment Committee and the Investment Panel.
7.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> In response to a question from members the Committee were advised that proportionality was determined by the level of financial approval and depending on the level of financial approval there would be different steps, guidance and criteria which would need to be taken into consideration of the development of that business case. Within Phase A - through the concept phase there would be an element where officers would assess and determine the development routes and there was guidance on each business case route that could be taken. Every process and document within the Single Assurance Framework had its own supporting guidance, criteria and checklists. Checklists were also being developed for the application of the Green Book to ensure that the requirements were being met. Within phase 2 – work was being done on the development of an assurance observation report which would be a tool to check the maturity of a business case. In addition, it would be a requirement that the relevant Executive Director must sign off on a case before it reached the development phase to provide extra assurance. This was a request from the constituent councils to ensure there was a clear CPCA Lead for all projects. The Executive Director advised that training for staff and members would be provided once the Single Assurance Framework was approved by CA Board and an Implementation Plan would be developed.

- In response to a question from members regarding the difference between concept papers, outline business cases and business cases the officers advised that 'concept paper' was a request from constituent councils and would contain less information than usual for a project bid but would help to encourage ideas to be brought forward. This would then be developed through the Phase A process to become a business case. An outline business case would be developed through phase two. This would help to ensure the right information was included.
- Officers advised that the concept paper would have three sections, the first would include a succinct description which was to encourage businesses and voluntary sectors to bring forward ideas. The second section was an internal process to ensure the concept aligned with the strategic fit and the corporate plan for the CPCA. The third section would be the development of the concept paper which would include the financial and risk issues.
- Once SAF was approved the Monitoring Officer would undertake a review of the constitution to see what impact the introduction of the Investment Committee and Panel would have on existing governance structures. There would definitely be a role for the Audit and Governance Committee in assuring itself that the relevant processes were in place for the Investment Committee to perform its role effectively.
- Officers advised that it wouldn't be until after November once the SAF was in place that they would know how well it worked in practice and this would need to be reviewed regularly. There would be an annual review by the A&G Committee but a 6-month review for the first 18 months would be done at the request of the constituent councils to ensure the SAF was fit for purpose.
- The M10 Group was developing guidance for Audit and Governance Committee's on how best to review assurance frameworks in the future.
- In response to a question from members regarding how the prioritisation of proposals received would be fed into the strategic planning and prioritising process the officers advised that the strategic planning and prioritisation process was being developed but in regards to the SAF all proposals would need to ensure that they would deliver on the golden thread of the CPCA's Corporate Plan. The SAF would eventually plug into the strategic planning and prioritisation process.
- There would be a paper going to O&S and CA Board which would look at the MTFP and Corporate Plan which would pick up a number of issues around the strategic planning process.
- In response to a question about greater funding coming from central government and whether the SAF would enable or hinder the bidding process the Committee were advised that the SAF would ensure there was a pipeline of projects ready for when funding became available and ensure the CPCA was better able to react than had been the case in the past.
- The SAF had been developed using best practice examples from other Combined Authorities and this would be where all CA's would be moving to in future, the CPCA was slightly ahead of other Combined Authorities in the development of the SAF.
- The Chair requested some more information about the proposed Investment Committee and Panel and officers advised that the Investment Panel was a technical officer group which would provide support to the Investment Committee and would help in the preparation of reports in Phase A. The Investment Committee was still being developed but these already existed at other Mayoral Combined Authorities and the aim was that the membership would have a good skill set and knowledge of the green book. Officers were looking to expand the role of the Shareholder Board.
- In regard to value for money requirements, each phase had value for money criteria that had to be met. There was a tolerance within SAF however that meant that any business cases that received a low value for money score would then be considered by the CA Board to decide whether there were other benefits that would outweigh the value for money objectives.

7.3	The Lead member for Governance on the CA Board Cllr Murphy welcomed the Committee's comments and highlighted that the Single Assurance Framework was fundamental as it would set out the roles of the CA Board and the Investment Committee.
7.4	RESOLVED: a) The Committee supported the draft SAF document for consideration by the CA Board b) The Committee supported the developing terms of reference for the Investment Committee and Investment Panel.
8	Internal Audit Progress Report
8.1	The Committee received the report which provided an update on progress against the 2023/24 plan and summarised the results of work done to date. It also provided an update on the remaining 2022/23 reports.
8.2	The Committee noted the report.
9	External Audit – Verbal Updates
9.1	The External Auditor from Ernst & Young, Mark Hodgeson provided a verbal update on the 21/22 Audit and approach to the national audit backlog.
9.2	The Audit 21/22 Statements were underway and were progressing well with fieldwork due to complete in the next week. The report would be brought to the November A&G Committee meeting. The value for money report which was usually included as part of the statement was dependent on the conclusion of the independent investigation and therefore this may not be ready for the November meeting.
9.3	The External Auditor provided an update on the state of the public sector audit market and advised that the minister had stated that all outstanding audits would be completed and that the audit market would be reset. There were a lot of unknowns on how this would be implemented. There was currently not enough resource within the industry to complete all the outstanding audits and also to reset, however guidance was due to be issued which it was hoped would provide some help.
9.4	The Executive Director advised that there had been issues in the audit sector nationally for a long period of time; with little investment into the audit profession and many trainee schemes being stopped by local authorities. It was difficult to attract good accountants.
9.5	The Committee thanked the External Auditor for the update.
10	Update Procurement Review
10.1	The Committee received the report which provided an update of the various workstreams within the procurement improvement work.
10.2	In response to a question from members about the procedure for urgent decisions the Committee were advised that the officers who could take an urgent decision was limited to the CEO and the Mayor with a Mayoral Decision Notice. When an Officer Decision Notice or a Mayoral Decision Notice was made this would be posted on the website and the O&S Committee would be consulted to allow for call in rules.
10.3	There was an internal audit planned for the fourth quarter of the year and officers would bring a more in-depth report back to the Committee once this was completed.
10.4	RESOLVED:- a) To note the guidance document attached within appendix A (which will be reported to Board on 20 September) and invite comments from this committee b) To note the Internal Audit of procurement is scheduled for Quarter 4 2023-24

	c) To note there may be a paper returning to this committee should there be any significant changes once the impact of the Procurement Bill is known and that updates on procurement will be provided to the committee annually thereafter.
11	Review of Mayoral Combined Authority Audit & Governance Committee Arrangements
11.1	The Committee received the report which provided an overview of some of the arrangements for Audit & Governance Committees by the other eight existing Mayoral Combined Authorities
11.2	The Committee agreed that the questions contained within the report be compiled into a questionnaire and sent out to members to respond. This would then be followed up by a workshop for the Committee to discuss their views before reporting any recommendations back to the CA Board.
11.3	RESOLVED:- a) To note the different arrangements for Audit & Governance Committees amongst Mayoral Combined Authorities b) That a questionnaire be circulated to members to complete and a workshop arranged for members to discuss the outcomes.
11.4	ACTION 1) Governance Manager to create and circulate questionnaire to members 2) Workshop to be arranged before the November meeting to discuss the feedback received.
12	Appointment of independent person
12.1	The Committee received the report which requested that the Audit and Governance Committee consider and approve to appoint an additional independent person to the Audit and Governance Committee.
12.2	The Monitoring Officer requested that the Committee accept an additional recommendation: 'Seek approval from the CA Board to amend the constitution to reflect that if two Independent Persons sat on the A&G Committee that one of these should be the Chair for the Committee.'
12.3	The Committee were advised that the remuneration for Independent Persons would be looked at by the Independent Remuneration Panel when they were next convened.
12.4	RESOLVED:- a) The Committee agree to recommend to the CPCA Board that an additional independent person is appointed to sit on Audit Committee for a period of four years 1.1 which may be renewed up to a maximum of one further term (i.e. total maximum 8 years). b) Recommend that the CPCA Board agrees to delegate to the Executive Director of Resources and Performance and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee, authority to finalise the draft role description, skills, competencies and person specification attached as Appendix 1 and to approve the advert. c) Recommend to the CPCA Board that the recruitment of the Independent Member be led by a panel consisting of the Chairman of the Audit and Governance Committee and three members of the three main political parties of the committee supported by the Executive Director of Resources and Performance and the Monitoring Officer. Nominations for members of the committee be provided d) Following the recruitment process, a report to formally appoint the Independent Person will be presented to a future CPCA Board meeting. e) Seek approval from the CA Board to amend the constitution to reflect that if two Independent Persons sat on the A&G Committee that one of these should be the Chair for the Committee.
13.	Audit and Governance Work Programme

13.1	The Committee received the report which provided the Committee with the draft work programme for Audit and Governance Committee, for the 23/24 municipal year.
13.2	RESOLVED: a) The Committee approved the work programme.
14.	Date of Next Meeting
14.1	17 th November at 10am at Huntingdonshire DC

Meeting Closed 12:54

Chair

Audit and Governance Committee Action Log

Purpose: The action log records actions recorded in the minutes of Audit and Governance Committee meetings and provides an update on officer responses.

Minutes of the meeting 8th September 2023

Minute	Report title	Lead officer	Action	Response	Status
4.4	Improvement Framework Report	Jules lent/Kate McFarlane	Performance Management Framework be added to the work programme for November.	Report to be brought to the A&G Committee in January	CLOSED
6.4	Risk Management Framework and Risk Deep Dive	Chris Bolton	Risk register report in November include a proposal for how often the register should be reviewed going forward based on best practice.	To be included in the report being brought to the November meeting.	CLOSED
11.4	Review of Mayoral Combined Authority Audit & Governance Committee Arrangements	Anne Gardiner/Nick Bell	Governance Manager to create and circulate questionnaire to members	Questionnaire circulated on the 12 th September	CLOSED
11.4		Anne Gardiner/Nick Bell	Workshop to be arranged before the November meeting to discuss the feedback received.	Workshop arranged for the 31 st October via Teams.	CLOSED

Minutes of the meeting 9 June 2023

Minute	Report title	Lead officer	Action	Response	Status
5.3	Minutes	Anne Gardiner	Governance team would create a means to track recommendations and record where they go to be reported back to the Committee.	Recommendation tracker to be brought to the November meeting under the work programme item.	CLOSED
14.4	Internal Audit – Progress Report	Nick Bell	Officers to provide the recommendation tracker in their next report.		OPEN
17.3	Work Programme	Anne Gardiner	Risk Appetite Training provided to member in March to be circulated to new members.	Appetite training circulated to members on the 3 rd October.	CLOSED
17.3	Work Programme	Anne Gardiner	Record to be kept on how many members attend the development sessions for inclusion with the annual report.	Record set up and will be used going forward	CLOSED



Audit and Governance Committee		Agenda Item
17 November 2023		4
Title:	Improvement Framework	
Report of:	Angela Probert, Interim Director of Transformation Programme / Nick Bell, Executive Director Resources and Performance	
Lead Member:	Mayor, Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	A simple majority of all Members present and voting	

Recommendations:

A	Note the progress made over September and October against stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023 as reported to the CA Board on 31 May 2023, set out in paragraphs 2.2 to 2.9.
B	Note the outcome of the recent Internal Review of the governance and decision making improvement programme set out in paragraph 2.10.
C	Note the feedback from the staff conference on the progress made over the last 12 months set out in paragraph 2.11.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance

The identified improvements set out in this report aim to meet the concerns of the External Auditor and Best Value Notice. By making necessary improvements, the capacity, culture and governance of the Combined Authority will support and enable the delivery of identified priorities and objectives set out in the Corporate Plan and result in the CPCA being seen as achieving best value and high performance.

1. Purpose

1.1	Provide the Audit and Governance Committee with an opportunity to review progress over September and October against the key areas of concern identified by the External Auditor in his letter dated June
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	2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its letter dated January 2023.
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2. Proposal	
2.1	The highlight report attached as Appendix 1 sets out activity delivered during the period September and October 2023 against the Improvement Plan agreed by the CA Board in May 2023.
2.2	Improvement plan progress <ul style="list-style-type: none"> Overall the programme is rated as 'Green' at the end of October 2023, meaning 'successful delivery of the Improvement Plan to time, cost and quality appears to be highly likely', reflecting the positive trends across the five themes set out in the highlight report. The Improvement Group, chaired by the Executive Director, Resources and Performance continues to assess progress against the agreed plan and address any programme issues or risks. The Improvement Group has identified the key links between key deliverables set out in the Improvement Plan to ensure a programme wide focus on delivery is in place and dependencies managed.
2.3	Governance and decision making (Green) <ul style="list-style-type: none"> Governance training roll-out has continued for officers and members – specifically on how the CA works with its constituent authorities, running an effective committee/Board meeting and scrutinising and overseeing subsidiary companies of the CPCA. Engagement with Project and Delivery workstream is ongoing to ensure Single Assurance Framework (SAF) alignment and compliance with EDAF. The Risk Register has been reviewed to ensure the risks reflect the current project status and has contributed to the development of the programme risk register. The review of the Audit & Governance Committee's operations compared to other Mayoral Combined Authorities (MCAs) has been completed and shared with Committee members who have made recommendations regarding its outcome Constituent authorities have provided nominated representatives for the new committees and Advisory groups. The CA Board members continue to be engaged in change discussions at Leaders Strategy Meetings, particularly in relation to the development, implementation and governance of the SAF. The new Business Board and Economic Development Group governance and processes are being embedded. Some of our work is now being considered as best practice, for example a case study has been provided to the Centre for Governance & Scrutiny (CfGS) to demonstrate the development of the scrutiny roles specific to Combined Authority. As a result discussions are taking place with CfGS about how the scrutiny developments that have been undertaken could helpfully contribute to the guidance for CA scrutiny being developed by CfGS and other MCAs are now looking at what we have done with O&S as leading practice.
2.4	Procurement (Green) <ul style="list-style-type: none"> Recruitment of procurement staff to support the new structure is completed bar the Contract Manager post, which is anticipated to be advertised in November. Procurement training for all staff is underway. The development of standard templates for procurement documentation is in progress, with an expected completion date of 30 November 2023 The development of standard Grant Funding Agreements (GFA) is in progress, with CMT expected to agree a final version in November. The development of standard Terms & Conditions for different types of contract activity is completed in draft and awaiting sign off by CMT. A scheme of "Delegated Procurement Authority" (Delegated Authority) – linked to sign off the SAF which is due to go to CA Board on the 29th of November 2023 - is being completed. The procurement Hub is being developed and should be in place with all templates by the end of November 2023.

	<ul style="list-style-type: none"> • A communications strategy to support the roll out of the procurement hub and support documents is being developed due to be completed by December 2023. • The development of Procurement KPIs is underway in conjunction with the Strategy & Policy Team.
2.5	<p>Project plans and delivery (Green / Amber)</p> <ul style="list-style-type: none"> • The Draft SAF and Risk management Framework were presented to the Audit & Governance Committee on 8th September for review and approved. • The Overview & Scrutiny Committee undertook a deep dive into the Project Plans & Delivery workstream on 18th September and had no additions or concerns to add regarding the SAF or the Risk Management Framework. • The Performance Management Framework was then given more attention by the Overview & Scrutiny Committee who provided full support to its content. • The SAF, the PMF and the RMF were presented to Board on 20th September and unanimously supported. • The draft SAF was submitted has now been cleared by the relevant review teams in DLUHC, DfE and DfT without any required amendment. We have however made some very minor amendments in response to queries of clarity regarding the link between the SAF and the Risk Management Framework • A workshop was held on 11th October to review progress post September Board, agree content requirements for the November Board report on implementation, discuss PMO future resourcing and upskilling to deliver SAF and discuss different approaches to implementation, including various phased approaches compared to a single one-off implementation. • The implementation of Risk Software (4Risk) has commenced with initial training completed with the PMO and training for Combined Authority Programme and Project Managers scheduled for November.
2.6	<p>Partnership working (Green/Amber)</p> <p>The Combined Authority have been working with many partners over the last 12 months including, but by no means limited to, the East of England Local Government Association, the M10 Mayoral Group, the Cambridge 2040 CEX group, the OxCam Partnership, England's Economic Heartland, Innovate Cambridge, Cambridge Ahead, the Future Fens Adaptation Taskforce and the Joint Cambridgeshire and Peterborough Health and Wellbeing Board / Integrated Care Partnership and constituent local authorities.</p> <p>Case studies are currently being collated to demonstrate our approach, the impact made and characterised by:</p> <ul style="list-style-type: none"> • Providing effective leadership of place through constructive relationships with external stakeholders. • An organisational culture (and crucially behaviours) that recognises the value of working with local partners to achieve more efficient and effective policy development, local economic growth and investment, better services, and customer-focused outcomes. • Early and meaningful engagement and effective collaboration with partners to identify and understand local needs, and in decisions that affect the planning and delivery of services. • Evidence of joint planning, funding, investment and use of resources to demonstrate effective service delivery, but transparent and subject to rigorous oversight. • Involving partners in developing indicators and targets, and monitoring, managing and challenging performance. • Driving inclusive growth, social and environmental value through our project development and delivery. • Continuous learning and improvement <p>It is proposed that the evidence collated will presented to the Independent Improvement Board in November with recommendations for the next steps for the workstream.</p>

Confidence, culture and capacity (Green)

Ambition and priorities

- Initial analysis and requirements for State of the Region, Vision and Infrastructure framework have been completed by partners. The next stage will be procurement, and tenders have been received and are being considered.
- Q1 Corporate Performance Report was presented to CA Board where it was accepted and very well received. Work on Q2 reporting has commenced and on course to go to the November Board as scheduled.

Leadership

- The first development session for members has taken place with a focus on 'Effective Committee Membership'. This is the first of four topics to be covered over the coming months and the sessions are designed to empower our leaders, ensuring they have the skills and knowledge to drive the Combined Authority's mission forward. This first session was very well attended with some good feedback received from participants who stated they would recommend future planned sessions to their fellow councillors.
- CEXs first 100 days communication continues with a video for CA staff.

Values and behaviours

- The fourth staff conference took place in October and was very well attended with staff participating in workshops focussing on 'celebrating success', understanding 'where we are now' and 'moving forward'. Feedback from these workshops and the conference overall will be used to measure performance against workforce related improvement initiatives and to inform planning for future conferences.
- Happenings (internal staff newsletter) continues to be produced and disseminated weekly. Each week this contains informative video updates on the Improvement Programme and other important news and articles to promote staff well-being and to keep staff abreast of latest regional and CPCA specific developments.
- The external review of communications, engagement and public affairs has been completed and a plan, which draws upon the recommendations of the review is in the early stages of implementation.
- The first of five planned Board Activity sessions on the 2023/2025 Corporate Strategy refresh and 2024/2025 MTFP (Medium Term Financial Plan) has taken place which was well attended and received by participants.

Recruitment, retention, reward, and resourcing

- New Recruitment and Selection procedures for the Combined Authority have been drafted together with supporting documentation and are in use. Training on the new procedures set to be delivered to staff during November and December.
- The HR policies approved in August have now been launched. The policies have been heavily promoted via various channels including videos, drop-in clinics, lunch time sessions and a new HR Information Hub.
- A second Corporate Staff Induction session has taken place. These are new group-based induction sessions for new staff. Frequency will depend upon the number of staff onboarded to CPCA.
- A permanent Assistant Director of HR (Nicky McLoughlin) has been appointed.
- Following on from the appraisals that were introduced in March 2023. Mid-year reviews have commenced. These are an opportunity for staff to discuss progress against objectives and training with managers. The appraisal and review process has been rebranded as 'LEAP' which stands for 'Learning, Excellence, Achievement and Performance' and the associated templates and documentation refer to our values and behaviours.

2.8	<p>Independent Improvement Board engagement</p> <ul style="list-style-type: none"> The Independent Improvement Board (IIB) continues to meet formally on a bi-monthly basis where it receives a report by the Chief Executive on the progress of the Improvement plan. The CA Board attended the IIB meeting in September to discuss the future opportunities deeper devolution with give the CPCA region. At the conclusion of the meeting the Chair reported to the CA Board and other key stakeholders on areas of assurance and those that require further focus. This note was circulated to members of the Audit and Governance Committee. The Chief Executive and senior officers continue to engage with IIB members on a regular basis and the IIB Chair key continues to meet key stakeholders.
2.9	<p>Conclusion of investigations and safeguarding of staff</p> <p>The Code of Conduct Panel Hearing is scheduled to take place on Tuesday 14 November and a further update will be provided following this.</p>
2.10	<p>Internal Audit review – Governance and decision making improvement programme</p> <p>In September 2023 an Internal Audit on the Governance and decision making improvement activity was undertaken .</p> <p>The audit confirmed that the Governance Workstream has documented significant progress towards achieving the planned improvements, however, the methods that will be used to ensure that improvements to practices are embedded have not yet been agreed and documented, although action is being taken in this regard and will become a priority once all improvement actions have been implemented.</p> <p>Taking account of the issues identified, Internal Audit stated ‘the Board can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective.’</p> <p>The following actions have been set out and owners identified:</p> <p>Management action 1 (Low)</p> <ul style="list-style-type: none"> Actions on the action log of the Governance Workstream’s Project Group will be completed and closed down in a timely manner, with revised due dates set for overdue actions. <p>Management action 2 (Low)</p> <ul style="list-style-type: none"> The format of the highlight report will be updated to include a clear indication of whether planned milestones have been achieved or delayed, to allow the Improvement Group and other key forums to identify and address slippage in the completion of planned activities. This will include the closure or carry forward of open actions when each phase of the Improvement Programme ends. <p>Management action 3 (Medium)</p> <ul style="list-style-type: none"> The CPCA will agree and document a clear approach of how it will assess whether changes made to its governance processes and practices as part of the Improvement Plan have been fully embedded. This will include the mechanisms that will be used, the scope of these, and their respective frequency, such as formal inspections, peer reviews, audits or 2nd line assurance checks and reflection exercises. <p>The Audit and Governance Committee will receive a separate report at its meeting on 17 November with regard to this audit from the Internal Auditor.</p>
2.11	<p>Engagement</p> <p>The Leadership team continues to engage effectively with staff and on 12 October the fourth staff conference was held. Over 85 staff attended and contributed to discussions on key successes they recognise, ways of working that have changed – and what still requires attention, and also ambitions for the future organisation and what needs to be put in place to deliver this.</p>

	<p>Feedback during and following the event has been extremely positive; staff saying:</p> <ul style="list-style-type: none"> • 'Hearing and seeing the positive things we have been doing (internally and externally) is making me feel proud to work for the Combined Authority' • 'Compared to the December 2022 conference there was a lot more energy in the room and it felt incredibly collaborative' • 'Internal comms from senior management is more open, honest and personable' <p>Work is currently underway to collate all the feedback from the discussions to feed into the future organisational development plan for the CPCA which will be shared when completed.</p>
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3. Background

3.1	The proposals set out in this report respond to the report presented to CA Board in March 2023. The link to the relevant Board papers is attached as set out in paragraph 10.1. The proposals also address directly the issues raised by the External Auditor, the Best Value Notice and DLUHC; again attached through a link in paragraph 10.1
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4. Appendices

4.1	Appendix 1- Highlight report September / October 2023
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5. Implications

Financial Implications

5.1	The Board in July 2023 approved an additional £250K to fund the Improvement Programme to the end of January 2024 and it is anticipated that these funds will cover all the required activity to that point.
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Legal Implications

6.1	<p>The external auditor report and Best Value Notice to Combined Authority set out the statutory background to the auditor's report and the obligations falling on the Combined Authority as a consequence.</p> <p>The Combined Authority has taken actions and continues to take action seeking to improve the governance of the Combined Authority in line with the Combined Authority's Constitution and promote the Combined Authority's statutory duty of best value and continuous improvement.</p> <p>The CPCA's Audit Committee is defined by the Local Government Act 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting and performance of the Council. This committee is therefore able to review, assess and scrutinise the information provided to them in this report in order to provide assurance.</p>
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Public Health Implications

7.1	None
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Environmental & Climate Change Implications

8.1	None
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Other Significant Implications

9.1	None
Background Papers	
10.1	CA Board Report 22 March Best Value Notice External Auditor Letter

Programme Level Highlight Report

for the Period:

1 September 2023 to 31 October 2023

Improvement Plan Phase 2
Programme Level Highlight Report for the Period:

Period – 1 September 2023 – 31 October 2023

Lead Executive Director Overview

I am pleased to present the highlight report for the Improvement Plan for September and October 2023.

I continue to highlight the five themes of this phase of our improvement journey and how this focusses tightly upon the expectations- based upon their advice and feedback - of our Independent Improvement Board, DLUHC (Department for Levelling Up, Housing and Communities) (Department for Levelling Up, Housing and Communities) and the external auditor to ensure our priorities for improvement reflect those of our partners and stakeholders. It should be noted that these themes encapsulate actions to address in full both the issues raised by DLUHC in their Best Value Notice letter of January 2023 and the letter received from the External Auditor raising concerns in July 2022.

Significant progress has been made regarding the conclusion of investigations relating to the safeguarding of staff, and a date for the Hearing Panel to consider the report from the Independent Investigator has now been set for 14th November. Further information regarding the outcome of that Hearing Panel will be provided after it has concluded.

Significant work has taken place across several themes leading to presentation and approval at Board on 20th September. I am delighted to note that at this meeting the Board warmly received information on progress with the procurement theme and governance and offered support for the draft Single Assurance Framework as well as approving the Risk Management Framework and Performance Management Framework. These are significant milestones, for not just the Improvement Plan but for the CA (Combined Authority) as these will set the parameters and frameworks by which we will assess, prioritise, monitor, and manage the projects we take forward in pursuit of our corporate priorities and business plans.

Partnership engagement continues to be a focus of our plan as we move forward and in this context praise from the constituent authorities CEX on the partnership working and engagement of the CA was very encouraging. Noting that this aspect of our work is core to our ambition we will however continue to focus upon improvement. This process has commenced with the collation of a series of case studies which will serve as a benchmark of how far we have come with our partnership journey in support of the CEX assessment and also allow us to look across the partnership landscape, draw lessons for further improvement and from that draw up the next stage of our partnerships action plan.

Given this positive progress and based upon the information in this report the direction of travel for the Improvement Programme, as demonstrated by the agreed RAG ratings, is very positive with all themes rated as green, meaning that delivery of all the agreed outcomes to time and budget is considered by the CMT (Corporate Management Team) workstream lead to be highly likely.

I continue to be confident of progress and achievement as we move forward and expect this to continue to be reflected in future highlight reports.

Individual Workstream Status		
	This Period	Last Period
Governance and decision making	Green	Green
Procurement	Green	Green
Project plans and delivery	Green	Green
Partnership working	Green / Amber	Green/Amber
Confidence, culture, and capacity	Green	Green

Programme Governance

Workstream Highlight Reports

Governance and Decision Making

Project Description:

To embed the governance structures & constitutional changes agreed at CA Board, enabling sound decision making & implementation. Create confidence and evidence to ensure external scrutiny of the CPCA (Cambridgeshire and Peterborough Combined Authority) governance arrangements is positive. Increase & improve the representation on decision making committees & boards of councillors from across the political spectrum.

Project Outcomes:

- Plan for embedding new structures
- Review membership of committees, & advisory groups
- Review of BB (Business Board) role & role of BAP
- Develop Terms of Reference for each group
- Create Financial Regs, Procurement Code & SAF
- Consideration of EDAF (English Devolution Accountability Framework) Requirements
- Internal review of governance arrangements by A&G (Audit & Governance)
- Review councillor representation
- Guidance documents and training
- Member remuneration
- Review role of Scrutiny function
- Review non-councillor membership in groups (CIPF code)

Workstream Sponsor:

Nick Bell

Project Manager/s:

Louisa Simpson

PMO (Programme Management Office) Support:

Heidi Robinson

Agreed Completion Date:

30/05/2024

Forecast Completion Date:

30/05/2024

Reporting Period:

01/09/2023 – 31/10/2023

Governance and Decision-Making Project Status

This Period:

Green

Previous Period:

Green

Governance and Decision Making – September/October Project Update:

Key Activities:

The project workstream have met and have moved forward several key activities linked to the Improvement Plan. The key activities undertaken this period:

- > Training roll-out – specifically how the CA works in relation to the districts/unitary authorities – linked to milestone 1
- > SAF & EDAF links have been discussed the SAF is with Government for review & sign off – linked to milestone 4
- > We have reviewed the risk register to ensure the risks reflect where we are in terms of governance – part of effective project management
- > the audit of governance has been completed & the findings are being reviewed to ensure they are covered in the workstream – linked to next month's milestone 5

Engagement:

The workstream group continue to meet fortnightly & focus on progress and risk review. As key milestones are met, communication is in place to support the roll out & CMT discuss changes at their meetings.

The CA Board members continue to be engaged in change discussions at Leaders Strategy Meetings in relation to the governance of the SAF.

Finally, the new Business Board and governance and processes are beginning to be embedded and the Economic Development Group have met twice.

Our work is being considered as best practice, for example a case study has been provided to the Centre for Governance & Scrutiny (CfGS) to demonstrate the development of the scrutiny roles specific to Combined Authority. As a result discussions are taking place with CfGS about how the scrutiny developments that have been undertaken could helpfully contribute to the guidance for CA scrutiny being developed by CfGS and other MCAs are now looking at what we have done with O&S as leading practice.

Concerns/Issues:

There are no concerns relating to the changes proposed to Governance & Decision making, there is a requirement to focus on the training support for CMT colleagues with regards to ensuring the committees are utilised correctly for decision making.

RAG Rating:

The RAG rating of Green reflects the progress & achievability of the project. The mitigations in place ensure we retain our green RAG rating. Training is being rolled out and CMT continue to engage with colleagues to explain/highlight the benefits of the new governance arrangements.

Governance and Decision Making: Workstream Sponsor Comments:

Further good progress has been made on this workstream during September and October. The Board decision to approve the risk management and performance management frameworks is a key step forward, as is the decision to move the Single Assurance Framework forward for approval by DLUHC and other Government Departments before the anticipated final approval by CPCA in November.

Additionally, there has been work to review the structure and operations of the Audit & Governance Committee in line with best practice elsewhere, the embedding of the new approach to Overview & Scrutiny has continued and work has been undertaken to define a potential accountability framework which will form part of our 'Devo 2' submission.

Overall, I am pleased with progress on this workstream which remains on track to deliver its key outputs by the end of the year.

Governance and Decision Making - Key Milestones/Activities this Period:		Status
1	Develop the Public Affairs relationship with CA Team	This has been moved forwards and the governance arrangements are understood & referred to where necessary.
2	Develop support guides for new governance structure & how local government works	This work continues
3	Roll out training guides	This work continues
Governance and Decision Making - Key Milestones/Activities Planned for Next Period:		

1	Development of the Single Assurance Framework	
2	Expansion of Shareholder Comm to Investment Committee SAF dependent	
3	Ensure sector specialisms are reflected in BB Membership	
4	Amend the Terms of Reference to reflect the new governance arrangements	
5	Review & agree officer support requirements for O&G	
6	English Devolution Accountability Framework (EDAF) - structure checks	
7	Agree process for monitoring the new structural arrangements	
8	Agree timeline to review new processes and arrangements	
9	Agree process for making changes/amending committee & thematic arrangements	
Governance and Decision Making - Project Risks:		
	Risk Description	Mitigation
1	Unable to secure devolution funding	Resourcing up and working with partners differently. Clear information needed from DLUHC to lift the best value notice.
2	Financial instability of partner Authorities	"Stay aware of the financial health of partner authorities. Working with Section 151 Officers - Nick Bell organised 151 group."
3	Scrutiny role not developing in line with EDAF expectations	Financial planning workshops and training. Monitoring Officers have been contacted regarding workshops with other O&S (Overview & Scrutiny) committees.
Governance and Decision-Making Report Completed By:		Louisa Simpson
Completion Date:		26/10/23

Procurement

Project Description: To redesign the Procurement function in line with the Price Waterhouse Cooper Procurement Review report commissioned by the CA, ensuring that Governance, Operating Model, Capability & Capacity and Compliance are reflected in the redesign. Then carrying out the practical elements of updating the Contracts Register, revising the Procurement Strategy, Policy & Procedures. Finally, ensuring the embedding of the new design through corporate training & support

Project Outcomes:

- Redesign the procurement function
- Agree operating model
- Develop operating model in line with recommendations
- Refresh the contracts register
- Revise procurement strategy, policies, and procedures
- Establish a procurement hub
- Implement procurement and contract management training
- Communication Strategy in place to support changes
- Develop procurement KPIs
- Develop M&E framework
- Regular reviews and periodic evaluations

Workstream Sponsor:		Nick Bell
Project Manager/s:		Louisa Simpson
PMO Support:		Heidi Robinson
Agreed Completion Date:		29/03/2024
Forecast Completion Date:		29/03/2024
Reporting Period:		01/09/2023 – 31/10/2023
Procurement Project Status	This Period:	Green
	Previous Period:	Green

Procurement – September/October Project Update:

Activities:

> Recruitment of procurement staff to support new structure – this is completed bar the Contract Manager post – linked to milestone 1 the recruitment of the Contract Manager is being planned. The JD being written and expected to be advertised next month – linked to milestone 7 next period

> Procurement training for all staff – linked to milestone 3 of last month has training in place for all staff & HR (Human Resources) are looking at how we monitor this and align to staff records. The delay to roll out is due to budget changes required – linked to milestone 4 of this month

> Complete the development of standard templates for procurement documentation – not completed yet, will be on the HUB, expected completion date 31 November 2023 – linked to milestone 1 this period

> Complete the development of standard Grant Funding Agreements (GFA) – this is ongoing, CMT to agree final version next week – linked to Milestone 2 this period

> Complete the development of standard Terms & Conditions for different types of contract activity – this is in draft, awaiting sign off by CMT 30/10 – linked to milestone 3 this period

> Agree a scheme of "Delegated Procurement Authority" (Delegated Authority) – this is linked to sign off the SAF which is due to go to CA Board on the 29th of November 2023 – linked to milestone 4, the updating of contracts is also linked to this decision point at Board – milestone 5

- > The procurement Hub is being developed and should be in place with all templates by the end of November 2023 – linked to milestone 8 next period
- > The comms strategy to support the roll out of the procurement hub and support documents is being developed due to be completed by December 2023 – linked to milestone 9 next period
- > development of Procurement KPIs, links have been made with the strategy & Policy Team to support the development of KPIs – linked to milestone 10 next period

Engagement:

The subgroup meets fortnightly to monitor progress with meetings to move forward actions taking place with key officers in the interim.

The SAF is now with DLUHC for government sign off – this supports the requirement for Procurement involvement in Business Case development.

The Procurement Team recruitment has enabled the team to be embedded in the CA and offer timely support across new projects.

Procurement colleagues have worked with the Policy Team to look at the development of KPIs and is working with the Comms Team to develop a comms plan for the procurement function.

Issues/Concerns:

Currently there are no issues or concerns, the delivery of the action plan and outcomes is on target and is happening at the required pace. The timeline remains challenging, but there is support in place from within HR (Human Resources), Finance & Legal to ensure delivery remains on track.

RAG Rating:

The RAG rating remains green, and the subgroup are confident of delivery on time. The mitigations in place support the delivery of outcomes and are monitored at each subgroup meeting. Where external support is required to ensure mitigation of risk it is being secured and where potential changes to government policy is being highlighted this is being built into the new documentation the CA is developing.

Procurement: Workstream Sponsor Comments:

Further positive progress has been made during September and October, including the appointment and induction of new procurement officers and the drafting of the Contract Procedure Guidelines which, following their noting at Board, has enabled full approval of the Procurement Policy and Strategy and the revised Contract Procedure Regulations.

Training for all staff on basic procurement has been sourced and is scheduled to be delivered through the Autumn, and further training on contract management and more complex procurements has been sourced for those members of staff more directly engaged in procurement and contract management.

Work has now started on reviewing the main contracts used by CPCA and the workstream is in a very good place to have delivered its key outputs by the end of the year.

Procurement - Key Milestones/Activities this Period:		Status
1	Complete the development of standard templates for procurement documentation	This work has been started and is expected to be completed at the end of November 2023. The documents are being uploaded on to the new Procurement Hub but are not available to staff yet

2	Complete the development of standard Grant Funding Agreements (GFA)	This work has been started; draft is in place awaiting sign off by CMT at next meeting 30/10
3	Complete the development of Terms & Conditions for different types of contract activity	This work has been started and is expected to be completed at the end of November 2023
4	Procurement training for all staff	Training provider has been sourced, forms required for sign off have been completed and signed off, the budget required must be amended – this is still outstanding

Procurement - Key Milestones/Activities Planned for Next Period:

1	Complete the development of standard templates for procurement documentation
2	Complete the development of standard Grant Funding Agreements (GFA)
3	Complete the development of Terms & Conditions for different types of contract activity
4	Agree a scheme of ""Delegated Procurement Authority"" (Delegated Authority)
5	Review HR contracts with delegated authority
6	Improve procurement scrutiny & involvement of Procurement in BC development
7	Recruit Contract Manager
8	Establish a 'Procurement Hub'
9	Comms Strategy in place to support changes
10	Develop procurement KPI's

Procurement - Project Risks:

	Risk Description	Mitigation
1	Financial delegations not agreed by Board	Working closely with the Board to ensure there is agreement of the delegated financial options proposed.
2	Fail to demonstrate Best Value in Procurement	The documents being developed are focused on achieving the outcomes required to achieve best value. We have engaged external support to ensure delivery on time. The Policy team are assisting with developing Procurement KPIs using the approved Performance Management Framework.
3	Procurement staff are not retained leading to loss of necessary skills and experience	Provide appropriate induction upon employment commencing. training opportunities to develop skills, provide a scope of work that is interesting to the individual and captures their attention, ensure inexperienced staff are engaged in all staff events to embed positive culture and new values. Finally, ensure staff progression is clear, membership opportunities are in place and a clear training and support plan is in place.
4	Contract & Grant Register not up to date	The Contract Register is complete, and discussions are being held on how far back the dates should go. New Procurement Officers

		will keep on top of this work until the new Contract Manager comes onboard.
5	Procurement and Contract Management training does not improve Officer knowledge	Thorough research to ensure best provider secured to deliver the training. Contacted providers who can tailor the training to our processes and contextualise the learning to promote further embedding. Training to be reviewed regularly and could be incorporated into appraisal process.
Procurement Report Completed By:		Louisa Simpson
Completion Date:		26/10/23

Project Plans and Delivery

Project Description: Development of an inclusive Single Assurance Framework (SAF)

Project Outcomes:

- Agreement by the CPCA and partners of a SAF
- Agreement of a Performance Management Framework and reporting Dashboard.
- Adoption of a new corporate risk management framework
- A revised PMO with expanded responsibility for corporate performance

Workstream Sponsor:	Steve Cox
Project Manager/s:	Jodie Townsend
PMO Support:	Thomas Farmer
Agreed Completion Date:	
Forecast Completion Date:	

Reporting Period:	01/09/2023 – 31/10/2023	
Project Plans and Delivery Project Status	This Period:	Green
	Previous Period:	Green

Project Plans and Delivery – September/ October Project Update:

Key Activity

The focus for all the three frameworks required by the workstream was the build-up to consideration of the Draft framework documents by Board on 20th September. To support this process key engagement was undertaken which is detailed below in the engagement update as well as progress being reviewed through the Project Plans & Delivery workstream meeting.

The Draft SAF and Risk management Framework were presented to the Audit & Governance Committee on 8th September for review with a specific ask to review its content from an assurance, Value for Money, and process perspective. The Committee unanimously supported both draft frameworks. It also approved the developing terms of reference for the new Investment Committee and supporting Investment Panel, both of which are key governance components of the SAF.

The Overview & Scrutiny Committee undertook a deep dive into the Project Plans & Delivery workstream on 18th September and had no additions or concerns to add regarding the SAF or the Risk Management Framework for Board to take note of. The Performance Management Framework was then given more attention by the Overview & Scrutiny Committee who provided full support to its content.

The SAF was presented to Board on 20th September for review with an ask of approval of the framework that would allow submission to DLUHC for the required Government review and clearance. Board unanimously supported the draft SAF for submission to DLUHC and the document was submitted later that day. It is anticipated the clearance process with DLUHC will take between 4 to 6 weeks.

The Risk Management Framework was also presented to Board and was unanimously approved.

The Performance Management Framework was also presented to Board along with key performance information and the Corporate Performance Dashboard. It was fully supported by the Board.

The October focus has been on ensuring the appropriate next steps are in delivery for each of the frameworks. For the SAF this has been 2-fold, firstly on achieving Government clearance and secondly on developing the implementation plan.

The SAF is now in the process of review by teams within DLUHC, DfE and DfT (Department for Transport) before being submitted to relevant Department Directors for sign-off. We understand that this process is progressing well with DLUHC and DfE teams having reviewed the SAF and having no substantial comments, we now await the next engagement point from DLUHC.

A workshop was held on 11th October between the PMO and the external consultant who developed the SAF to review progress post September Board, agree content requirements for the November Board report on implementation, discuss PMO future resourcing and upskilling to deliver SAF and discuss different approaches to implementation such as various phased approaches to a single one-off implementation.

The workshop supported a phased approach to implementation which will now be developed in detail throughout October and November.

The implementation of Risk Software (4Risk) has commenced with initial training completed with the PMO, training for Combined Authority Programme and Project Managers is scheduled for November.

With the approval of the SAF at Board and feedback from DLUHC the project team are confident that the challenges that might have prevented the SAF being approved have been addressed and are therefore confident of a new RAG rating of Green, meaning that the project's delivery to timetable and budget is highly likely.

Engagement

Single Assurance Framework

In support of the build-up to the Board meeting the membership of both the Partner Working Group and the Internal Working Group were provided with an electronic briefing, FAQs, and an invitation to receive a 1-2-1 briefing on the SAF. The Partner Working Group membership were reminded of their role of briefing and engaging officers and Members within their own authorities on the SAF, Huntingdonshire Council took up the invitation offer. An offer of a 1-2-1 briefing for Leaders and Chief Executives- if councils so required- had also been made on the 30th of August meeting of the Leaders Strategy Meeting.

A briefing meeting took place with the Chair of the Business board on 6th September and with the mayor on the 11th of September on the SAF's development to date and the Board report.

Engagement with the DLUHC Local Growth and Assurance Team has taken place throughout October to cover the clearance process for the SAF, to date no detailed meetings have been required to cover any elements of concern as none have been raised.

An implementation lessons learnt meeting took place with West Midlands Combined Authority on 13th October to share learning from their experience in rolling out a SAF.

On October 19th a meeting took place between PMO, the external consultant leading on SAF and the Huntingdon Council PMO to take Huntingdon officers through the SAF and how it will operate.

Performance Management Framework

Following feedback received at Leaders' Strategy Meeting and Overview and Scrutiny Committee Informal Session on 30 August, an email briefing was provided to Cllr Boden on 1 September. Briefing meetings took place with the mayor on 30 August and with the Lead Member for Governance, Cllr Murphy on 14 September.

Risk Management Framework

In support of the build-up to the Board meeting the membership of both the Partner Working Group and the Internal Working Group were provided with briefings on the 21st and 23rd August.

Leaders and Chief Executives were updated on the 30th of August meeting of the Leaders Strategy Meeting.

Risk software engagement was undertaken with nominated officers from South Cambridgeshire District Council and Cambridge City Council on the 19th of Sept.

Key Issues:

1. There are no identified key issues at present.

RAG Rating Rationale

The rating of Green is a progression from the previous Green/ Amber rating on previous Highlight Reports as the previous barrier to a green rating was the lack of clarity from DLUHC regarding the process and timetable for consideration and clearance of the Single Assurance Framework. This issue has been resolved, with a timetable agreed with DLUHC for clearance of the Single Assurance Framework that aligns with our intention for final Board approval in November

The approval by Board of all 3 Frameworks is a significant achievement and has been achieved on time. 3 of the 4 desired workstream outcomes have therefore been achieved, although it should be noted that the implementation of the SAF requires significant work that is still to be both scoped and undertaken.

Project Plans and Delivery: Workstream Sponsor Comments:

September and October have been significant months for this workstream with all 3 frameworks being positively considered by Audit & Governance Committee and Overview & Scrutiny and then subsequently all being approved by the Board.

The success will provide further governance foundations identified as being required through the Governance Review and should provide the External Auditor and Government that the Combined Authority has developed and delivered robust processes and approaches.

The plans to develop appropriate implementation plans for all 3 frameworks are in operation with some key elements already rolled out such as PMF performance information to support the Overview & Scrutiny function.

Project Plans and Delivery - Key Milestones/Activities this Period:		Status
1	Complete ToR for Investment Committee	Draft ToR complete, issues that need to be resolved such as membership cross over with previous Shareholder Committee role to be discussed with Monitoring Officer. Intention to take proposed ToR to CMT in early November
2	Complete ToR for Investment Panel	Draft ToR complete, intention to take proposed ToR to CMT in early November

3	Complete Investment Committee & Panel guidance	Work has begun on guidance development however decision to propose phased implementation of SAF means guidance not now likely to be timetabled for completion until early 2024.
4	Develop specification for SAF webpages	Conversations with appropriate officers have taken place, awaiting completion of specification document by Project Manager in early November.
5	Complete PMO resourcing proposal in support of the SAF	Will be key element within the November report to Board
6	4Risk software implementation plan to be completed to support the Risk Framework	4Risk software implementation has commenced. PMO staff training has begun. Training for wider CPCA officers is to follow in November.
7	Develop SAF Implementation Plan	Workshop to discuss implementation plan took place in October, Project Manager drafting detailed proposal based on phased implementation for Project team review by early November

Project Plans and Delivery - Key Milestones/Activities Planned for Next Period (November):

1	Complete Implementation Plan for SAF
2	Identify PMO resourcing requirements to recommend alongside SAF implementation
3	Take report to Board (29 November) confirming SAF approval post DLUHC review process and agree implementation approach, dates and any required resourcing
4	4Risk implementation to be completed in October. Further training to be completed by November.

Project Plans and Delivery - Project Risks:

	Risk Description	Mitigation
1	SAF does not receive Government clearance in time for final approval of SAF at November Board meeting	Engagement has taken place with DLUHC lead to agree timetable for clearance process, this will include regular check-in meetings. Early indications are that DLUHC & DfE are happy with document, awaiting feedback from DfT Regular check-ins will take place to ensure timetable is delivered
2	An agreed SAF Implementation Plan is not developed in time for November Board meeting	Away day planned for project team to scope out full content of implementation plan and assign key tasks has now taken place. Project manager has met with West Midlands CA to discuss their SAF implementation to learn lessons. Forward Plan includes report for Board on 29 November for consideration on implementation.
3	Constitutional amendments required by SAF (including Investment Committee) are not endorsed by Board	Board membership engaged informally as part of SAF development process to ensure positive steer/ support for required constitutional amendments when placed before Board.
4	PMO strengthened Mandate – Funding not available	SAF has been developed to be applicable with or without additional PMO resources, however additional resource is required to meet objectives of full SAF delivery, meet Constituent Council asks and develop the PMO centre of excellence approach requested by Board in Improvement Plan.

		Discussions have taken place with Finance to ensure required resource is understood and a further meeting will be arranged to discuss detailed proposals for inclusion in the SAF implementation paper to Board in November.
5	CPCA staff upskilling and implementation of SAF is not sufficient	Lunch and Learn session already held and staff video released. Further plans to engage and train staff to be set out in Implementation Plan.
6	IT systems not provided to deliver PMF (Performance Management Framework) and SAF	Specification being developed as part of Project Plan requirements, initial discussions regarding procurement have already taken place with Finance.
7	CPCA unable to recruit required Analyst resource	Additional Analyst capacity is required to support full implementation of the Performance Management Framework. Budget and establishment are in place, but the recruitment market for analysts is highly competitive. A shared services model with Cambridgeshire County Council is being explored as an alternative resource.
Project Plans and Delivery Report Completed By:		Jodie Townsend
Completion Date:		26/10/23

Partnership Working

Project Description: To enhance partnership working within the combined authority, enabling it to act as a bridge between the local area and government. This involves establishing a unified voice and offer through co-ordinated representation, policy alignment, and effective advocacy. The workstream aims to foster strategic partnerships, streamline communication channels, and influence policy development. Additionally, it seeks to secure funding and resources, facilitate joint problem-solving, and empower local governance.

Project Outcomes:

The Combined Authority should be the bridge between the local area, government and all local regional and national partners and stakeholders, providing a single unified voice and offer for the combined authority area.

Workstream Sponsor:		Richard Kenny	
Project Manager/s:		Peter Tonks	
PMO Support:		Heidi Robinson	
Agreed Completion Date:		31/03/2023	
Forecast Completion Date:		31/03/2023	
Reporting Period:		01/09/2023 – 31/10/2023	
Partnership Working Project Status	This Period:	Green	Amber
	Previous Period:	Green	Amber

Partnership Working – September/October Project Update:

The Combined Authority have been working with many partners over the last 12 months including, but by no means limited to, the East of England Local Government Association, the M10 Mayoral Group, the Cambridge 2040 CEX group, the OxCam Partnership, England's Economic Heartland, Innovate Cambridge, Cambridge Ahead, the Future Fens Adaptation Taskforce and the Joint Cambridgeshire and Peterborough Health and Wellbeing Board / Integrated Care Partnership and constituent local authorities.

Case studies are currently being collated to demonstrate our approach, the impact made and characterised by:

- Providing effective leadership of place through constructive relationships with external stakeholders.
- An organisational culture (and crucially behaviours) that recognises the value of working with local partners to achieve more efficient and effective policy development, local economic growth and investment, better services, and customer-focused outcomes.
- Early and meaningful engagement and effective collaboration with partners to identify and understand local needs, and in decisions that affect the planning and delivery of services.
- Evidence of joint planning, funding, investment and use of resources to demonstrate effective service delivery, but transparent and subject to rigorous oversight.
- Involving partners in developing indicators and targets, and monitoring, managing and challenging performance.
- Driving inclusive growth, social and environmental value through our project development and delivery.
- Continuous learning and improvement

It is proposed that the evidence collated will be presented to the Independent Improvement Board

in November with recommendations for the next steps for the workstream.

Engagement

Staff across each of the Directorates are working together to gather and draft information for the case studies and these are/will be supplemented with information from our partners.

Issues

No risks that have crystallised as issues were identified in this month.

RAG Rationale

The RAG Rating for this workstream is Green/Amber. It is clear from partner feedback that significant progress has been made and partners believe that the CA commitment to partnership working is good. Without losing focus upon continuous improvement, the project team believe that the scope for the workstream is now clearly defined, and the key project task to gather evidence is on track to be delivered on time.

Partnership Working: Workstream Sponsor Comments:

There is confidence that the work being undertaken to evidence our commitment to partnerships will demonstrate that CPCA recognises the value of working with public and private partners to achieve more efficient and effective policy development, economic growth and investment, better services, and customer-focused outcomes. Effective partnerships are key to the development and delivery of current and future ambitions.

Partnership Working - Key Milestones/Activities this Period:

		Status
1	Scope and Approach agreed with CMT and Project Team	Complete
	Identification of key projects (to use as case studies)	Complete
2	Evidence gathering template developed and issued	Complete
3	Commence creation of case studies	Commenced

Partnership Working - Key Milestones/Activities Planned for Next Period:

1	Review and finalisation of case studies
2	Draft lessons learned/future actions and considerations
3	Report completed and presented to IIB

Partnership Working - Project Risks:

	Risk Description	Mitigation
1	There is a risk that the case studies do not sufficiently evidence good partnership working, particularly from an external viewpoint.	Ensure case studies consider and include the main descriptors within the evidence gathering template (bullet points 1-5 above).
2	There is a risk that the case studies are not accepted as a sufficient means of evidencing improvement.	The report should clearly outline lessons learned and how these will be taken forward to inform future effective and consistent partnership working.

3	Once the Improvement Plan is complete there is a risk that as focus is removed from partnership working, the partnerships will become ineffective.	Ensure the importance of Partnership Working is embedded in the Single Assurance Framework.
Partnership Working Completed By:		Peter Tonks
Completion Date:		20/10/2023

Confidence, Culture and Capacity

Project Description: To establish a clear direction for the Combined Authority, foster a positive work culture based on shared values and behaviours, develop effective leadership at all levels and be recognised as a good employer. By focusing on these areas, the project seeks to establish a solid foundation for the Combined Authority to effectively deliver its goals and serve the region within a positive working environment.

Project Outcomes:

Ambition and Priorities:

- We are clear in our ambition and priorities for the combined authority region
- We have a well-established framework to work in partnership with key stakeholders to deliver this ambition

Values and Behaviours:

- Values and behaviours are embedded and owned by everyone (both officers and members) through day-to-day activities
- Values and behaviours are recognised as central to all CPCA practice and processes and there is collective ownership and responsibility for culture- living the values through day to day working activity
- Alignment to the values is recognised and celebrated, whilst non-aligned of 'behaviours' are addressed
- Peer reviews and feedback from partners identify CPCA is 'living its values'

Leadership:

- Leadership at all levels of CPCA is seen as high quality, effective and in line with the agreed values and behaviours

Recruitment, Retention, Reward and Resources

- Balanced scorecard in place that reflects job satisfaction, employee turnover, absence etc.
- Workforce strategy agreed (up to 2025) that identifies key resourcing requirements and how they will be delivered.
- CPCA is viewed as a 'good' employer tested through staff surveys, exit interviews and external review

Workstream Sponsor:		Kate McFarlane
Project Manager/s:		Peter Tonks
PMO Support:		Heidi Robinson
Agreed Completion Date:		31/09/2023
Forecast Completion Date:		31/09/2023
Reporting Period:		01/09/2023 – 31/10/2023
Confidence, Culture and Capacity Project Status	This Period:	Green
	Previous Period:	Green

Confidence, Culture and Capacity – September/October Project Update:

Key Activities undertaken this period include:

Ambition and priorities

- Initial analysis and requirements for State of the Region, Vision and Infrastructure work elements of the workstream have been completed with constituent councils and partners through a

working group which is supported by a technical data group and an engagement group. These pieces of work are now at the procurements stage with submitted tenders currently being considered. These pieces of work will guide our strategic decisions, ensuring alignment with the evolving needs of our region.

- Q1 Corporate Performance Report was presented to CA Board where it was accepted and very well received. Work on Q2 reporting has commenced and on course to go to the November Board as scheduled. This work will enhance transparency, accountability, and informed decision-making, resulting in better public service delivery.

Leadership

- The first development session for members has taken place with a focus on 'Effective Committee Membership'. This is the first of four topics to be covered over the coming months and the sessions are designed to empower our leaders, ensuring they have the skills and knowledge to drive the Combined Authority's mission forward. This first session was very well attended with some good feedback received from participants who stated they would recommend future planned sessions to their fellow councillors.
- CEXs first 100 days communications have continued to be developed including the creation of a video which has been launched internally. These activities are intended to set the tone for exemplary leadership, inspire a culture of excellence and attract confidence from stakeholders.

Values and behaviours

- The fourth staff conference took place in October and was very well attended with staff participating in workshops focussing on 'celebrating success', understanding 'where we are now' and 'moving forward'. Feedback from these workshops and the conference overall will be used to measure performance against workforce related improvement initiatives and to inform planning for future conferences which are integral to providing a voice to our team members and stakeholders, resulting in a more responsive, inclusive, and adaptive organisation.
- Happenings (internal staff newsletter) continues to be produced and disseminated weekly. Each week this contains informative video updates around the Improvement Programme and other important news and articles to promote staff well-being and to keep staff abreast of latest regional and CPCA specific developments. There was a focus on the CCC workstream in September.
- The external review of communications, engagement and public affairs has been completed and a plan, which draws upon the recommendations of the review has been finalised and is in the early stages of implementation. The review has engaged a broad range of stakeholders and staff from across the CPCA through 1:1 interviews a focus group and workshop. The review and subsequent plan seek to strengthen our relationships with both our employees and the communities we serve, fostering trust and alignment with our values.
- The first of five planned Board Activity sessions on the 2023/2025 Corporate Strategy refresh and 2024/2025 MTFP (Medium Term Financial Plan) has taken place which was well attended and received by participants. These sessions aim to encourage participation in strategic development, promote ways of working collaboratively, share best practice from other authorities, and to embed our values and behaviours.

Recruitment, retention, reward, and resourcing

- New Recruitment and Selection procedures for the Combined Authority have been drafted together with supporting documentation and are in use. Training on the new procedures set to be delivered to staff during November and December. The new procedures aim to ensure an

efficient, fair, and merit-based approach to hiring, while revising appraisal processes to empower staff to excel in their roles.

- The HR policies approved in August have now been launched. The policies have been heavily promoted via various channels including videos, drop-in clinics, lunch time sessions and a new HR Information Hub. The new policies have been well received and appreciated by staff and will be instrumental in promoting health and well-being to create a supportive and thriving work environment.
- A second Corporate Staff Induction session has taken place. These are new group-based induction sessions for new staff. Frequency will depend upon the number of staff onboarded to CPCA. The sessions are structured to give new staff an overview of the workings of the CPCA (Governance, Decision Making, Policies and Procedures etc.) and to introduce the values and behaviours which are re-enforced via the CEX/CMT who are also in attendance, demonstrating that the CPCA and its staff 'live the values'.
- A permanent Assistant HR Director has been appointed and has commenced work at the Combined Authority.
- Following on from the appraisals that were introduced in March 2023. Mid-year reviews have commenced. These are an opportunity for staff to discuss progress against objectives and training with managers. The appraisal and review process has been rebranded as 'LEAP' which stands for 'Learning, Excellence, Achievement and Performance' and the associated templates and documentation refer to our values and behaviours.

Engagement

The above activity demonstrates a range of engagements have taken place with staff, members and external organisations across the Combined Authority and Region.

These include; Comprehensive staff engagement via the Staff Conference in October; The promotion of new HR policies and procedures through lunchtime drop-in sessions and virtual and physical 'Ask HR sessions'; and the continuation of wider communications through 'all-staff' meetings and briefings accompanied by vlogs and videos from senior officers to embed new ways of working.

At member level, engagement on matters coming before Board continues, and CA Board activities and Member Development Sessions have also commenced this month.

More externally, engagement with constituent councils and partners has commenced/continues in support of the State of the Region and Future Vision through a working group, technical group and engagement group.

Key Issues

No risks that have crystallised as issues were identified in this month.

RAG Rationale

The workstream is on track to achieve key deliverables on time and budget, therefore the RAG Rating for this period is Green.

Confidence, Culture and Capacity: Workstream Sponsor Comments:

Work on this improvement theme, remains on track and continues at pace. Several significant milestones have been achieved during September and October which includes the introduction of corporate performance reporting, gained agreement on the process for the refresh of the 2023-2025 Corporate Strategy and Plan and conclusion of State of the Region and Vision scoping to inform procurement specifications and the formation of a State of the Region Technical Group and Vision engagement group. Updates have also been provided to the Business Board.

The external communications review has concluded and focus now turns to cascading those findings, recommendations and implementing key actions. Implementing those actions requires a clear internal focus, but also working differently and collaboratively with a broad range of partners on agreed communication, engagement & lobbying priorities.

The Staff Conference was incredibly well attended, with positive initial feedback received. Fuller feedback will be analysed by CMT and used to inform future actions to embed our culture and values.

Confidence, Culture and Capacity - Key Milestones/Activities this Period:		Status
1	Communications review findings, recommendations, and month one activities to be delivered, which includes dissemination across the CA and external partners to underpin new ways of working.	Complete
2	Staff conference to take place	Complete
3	State of the Region and Vision procurement activities to continue	Complete
4	CA Board Activity sessions planned/commenced	Complete
5	Member Development Sessions planned/commenced	Complete
6	New HR Recruitment and Selection procedures to be implemented	Complete
7	New HR Appraisal, 1:1, Review Procedures Implemented (LEAP (Learning, Excellence, Achievement & Performance))	Complete
8	CEXs first 100 days internal communications released	Complete
Confidence, Culture and Capacity - Key Milestones/Activities Planned for Next Period:		
1	State of the Region and Future Vision Tender Award to successful vendor(s)	
2	Q2 Performance Report to CA Board	
3	Executive Director Seminars to continue	
4	Second Member Development Session (Budget Scrutiny)	
5	Communications plan development/continued implementation	
6	Recruitment and Selection Training	
7	Review Staff Conference Feedback/Commence Planning for February Conference	
8	Commence enrolment onto Leadership Development Courses in collaboration with Cambridgeshire County Council	
Confidence, Culture and Capacity - Project Risks:		
	Risk Description	Mitigation
1	The workstream encompasses many facets of the organisation and is intertwined with BAU (Business as Usual) activities. This means there is a risk of scope creep which could shift focus to tasks and activities that are not a priority and do not directly impact upon	Clearly define what is in and out of scope. Do not add tasks or actions to the project plan without a whole project team review. CMT have agreed to review items classed as BAU to ensure focus is maintained within the IP timetable

	tangible outcomes for the Improvement Plan. There could also be an impact upon capacity whereby project staff/other CPCA project resources are not utilised as intended.	
2	Members can be perceived as the 'face' of the CA given their public profiles/roles. If they are unwilling or unable to engage properly in developmental activities, they may not demonstrate that change has happened/been effective (even if change has been a success for officers and staff).	Continue to plan and support Board Activities/Member Development. Seek formal feedback. Encourage and track attendance at staff and member development sessions.
3	The Confidence, Capacity and Culture Workstream relies on acceptance of change across staff and members. Whilst, training sessions, process, workshops, and internal communications will drive and encourage this, the change must be accepted. Some staff and members may not accept the changes. Depending upon several factors (i.e., which staff or members do not accept, how their rejection of change is voiced/heard, how many staff/members do not accept change) the effect can be significant and can undermine the outcomes for the workstream.	Continue to outline the benefits of the changes via staff forums, conferences etc.
Confidence, Culture and Capacity Completed By:		Peter Tonks
Completion Date:		20/10/2023

The Independent Improvement Board have requested implementation of 'Rag Rating' to report progress against identified areas of activity. It is proposed that this will be used from now on for Improvement reports to all Boards and Committees to ensure a consistent approach. We have used our learning from the first phase of improvement and sought best practice to inform our future approach.

Set out below is the methodology adopted.

Green	Successful delivery of the improvement theme to time, cost and quality appears to be highly likely.
Green / Amber	Successful delivery of the improvement theme within timescale appears probable. However, constant attention will be needed to ensure risks do not materialise into issues threatening delivery.
Amber	Successful delivery of the improvement theme appears feasible, but issues exist requiring attention. These appear resolvable at this stage, and if addressed properly, should not represent a schedule overrun.
Amber / Red	Successful delivery of the improvement theme is in doubt with major risks or issues apparent some key areas. Action is underway to ensure these are addressed and establish whether resolution is feasible.
Red	Successful delivery of the improvement theme within the agreed timescale and/or budget is unachievable as issues have been identified which officers conclude are at present not manageable or resolvable. The theme will therefore need re-profiling.



Audit and Governance Committee		Agenda Item
17 November 2023		5
Title:	Corporate Risk Register	
Report of:	Nick Bell, Executive Director, Resources and Performance	
Lead Member:	Cllr Edna Murphy	
Public Report:	Yes	
Voting Arrangements:	To note	

Recommendations:

A	To note the refreshed Corporate Risk register report, risk dashboard and heat map.
B	To note the proposal for how often the register should be reviewed going forward based on best practice.
C	To note the update on Risk Software including Training.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	To note the refreshed risk register, risk dashboard and heat map in Appendix 1-3.
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2. Proposal

2.1	The tables below display the October Corporate risk register inherent and residual risk status and changes since the previous reporting period.
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Inherent Risk Score Table:

Period	Red (Very High)	Amber (High)	Yellow (Medium)	Green (Low)
September 2023	16	0	0	0
October 2023	13	1	2	0

Residual Risk Score Table:

Period	Red (Very High)	Amber (High)	Yellow (Medium)	Green (Low)
September 2023	4	6	6	0
October 2023	0	2	13	1

Please note the risk matrix definitions were updated in the Risk Management Framework that was agreed at CA Board on the 20th September 2023.

As such all risks have been reviewed and rescored with regards to the new definitions. For example, financial risks definitions have increased to a more realistic level given the Combined Authority project portfolio.

The results of this exercise can be seen in the inherent and residual scores table above.

Since September one risk has closed which is Strategy Gap due to completion of the controls including an agreed Corporate Plan, Business Plans, Performance Management Framework, Single Assurance Framework and the commissioning of State of the Region and Shared Vision.

There is one risk that has been reopened which is Governance VfM risk given feedback received from the Department of Levelling Up, Housing and Communities representative at a regular Improvement Plan Best Value notice progress meeting.

In summary, 10 residual risks have reduced in scores and 1 risk has increased. We therefore no longer have any red residual risks. This improved trend is following a thorough review of the risks and the strengthening of controls.

2.2

Frequency of reporting

Within the Risk Management Framework, it states that a Risk Report will be reviewed quarterly at the Audit & Governance Committee.

The Committee requested that a best practice risk reporting review be undertaken, and its findings be presented at this meeting.

In reviewing the frequency of risk reporting at the Mayoral Combined Authorities the following was found:

Mayoral Combined Authority	Meeting frequency
Tees Valley	Tri-annually
Manchester	Quarterly
West Midlands	Bi-monthly
Liverpool	Bi-monthly
West of England	Quarterly
North of Tyne	Quarterly
South Yorkshire	Bi-monthly

	West Yorkshire	Bi-monthly
	London	Quarterly
	In summary, the Mayoral Combined Authorities prefer corporate risk reporting to their Assurance and Governance Committees, or equivalents as follows:	
	Meeting Frequency	Total
	Bi-monthly	4
	Quarterly	4
	Tri-annually	1
2.3	Implementation of Risk Register software – 4Risk <p>In May, risk software was procured. (4Risk supplied by RSM). The investment in new corporate, web-based risk software will allow a central and auditable platform to register risks associated across the work programme.</p> <p>The Corporate Risk Register is now on 4Risk and training is to be provided to corporate risk owners and leads in November.</p> <p>The Service Registers (Transport, Skills, Business, Climate etc.) will be added to 4Risk in November following one-to-one training by RSM with each Service Lead to support the update of the registers and train how to update the registers on the software / use the software. This includes training to subsidiary companies.</p>	

3. Background

3.1	<p>The Combined Authority Risk Management Framework and Procedure was approved at 08 September Audit & Governance Committee, and 20 September Combined Authority Board.</p> <p>Work continues in embedding the Framework and Procedure, including through training and software.</p>
3.2	<p>The Framework states that the Programme Management Office are responsible for ensuring that the Corporate Risk Register is maintained, updated and that risks are regularly reviewed with the Executive Director of Resources & Performance, Corporate Management Team, Audit & Governance and the Risk Owners.</p> <p>The Audit & Governance Committee is responsible for overseeing the Authority's Risk Management Framework and Procedures and the Corporate Risk Register, to ensure that risk management is being done to the appropriate standard and in line with this framework.</p> <p>This item is key to ensuring this is completed.</p>

4. Appendices

4.1	<p>Appendix 1. Corporate Risk register</p> <p>Appendix 2. Risk Dashboard</p> <p>Appendix 3. Residual movement heatmap</p>
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5. Implications

Financial Implications	
5.1	There are no direct financial implications to this report but effective risk management is essential to demonstrate Best Value.
Legal Implications	
5.2	The Cities and Local Government Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.
Public Health Implications	
5.3	None
Environmental & Climate Change Implications	
5.4	None
Other Significant Implications	
5.5	None
Background Papers	
5.6	None

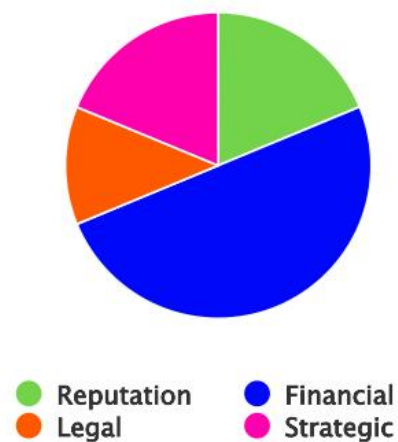
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Risk Criteria	
Project	Corporate Risk Register

Item 5

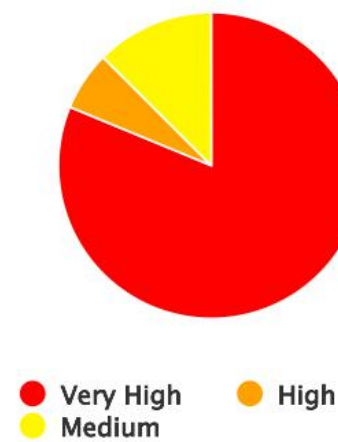
Corporate Risk Register											
Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Residual Direction of Travel	Detail	Actions Owner	Assurance Line	Variable Target	Target Priority
Future viability of the CA	Strategic	CEO	Very High (5:5=25)	a) Developed improvement plan in order to build confidence with central government.	Medium (3:3=13)		Under the leadership of the interim CEO an improvement plan has been developed.	CEO	3rd	31 Jan 2024	Medium (2:3=8)
				b) Actions contained within original improvement plan now complete.							
				c) Improved communications between partners							
				d) Reframed improvement plan now approved to meet issues identified in Best Value notice from DLUHC							
				e) Developed and implemented a new governance model, in effect, from 31st May, 2023							
National policies on climate change impacting on CPCA funding	Strategic	Strategic Planning Officer	Very High (4:4=21)	f) Partnership mapping completed to identify and develop critical strategic and operational partnerships.	Medium (2:4=12)		Regular progress reporting to Climate partnership and E&SC Committee	Strategic Planning Officer	3rd	31 Dec 2023	Low (1:3=4)
				g) Particular focus now on partnerships that extend beyond the local area (e.g. EEH, OxCam Arc).							
				a) Corporate Strategy approved with (a) Resilience as one of the corporate objectives, and (b) climate as one of the six capitals.							
				b) Keeping Climate action plan up to date, keeping evidence base current.							
				c) Maintaining independent climate change commission to provide advice.							
Net Zero Hubs (2)	Reputation	Interim Consultant Net Zero Hub	Very High (4:5=23)	d) Public Affairs engaging with local and national decision-makers to illustrate impact of policy changes on the area.	Medium (1:4=7)		Move to recruitment now the role evaluations are complete.	TBC	2nd	31 Dec 2023	Low (1:3=4)
				e) Maintaining effective networks and national and regional level to enable horizon scanning.							
				Expedite the job gradings and approval to recruit							
Transforming Cities Fund (TCF)	Financial	Head of Transport	Very High (4:4=21)	Assessing the TCF funding programme around deliverability and cost undertaken. Where schemes will no longer be delivered and there will be a...	Medium (3:3=13)	=	f) Respond to government's request for information and evidence to inform their "study" - ongoing - complete	Head of Transport	3rd	30 Nov 2023	Medium (3:2=9)
				Regular meetings with DfT to highlight the programme and project management measures in place - discussions based on quarterly returns and positive...							
Governance - VM risk relating to governance	Strategic	CEO	Very High (5:3=22)	Both the A&G and O&S Committees have been briefed on the issues and are making their own recommendations to the board and will work to support the...	Medium (3:3=13)		Under the leadership of the interim CEO an improvement plan has been developed to address the points raised in the EY letter.	CEO	3rd	31 Jan 2024	Low (2:2=5)
				It is to be noted that an interim CEO has been appointed to directly address these issues.							
				Regular engagement with external auditors, DLUHC and BEIS.							
				Board to action a plan to satisfy EY concerns leading to DLUHC to release funds.							
Culture	Reputation	CEO	Very High (5:3=22)	a) Governance review underway as part of Improvement Plan.	Medium (3:3=13)		Ongoing engagement with Members and Officers to display appropriate behaviours.	CEO	3rd	30 Nov 2023	Medium (2:3=8)
				b) Funding secured from LGA to help develop constructive discussions between members.							
Financial - Underspend	Financial	Assistant Director Resources and Performance	Very High (3:5=20)	a) Implementing self service financial reporting which will enable project managers to more easily identify if there is a disconnect between...	Medium (3:3=13)		Development of directorate self service reports including RAG rating. This work will be supported by corporate project mgmt and risk training.	Assistant Director Resources and Performance	2nd	31 Mar 2024	Medium (2:4=12)
				b) Financial RAG ratings are in place so it can be seen immediately as part of the monthly performance reporting.							
				c) Active programme/project management by those responsible within the CPCA.							
EQIA	Legal	Head of Legal and Deputy Monitoring Officer	Very High (5:3=22)	Each project will undertake an EQIA as part of the Single Assurance Framework.	Medium (3:3=13)	=	EQIA legal review to be undertaken	TBC	2nd	30 Nov 2024	Medium (2:3=8)
				EQIA training will be undertaken as part of the SAF training programme.							
Cyber Security	Financial	Executive Director Resources and Development	Very High (4:4=21)	a) Data recovery - cloud based organisation.	High (4:2=14)	=	Continue to develop CPCA Cyber security position with the support of Local Digital and industry best practices from GCHQ.	Executive Director Resources and Development	2nd	31 Mar 2024	Low (2:2=5)
				b) Recovery time - due back in minutes.							
				c) Devices stock held to reissue equipment							
				d) All devices are encrypted to protect from unauthorised access.							
				e) Data access role based.							
				f) Active monitoring on all systems.							
				g) Yearly training to educate end users.							
				h) Large number of system controls re. login protection - two factor authentication.							
				i) SOCITM Cyber Essential accreditation done yearly.							
				j) Remedial funding from DLUHC to support Cyber Security.							
Future Funding	Financial	Executive Director Resources and Development	Very High (5:5=25)	a) Optimise the CA's ability to successfully bid into funding 'calls' - strategies and new PMO functions	High (5:2=19)		Engage with local partners, M10 colleagues & DLUHC to secure new long-term funding with greater freedoms and flexibilities through the devo negotiations with DLUHC.	Executive Director Resources and Development	3rd	30 Nov 2023	Medium (3:3=13)
				b) Workshops with partners to identify opportunities to deliver projects without Government grant							
				c) Lobby Government for greater freedoms and flexibilities in funding, including devolved multi-year settlements							
				d) Consider use of existing CA powers to fund future programmes							
				e) Manage stakeholder expectations regarding CA resources available to deliver strategic objectives							
Subsidiary Companies	Financial	Chief Officer Legal and Governance & Monitoring Officer (Interim)	Medium (3:2=9)	a) Action plan to address the internal audit recommendations has been developed. Early actions are being addressed.	Low (2:2=5)		Shareholder Board to meet again later in year.	Chief Officer Legal and Governance & Monitoring Officer (Interim)	2nd	01 May 2024	Low (2:2=5)
				b) Shareholder Board met 7th June 2023. Audit and action plans discussed and agreed.							
				c) Ensuring Investment Committee meet regularly and A&G and O&S get regular reports.							
HR Operations	Legal	Assistant Director for Human Resources	Very High (4:4=21)	a) Digital review has been undertaken to identify system challenges and issues	Medium (3:2=9)	=	Budget for business change (review all HR processes) and technology circa £30k p.a. Implementation costs circa £50k	Assistant Director for Human Resources	2nd	31 Jul 2024	Low (2:1=3)
				b) Quick wins have been identified and implemented.							
				c) Long term solution HRIS to be agreed and new system procured which will generate process improvements and efficiencies							
				d) Retrospective checks taking place over coming months on existing processes							
				e) New staff added to the HR team							
Net Zero Hubs (1)	Reputation	Interim Consultant Net Zero Hub	Very High (4:4=21)	a) Taking longer to produce specifications for technical delivery and for Managing Agents and Suppliers	Medium (2:2=8)		Complete the Managing Agent and Turnkey Supplier Specifications	Interim Consultant Net Zero Hub	2nd	31 Dec 2023	Medium (1:4=7)
				b) Further risk that suppliers may not want/be able to adapt to deliver the new scheme							
				c) Reduction in achievable volume of delivery, with potential for significant delay and loss of funding.							
							Prepare the contracts that align to specifications	Interim Consultant Net Zero Hub	2nd	31 Dec 2023	
							Market engagement and testing of specifications to gauge level of interest	Interim Consultant Net Zero Hub	2nd	31 Dec 2023	
							Get remaining contracts signed and mobilise the suppliers	Interim Consultant Net Zero Hub	2nd	31 Dec 2023	

Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Residual Direction of Travel	Detail	Actions Owner	Assurance Line	Variable Target	Target Priority
Inflation	Financial	Executive Director Resources and Development	Very High (4.4=21)	a) Lobby government to highlight our position and what will happen without a more sustainable funding solution	Medium (3.3=13)	⬇️	Implementation of the SAF will include active monitoring of the capital programme and create a route for projects to be accelerated to fill any space created by delays within the overall programme.	Executive Director Resources and Development	2nd	01 Jan 2024	Medium (2.4=12)
				b) Project delivery - enter into fixed price contracts, i.e. transferring inflationary risk to contractors.			Programme managers and Budget Holders reviewed their budgets as part of the 24/25 MTFP cycle and these updated costs are being included in the draft MTFP development.	Executive Director Resources and Development	2nd	01 Jan 2024	
				c) Project delivery delays mitigated by active project management to minimise slippage.			Continue to push for Business Rates Retention to be an option in the devolution options anticipated to be presented at the Autumn Statement.	Executive Director Resources and Development	2nd	01 Jan 2024	
				d) Reconsideration of the use of CA powers to use financial freedoms.							
				e) Engage with M10 colleagues to secure new devolution deal with sustainable funding at its core.							
				f) Consideration given to the impact of inflation on our budgets each year as part of the development of the MTFP							
				f) £2.4m put aside last year from underspend into inflation reserve to be used when/ff needed to cover revenue inflation risk.							
Workforce/HR	Financial	Assistant Director for Human Resources	High (3.4=17)	a) Workforce planning - redeployment of staff / temporary contracts	Medium (3.3=13)	=	Recruitment register being created, to fortnightly at ET and is extended to include planned leavers to enable us to take a more strategic view on vacancies.	Assistant Director for Human Resources	2nd	31 Dec 2023	Medium (2.3=8)
				b) The introduction of establishment control measures across the CA by Finance and HR (owner) brings greater control on vacancies within the...			Develop workforce strategy/plan to align with Business Plan (this needs to be reviewed in context of improvement work), including specific approval for fixed term contracts linked to funding and effects of inflation.	Assistant Director for Human Resources	2nd	31 Dec 2023	
				c) The HR Business Partner will hold regular meetings with Executive and Assistant Directors to monitor recruitment activity and create a pipeline...			Keep close to ET members in the context of potential changes to funding streams as a result of the EY letter. And update recruitment tracker accordingly.	Assistant Director for Human Resources	2nd	31 Dec 2023	
							Financial implications of funding stream coming to an end, for example, exit payments	Assistant Director for Human Resources	2nd	31 Dec 2023	
University of Peterborough project	Financial	Executive Director Economy and Growth	Medium (3.3=13)	The wider CA finances are insulated from the performance of Prop Co 1 and Prop Co 2 by no future expenditure being reliant on financial returns...	Medium (3.2=9)	⬇️	Working groups have been created to progress with the OPA and find solutions for the relocation of existing local amenities which currently occupy the site.	Executive Director Economy and Growth	2nd	31 Mar 2024	Low (2.2=5)
				Phase 2: Marketing underway to seek to identify tenants. Conversations with ARU regarding new shareholders agreement continue.			Engage with partners to establish programme delivery for future phases / programme business case.	Executive Director Economy and Growth	2nd	31 Mar 2024	

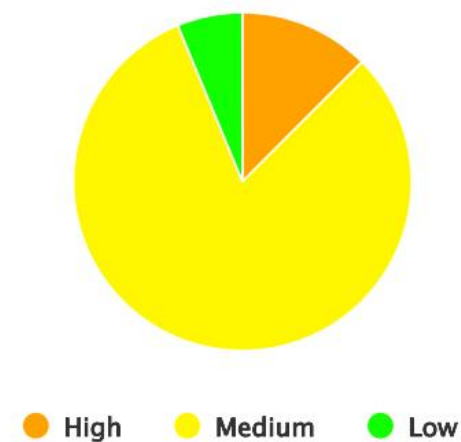
Risks by Category



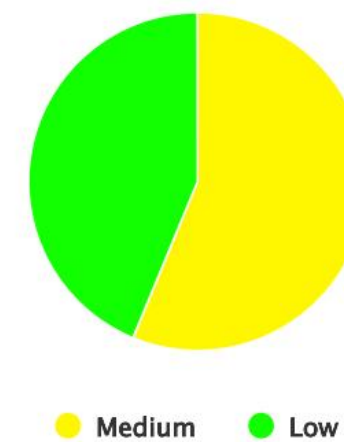
Risks by Inherent Score



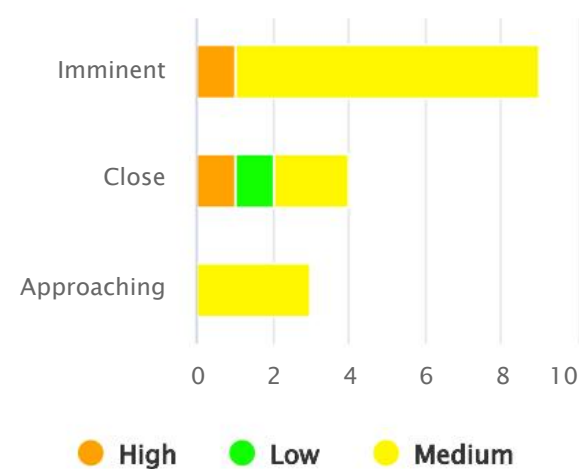
Risks by Residual



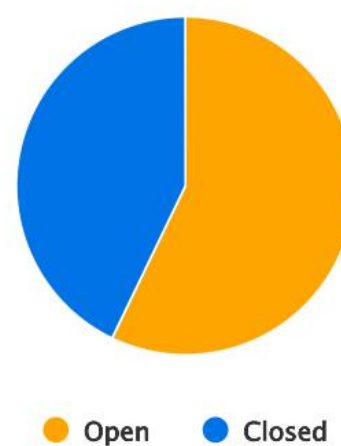
Risks by Target Score



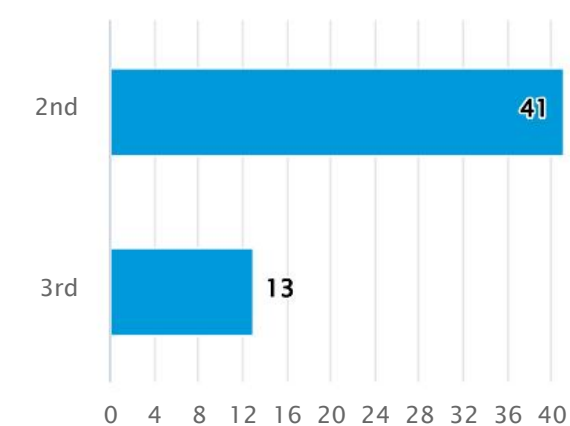
Risks by Proximity



Open and Closed Risks



Open Actions by Assurance Line

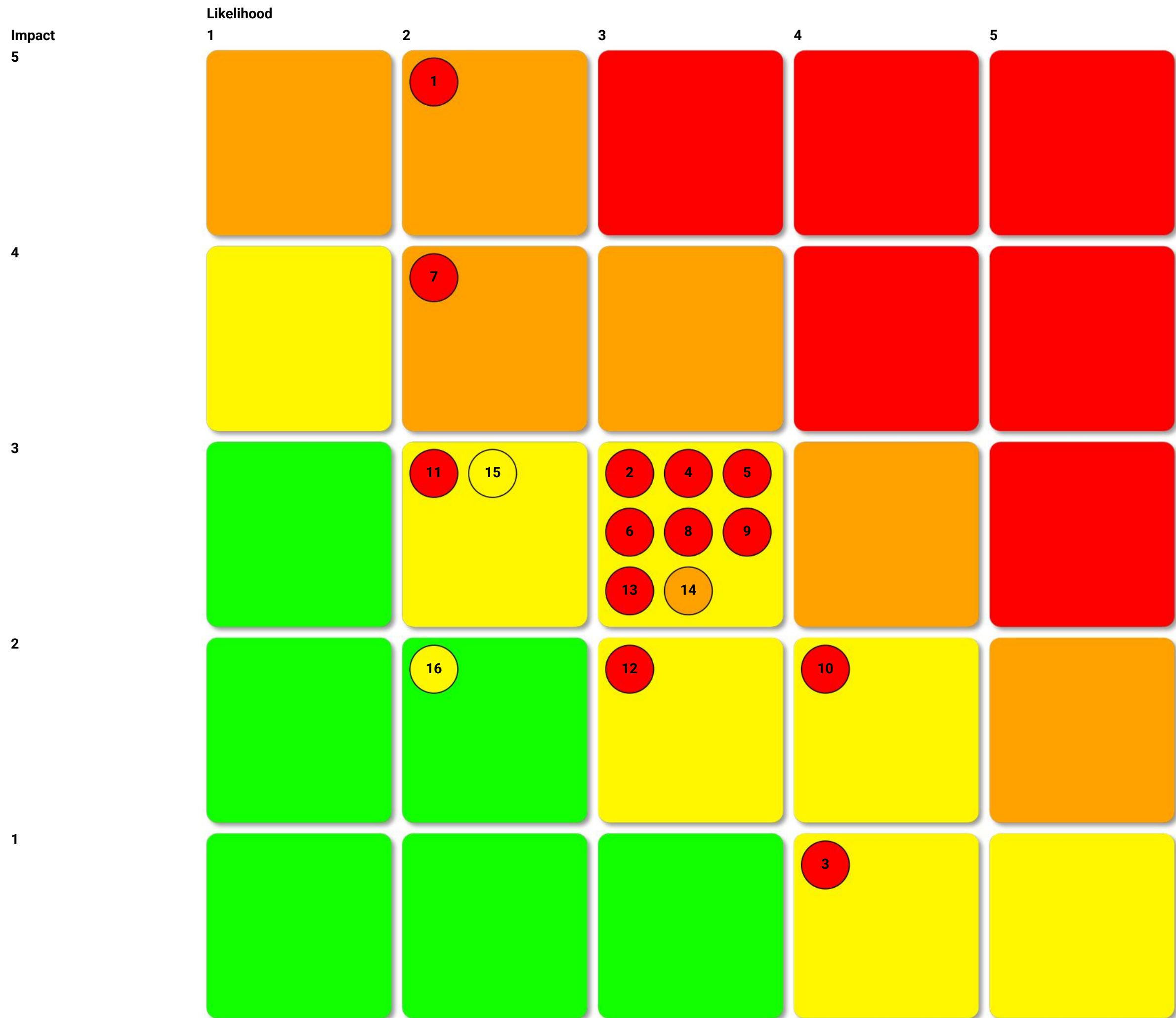


4action 4performance 4policies

4questionnaires **4risk**

HEAT MAP - RESIDUAL MOVEMENT

In projects:
Corporate Risk Register
Status **Open**



☐ Display Lines ☐ Display Appetite

Matrix Id	Reference	Title	Inherent	Residual	Target	
1	1007	Future Funding	Very High	High	Medium	↗
2	1047	Future viability of the CA	Very High	Medium	Medium	↗
3	1061	Net Zero Hubs (2)	Very High	Medium	Low	↗
4	1093	Culture	Very High	Medium	Medium	↗
5	1125	EQIA	Very High	Medium	Medium	↗
6	1088	Governance - VfM risk relating to governance	Very High	Medium	Low	↗
7	1135	Cyber Security	Very High	High	Low	↗
8	1001	Inflation	Very High	Medium	Medium	↗
9	1073	Transforming Cities Fund (TCF)	Very High	Medium	Medium	↗
10	1052	National policies on climate change impacting on CPCA funding	Very High	Medium	Low	↗
11	1136	HR Operations	Very High	Medium	Low	↗
12	1199	Net Zero Hubs (1)	Very High	Medium	Medium	↗
13	1117	Financial - Underspend	Very High	Medium	Medium	↗
14	1015	Workforce/HR	High	Medium	Medium	↗
15	1068	University of Peterborough project	Medium	Medium	Low	↗
16	1096	Subsidiary Companies	Medium	Low	Low	↗



Cambridgeshire & Peterborough Combined Authority Audit Results Report

Year ended 31 March 2022

6 November 2023



Audit and Governance Committee
Cambridgeshire & Peterborough Combined Authority
2nd Floor
Pathfinder House
St Mary's Street
Huntingdon
PE29 3TN

6 November 2023

Dear Audit and Governance Committee Members

2021/22 Audit Results Report

We are pleased to attach our Audit Results Report summarising the status of our audit for the forthcoming meeting of the Audit and Governance Committee.

The audit is designed to express an opinion on the 2021/22 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on the Combined Authority's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on the Authority's Value for Money arrangements.

This report is intended solely for the information and use of the Audit and Governance Committee, other members of the Authority and senior management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit and Governance Committee meeting on the 17 November 2023.

Yours faithfully

Janet Dawson
Partner
For and on behalf of Ernst & Young LLP
Encl

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01 Executive Summary

02 Areas of Audit Focus

03 Audit Report

04 Audit Differences



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/audit-quality/statement-of-responsibilities/>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated April 2018)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit and Governance Committee and management of Cambridgeshire and Peterborough Combined Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit and Governance Committee, and management of Cambridgeshire and Peterborough Combined Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Governance Committee and management of Cambridgeshire and Peterborough Combined Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Scope update

In our Initial Audit Plan, dated 18 January 2023, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- ▶ Changes in materiality: In our Initial Audit Plan, we communicated that our audit procedures would be performed using a materiality of £1.412 million. We updated our planning materiality assessment using the draft results and have also reconsidered our risk assessment. Based on our materiality measure of gross expenditure, we have updated our overall materiality assessment to £1.400 million. This results in updated performance materiality, at 50% of overall materiality, of £0.700 million, and an updated threshold for reporting misstatements of £0.070 million. For the Group audit, we have determined materiality to be £1.470 million, with performance materiality of £0.735 million and the threshold for reporting misstatements £0.73 million.
- ▶ Changes in Group Scope: In our Initial Audit Plan, we communicated that all components, with the exception of the Combined Authority single entity and Peterborough R&D Property Company Ltd, would be a review scope. Given the increased activity at some of these components, we have amended our group scope to also include Peterborough HE Property Company Ltd, Cambridgeshire and Peterborough Business Growth Company Ltd and One Cam Ltd as specific scope components, given they have material balances within their single entity accounts. We will perform additional procedures in respect of these balances and have engaged with component auditors where relevant.

Status of the audit

Our audit work in respect of the financial statement opinion is well progressed. The following items relating to the completion of our audit procedures were outstanding at the date of this report:

• Officers' Remuneration & Members' Allowances	• Investments
• Pension Scheme Liabilities	• Group Accounts
• Value for Money Procedures	• Related Party Transactions
• Unrecorded Liability Procedures	

Closing procedures:

- ▶ Subsequent events review and update to going concern procedures;
- ▶ Agreement of the final set of financial statements;
- ▶ Receipt of signed management representation letter; and
- ▶ Final Manager and Engagement Partner reviews.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Narrative Report and Accounts which could influence our final audit opinion, a current draft of which is included in Section 3.

Executive Summary

Auditor responsibilities under the Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability
How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance
How the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness:
How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Status of the audit - Value for Money

Our Value for Money (VFM) risk assessment remains in progress, given the ongoing work at the Combined Authority. As communicated in our Initial Audit Plan, we have identified a significant weakness in the Authority's arrangements, which we reported in a letter to the Authority's Chair of Audit & Governance Committee on the 1 June 2022. We believe this weakness is pervasive as it could lead to a significant impact on the quality or effectiveness of services or on its reputation and could expose the Authority to financial risk or loss.

We will need to complete our risk assessment upon review of the conclusion of work being undertaken by the Authority, and perform any additional procedures arising from this work. We will then be able to conclude our work on Value for Money.

We plan to issue our VFM conclusion, as well as the VFM commentary, by the end of January 2024 as part of concluding the audit and issuing the Auditor's Annual Report. See Section 5 for more details on Value for Money procedures.



Executive Summary

Audit differences

Uncorrected differences

There are no uncorrected audit differences as a result of our audit procedures at the time of this report.

Corrected differences

At the date of this report, we have identified the following audit differences which are to be adjusted for by Management within the revised financial statements.

- 1. Balance Sheet - Net Pension Liability** - The Authority requested a revised IAS19 Actuarial Report following the completion of the Pension Fund Triennial Valuation for 1 April 2022 (reported in March 2023). This resulted in a change in the Authority's Pension Liability at the 31 March 2022 balance sheet date, as a result of an update to assumptions underpinning the triennial valuation and their consequential impact on the Pension Liability at the 31 March 2022. This was predominantly driven by changes in membership data, over which we currently await assurance through the work of the auditor of Cambridgeshire Pension Fund. Based on the revised report, the Net Pension Fund Liability was understated by £1.026 million.
- 2. Balance Sheet - Cash & Short-Term Investments** - The Authority have classified £98.000 million as 'Short Term Cash Equivalents' within Cash and Cash Equivalents, on the basis that these mature within 3 months of the Balance Sheet date of 31 March 2022. However, IAS 7 states that this should be considered from the date of acquisition, rather than the balance sheet date. As a result, these balances should be held within the Balance Sheet as a Short-Term Investment. We have also revisited the classification of balances within the 20/21 Balance Sheet, and have confirmed that £33.000 million was incorrectly classified in the same way. Both of these adjustments will be reflected in the final Statement of Accounts.
- 3. Comprehensive Income & Expenditure Statement - Income and Expenditure** - The Authority have incorrectly reflected recharges incurred on behalf of the Cambridgeshire and Peterborough Business Growth Company Limited on a gross basis, when these should have been netted off. This means that both Income & Expenditure are overstated by £0.672 million. This has no net impact on the expenditure position or the General Fund.

We also identified a number of audit disclosure differences in the financial statements, which have been adjustment by Management.

The most significant of these are adjustments to Note 6 Officers' Remuneration, to reflect findings in respect of Exit Packages, as fully explained on the subsequent page as part of our risk in respect of Accounting in Respect of Settlement Agreements. We also identified that REFCUS expenditure of £2.302 million was misclassified within Note 12, and therefore total REFCUS expenditure within this note should reflect £88.702 million. Management intend to adjust for both of these misstatements.

We do not deem any of the remaining disclosure differences to be so significant as to require reporting to you.



Executive Summary

Areas of audit focus

In our Initial Audit Plan we identified a number of key areas of focus for our audit of the financial report of Cambridgeshire and Peterborough Combined Authority. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Management Override: Misstatements due to fraud or error

- *We have completed our work in this area and have identified one control weakness which is reported in Section 6.*

Management Override: Inappropriate capitalisation of revenue expenditure including Revenue Expenditure Funded from Capital Under Statute (REFCUS)

- *We have completed our work in this area and have no matters to report.*

Significant Risk: Accounting in Respect of Settlement Agreements

- *We have completed our work in this area and have identified the following differences to report:*

The Authority had not included a further 5 Exit Package agreements, which had been fully agreed and paid within the financial year, as the Authority had incorrectly only recognised packages finalised post year-end in the original disclosure. This consisted of 2 packages between £0 - £19,000, 1 package between £20,000 - £39,999, 1 package between £40,000 - £59,999 and 1 package between £60,000 - £79,999. We also identified that the Council had used different bandings to those prescribed by the Code, as bandings should be presented in rising bands of £20,000. This has been adjusted in the revised Statement of Accounts, and was an error in the disclosure only.

Inherent Risk: Pension Liability Valuation & other Pension Disclosures

- *We have largely completed our work in this area and have identified a difference to report:*

The Council received a revised IAS19 Actuarial report as a result of the 2022 Triennial Valuation. This had the result of increasing the Authority's net Pension Liability by £1.026 million. The key assumption impacting this is the change in membership numbers, over which we await assurance from the auditor of Cambridgeshire Pension Fund.

Inherent Risk: Group Consolidation

- *We have not yet fully completed our work in this area and will provide a verbal update on 17 November 2023.*

Inherent Risk: Recoverability of Long-Term Investment with subsidiary entities

- *We have not yet fully completed our work in this area and will provide a verbal update on 17 November 2023.*

Inherent Risk: Mayoral Allowance and Expenses

- *We have not yet fully completed our work in this area and will provide a verbal update on 17 November 2023.*



Executive Summary

Areas of audit focus (Continued)

Significant Risk (Group Accounts Only): Property, Plant and Equipment

- *We have completed our work in this area and have no matters to report.*

We request that you review these and other matters set out in this report to ensure:

- ▶ There are no residual further considerations or matters that could impact these issues
- ▶ You concur with the resolution of the issue
- ▶ There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit and Governance Committee or Management.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no other matters to report as a result of this work.

We have completed the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission. The Authority falls below the threshold (Threshold - £2 billion) for full procedures, so we will be able to submit an assurance statement verifying this position. We do not expect therefore to have any issues to report.

Independence

Please refer to Section 7 for our update on Independence.



Executive Summary

Control observations

During the audit, we did not identify any significant deficiencies in internal control. We have taken a wholly substantive approach to the audit.

However, we would like to draw your attention to the following issues identified through our audit:

- The Authority did not complete the CIPFA Disclosure Checklist at the time of accounts production and we believe that this would be a valuable closedown exercise to ensure that all the requirements are addressed within the draft financial statements.
- The Authority does not have any formal procedure in place for the authorisation of manual journals before they are posted to the General Ledger. This represents a level of weakness in the Council's overall control environment and increases the potential risk of Management Override.

As a result, we have raised recommendations in Section 6 of this report.



02 Areas of Audit Focus



Areas of Audit Focus

Significant risk

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We identify and respond to this fraud risk on every audit engagement.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Identified fraud risks during the planning stages.
- ▶ Inquired of management about risks of fraud and the controls put in place to address those risks.
- ▶ Documented our understanding of the oversight given by those charged with governance of management's processes over fraud.
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- ▶ Reviewed the accounting estimates for evidence of management bias.
- ▶ Evaluated the business rationale for significant unusual transactions

ISA 240 mandates we perform procedures on: accounting estimates, significant unusual transactions and journal entries to ensure they are appropriate and in line with expectations of the business.

What are our conclusions?

Our audit procedures identified that the Authority does not have any formal procedure in place for the authorisation of journals before they are posted to the General Ledger. Whilst we have raised this as a control weakness, we have not identified any instances where this has lead to management override.

We did not identify any instances of inappropriate judgements being applied, or of any management bias in accounting estimates.

We have no other matters to bring to your attention.



Areas of Audit Focus

Significant risk

Inappropriate capitalisation of revenue expenditure including Revenue Expenditure Funded from Capital Under Statute (REFCUS)

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund. In arriving at this conclusion we have considered the continuing pressure on the revenue budget and the financial value of its annual capital programme which is many times out materiality level.

This could then result in funding of that expenditure, that should properly be defined as revenue, through inappropriate sources such as capital receipts, capital grants, or borrowing.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Reviewed capital additions in the year and confirmed these are not material;
- ▶ Sample tested REFCUS expenditure to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately treated as REFCUS; and
- ▶ Used our data analytics tool to identify and test journal entries that move expenditure from revenue codes into capital codes.

What are our conclusions?

Our sample testing of REFCUS expenditure found that they had been correctly classified as capital and included at the correct value.

Our sample testing did not identify any revenue items that were incorrectly classified as REFCUS.

Our data analytics procedures did not identify any inappropriate transactions in respect of the capitalisation of revenue expenditure through our journal entry testing work.



Areas of Audit Focus

Significant risk

Accounting in respect of Settlement Agreements

What is the risk?

The Authority has agreed early in the 2022/23 financial year, a number of settlement agreements with Senior Officers as a result of the significant risk that we have identified as part of our Value for Money procedures (see Section 3).

The accounting treatment for these agreements needs to be in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and we need to assess the agreements, their impact on the 2021/22 financial statements and any associated disclosures.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Performed our testing of provisions in respect of Settlement Agreements to a lower testing threshold (£5,000);
- ▶ Reviewed the calculation of the provision on settlement agreements and compared this to any final payments made in respect of these provisions; and
- ▶ Reviewed other available information to ensure there are no other unrecorded liabilities.

What are our conclusions?

We have completed our testing procedures on Accounting in Respect of Settlement Agreements. We identified two misstatements within this disclosure, which management will correct.

The Authority had not recognised a further 5 Exit Package agreements, which had been fully agreed and paid within the financial year, as the Authority had incorrectly only recognised packages finalised post year-end in the original disclosure. This consisted of 2 packages between £0 - £19,000, 1 package between £20,000 - £39,999, 1 package between £40,000 - £59,999 and 1 package between £60,000 - £79,999. We also identified that the Council had used different bandings to those prescribed by the Code, as bandings should be presented in rising bands of £20,000.

We have no other matters to report.



Areas of Audit Focus

Inherent risk

Pension Liability Valuation & other pension disclosures

What is the risk?

The Authority makes extensive disclosures within its financial statements regarding its membership of Cambridgeshire Pension Fund Scheme administered by Cambridgeshire County Council. At 31 March 2022 the liability totalled £3.8 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Cambridgeshire Pension Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf.

We undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Liaised with the auditors of Cambridgeshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Cambridgeshire and Peterborough Combined Authority;
- ▶ Assessed the work of the Pension Fund actuary (Hymans Robertson) including the assumptions they have used, by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and by considering any relevant reviews by the EY actuarial team; and
- ▶ Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19, considering Fund assets and the Authority's liability.

What are our conclusions?

We have reviewed the assessment of the Pension Fund actuary by PwC and EY Pensions and have undertaken the work required without identifying any issues.

We have agreed the Authority's IAS 19 disclosures to the Actuaries' report to ensure these are fairly stated in the accounts.

The Cambridgeshire Pension Fund auditor highlighted an immaterial movement in the valuation of Investment Assets of the Pension Fund, in their assurance letter to us. This was already reflected in the draft accounts of Cambridgeshire & Peterborough Authority.

Subsequently, a national issue emerged in relation to the potential impact of the latest Pension Fund Triennial Valuation on the Pension Liability at the 31 March 2022. Management obtained a further updated IAS19 Report, which took into account the assumptions used within the Triennial Valuation process. We reviewed the underlying assumptions used within the Triennial Valuation report for reasonableness, and determined that the change in membership numbers was the driving factor. We therefore await assurances over these figures as part of the Pension Fund auditor's procedures in respect of their work on the 2022 Triennial Valuation. The assumptions used within the Triennial valuation approach had the impact of increasing the Authority's net Pension Liability by £1.026 million. Management have made this adjustment within the revised financial statements.



Areas of Audit Focus

Inherent risk

Group Consolidation

What is the risk?

The Authority prepared group accounts for the first time in 2020/21. This included undertaking an assessment of the group boundary to determine the procedures it needs to undertake to consolidate the relevant component entities.

Given the complexity of the group structure, and an increase in activity at one of the subsidiaries, an inherent risk has been raised, to ensure that the consolidation process is performed accurately.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Reviewed the Authority's assessment of its Group boundary;
- ▶ Scoped the audit requirements for each of the companies based on their significance to the group accounts.
- ▶ Liaised with the external auditors and issued Group instructions that detail the required audit procedures they are to undertake in order to provide us with assurance for the opinion we will issue on the group accounts;
- ▶ Evaluated any risks at component level on the Group accounts; and
- ▶ Audited the consolidation process and Group accounts.

What are our conclusions?

At the date of issuing this report, we are still concluding our work in this area, as we are waiting for final reporting information from the component auditor, and have outstanding queries in respect of the elimination of intercompany balances in respect of the consolidation.

We will update the Committee at its meeting on 17 November 2023.



Areas of Audit Focus

Inherent risk

Recoverability of Long-Term Investment with subsidiary entities

What is the risk?

As at 31 March 2022 the Authority holds a Long-term Investment of £56.4 million in the Balance Sheet, which includes £45.7 million in relation to equity investments in subsidiary companies.

The current volatility in the housing market, in which a number of the subsidiaries operate, could have an impact on the Authority's ability to realise the value of these investments. Given the material size of the loan we have considered the recoverability of the loan as an inherent risk.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Reviewed the Authority's consideration about the recoverability of the Long-Term Investment;
- ▶ Tested the assumptions and sensitivities used in any calculation for impairment of the Investment; and
- ▶ Reviewed for adequacy and appropriateness any associated disclosures.

What are our conclusions?

At the date of issuing this report, we are still concluding our work in this area, as we require further assurances on the value that these investments are held at, given the Council's basis for calculating the fair value of these assets, and the impact that revisions to the group account balances may have on the value of these investments.

We will update the Committee at its meeting on 17 November 2023.



Areas of Audit Focus

Inherent risk

Mayoral Allowances and Expenses

What is the risk?

Mayoral expenses are disclosed as £567 within the 2021/22 financial statements. Linked to our VFM significant weakness (Section 03) and our lower materiality level for Remuneration related disclosures is a need to ensure the completeness and valuation of this disclosure.

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Reviewed the outcome of any Internal Audit reviews into Mayoral Expenses; and
- ▶ Reviewed the composition of the disclosed expenditure and test the completeness and valuation of that account item.

What are our conclusions?

At the date of issuing this report, we are still concluding our work in this area, as we are awaiting final outcomes of Internal Audit reviews as set out in our required audit procedures.

We will update the Committee at its meeting on 17 November 2023.



Areas of Audit Focus

Inherent risk

Property, Plant & Equipment (Group Accounts only)

What is the risk?

The Group Balance Sheet contains a material Property, Plant & Equipment Balance (£6.61 million), as a result of increased activity at one of the subsidiary companies.

We need to gain sufficient appropriate assurance over the completeness and valuation of this balance, through group instructions issued to the component auditor (Azets).

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Issued Group Instructions to the Component Auditor; and
- ▶ Reviewed the Component Auditor Reporting pack and authorised subsidiary entity financial statements.

What are our conclusions?

We have completed our testing procedures on Property, Plant and Equipment within the Group Accounts, and have not identified any issues with the valuation of Property, Plant and Equipment.



03

Audit Report

DRAFT



Our proposed opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Opinion

We have audited the financial statements of Cambridgeshire and Peterborough Combined Authority ('the Authority' and its subsidiaries (the 'Group')) for the year ended 31 March 2022 under the Local Audit and Accountability Act 2014 (as amended). The financial statements comprise the:

- Authority and Group Movement in Reserves Statement,
- Authority and Group Comprehensive Income and Expenditure Statement,
- Authority and Group Balance Sheet,
- Authority and Group Cash Flow Statement
- the related notes 1 to 33
- the related notes to the Group Accounts 1 to 4

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

In our opinion the financial statements:

- give a true and fair view of the financial position of Cambridgeshire and Peterborough Combined Authority and the Group as at 31 March 2022 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Audit Report – continued

DRAFT

Our proposed opinion on the financial statements

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Authority's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Statement of Accounts 2021/22, other than the financial statements and our auditor's report thereon. The Chief Finance Officer is responsible for the other information contained within the Statement of Accounts 2021/22.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.



Audit Report – continued

DRAFT

Our proposed opinion on the financial statements

Matters on which we report by exception

We report to you if:

- ▶ in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Group and the Authority
- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014 (as amended)
- ▶ we are not satisfied that the Group and the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

All wording in relation to our VFM responsibilities, within the above bullet points, will be provided when we conclude the work

Responsibility of the Chief Finance Officer

As explained more fully in the Statement of the Chief Finance Officer's Responsibilities set out on page 13, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the Group financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022), and for being satisfied that they give a true and fair view and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the Group and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Group and the Authority either intends to cease operations, or has no realistic alternative but to do so.

The authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Audit Report – continued

DRAFT

Our proposed opinion on the financial statements

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant are:

- The Cambridgeshire and Peterborough Combined Authority Order 2017
- Local Government Act 1972,
- Local Government Act 2003,
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018, 2020, and 2022,
- The Local Audit and Accountability Act 2014 (as amended), and
- The Accounts and Audit Regulations 2015.

In addition, the Group and the Authority has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment Legislation, tax Legislation, general power of competence, procurement and health & safety.

We understood how Cambridgeshire and Peterborough Combined Authority is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, the Head of Internal Audit, the Audit and Governance Committee as those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance. We corroborated this through our reading of the Authority's committee minutes, policies and procedures, and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.



Audit Report – continued

Our proposed opinion on the financial statements

We assessed the susceptibility of the Group and the Authority's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Authority's capitalised expenditure, including Revenue Expenditure Funded from Capital Under Statute (REFCUS) to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were accounted for appropriately.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice 2020, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in December 2021, as to whether the Cambridgeshire and Peterborough Combined Authority had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Cambridgeshire and Peterborough Combined Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Cambridgeshire and Peterborough Combined Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 (as amended) to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



Audit Report – continued

Our proposed opinion on the financial statements

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the NAO as group auditor has confirmed that no further assurances will be required from us as component auditors of Cambridgeshire and Peterborough Combined Authority. We are satisfied that this work does not have a material effect on the financial statements or our work on value for money arrangements.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 (as amended) and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of Cambridgeshire and Peterborough Combined Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 (as amended) and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.



04 Audit Differences



Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of unadjusted differences

There are no uncorrected misstatements identified as part of our audit at the date of this report.



Audit Differences

Summary of adjusted differences

We highlight misstatements greater than £70,000 which have been corrected by management that were identified during the course of our audit.

- 1. Balance Sheet - Net Pension Liability** - The Authority requested a revised IAS19 Actuarial Report following the completion of the Pension Fund Triennial Valuation for 1 April 2022 (reported in March 2023). This resulted in a change in the Authority's Pension Liability at the 31 March 2022 balance sheet date, as a result of an update to assumptions underpinning the triennial valuation and their consequential impact on the Pension Liability at the 31 March 2022. This was predominantly driven by changes in membership data, over which we currently await assurance through the work of the auditor of Cambridgeshire Pension Fund. Based on the revised report, the Net Pension Fund Liability was understated by £1.026 million.
- 2. Balance Sheet - Cash & Short-Term Investments** - The Authority have classified £98.000 million as 'Short Term Cash Equivalents' within Cash and Cash Equivalents, on the basis that these mature within 3 months of the Balance Sheet date of 31 March 2022. However, IAS 7 states that this should be considered from the date of acquisition, rather than the balance sheet date. As a result, these balances should be held within the Balance Sheet as a Short-Term Investment. We have also revisited the classification of balances within the 20/21 Balance Sheet, and have confirmed that £33.000 million was incorrectly classified in the same way. Both of these adjustments will be reflected in the final Statement of Accounts.
- 3. Comprehensive Income & Expenditure Statement - Income and Expenditure** - The Authority have incorrectly reflected recharges incurred on behalf of the Cambridgeshire and Peterborough Business Growth Company Limited on a gross basis, when these should have been netted off. This means that both Income & Expenditure are overstated by £0.672 million. This has no net impact on the expenditure position or the General Fund.

Disclosure Differences

We also identified a number of audit disclosure differences in the financial statements, which have been adjustment by Management.

The most significant of these are adjustments to Note 6 Officers' Remuneration, to reflect findings in respect of Exit Packages, as fully explained on the subsequent page as part of our risk in respect of Accounting in Respect of Settlement Agreements. We also identified that REFCUS expenditure of £2.302 million was misclassified within Note 12, and therefore total REFCUS expenditure within this note should reflect £88.702 million.

We do not deem any of the remaining disclosure differences to be so significant as to require reporting to you.



05 Value for Money

01



Value for money

The Authority's responsibilities for value for money (VFM)

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

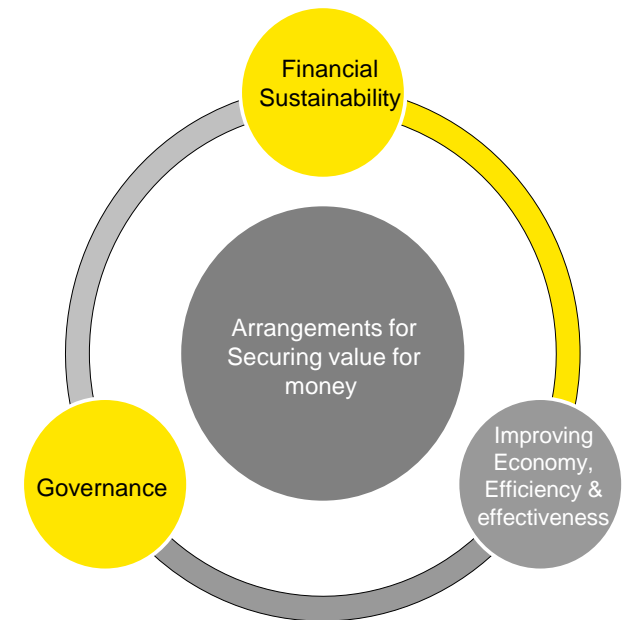
As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment

We have identified a significant weakness in the Authority's arrangements, which we reported in a letter to the Authority's Chair of Audit & Governance Committee on the 1 June 2022.

We will complete our overall VFM risk planning as part of our procedures and review the Authority's response to our letter. The identification of significant weakness in arrangements will lead us to report by exception within our audit report, at the conclusion of our audit.

The following pages set out the identified risk, as initially communicated in our Initial Audit Plan dated 18 January 2023.





Value for Money

Identified risks of significant weakness

We have commenced our audit work for the financial year ended 31 March 2022 and have identified a significant weakness in Cambridgeshire & Peterborough Combined Authority's (the Authority) governance arrangements. We believe this weakness is pervasive as it could lead to a significant impact on the quality or effectiveness of services or on its reputation and could expose the Authority to financial risk or loss.

Governance - How the Authority ensures that it makes informed decisions and properly manages its risks

Judgement on the nature of the significant weakness identified

We consider that there are significant weaknesses in the Authority's governance arrangements for the specific reasons set out below. As a result of these weaknesses, we are concerned that the Authority has insufficient capacity, capability and an inappropriate culture to support the effective governance and operation of the organisation and how it discharges its statutory services

Our concerns are as follows:

- ▶ Investigations into key individuals in the Mayor's office following a whistleblower notification;
- ▶ Increased number of employment related claims against the Authority;
- ▶ Current vacancies in the Authority's senior management team, particularly at Chief Executive level, and the prospect that this could increase further from July 2022;
- ▶ Weaknesses we have observed in how the extraordinary meeting of the Authority Board makes informed decisions; and
- ▶ That the nature of the whistleblower allegations and initial findings of independent investigation reports raises significant questions on the culture, behaviour and integrity of key individuals in the Mayor's office.

The evidence reviewed on which our view is based

As part of our audit procedures performed to date, we have held discussions with management, attended the Extraordinary Meeting of the Authority Board (both public and private session elements) and reviewed relevant documentation.

The possible future impact on the Authority

The Authority is responsible for discharging the devolution deal, which was the award of a single pot of investment. This single pot for the Authority initially comprised of a devolved, multi-year transport settlement and an additional long-term investment fund grant, worth up to £600 million over 30 years. Other funding streams have since been secured, linking through to the overall strategic objectives make the Authority area a leading place in the world to live, learn and work.



Value for Money

Identified risks of significant weakness

The Authority Board has considered and agreed a settlement package for the current Chief Executive, who is expected to leave her post on the 31 May 2022. There is the potential for further employment related risks against the Authority, which pose a significant financial risk, given the specific project-based funding nature of the Authority's business, and its ability to service any revenue based financial obligations outside of these projects.

These risks equally have the potential to significantly impact the Authority's senior leadership capacity, which is already undermined by previous resignations and unfilled vacancies at Management Team Level. The Authority could find itself without incumbents to statutory officer posts as from the 1 July 2022, without immediate and urgent action, and even with such action, one would have to question the nature of such appointments at short notice.

Without appropriate leadership capacity with the requisite skills, knowledge and experience, there is significant doubt as to the Authority's ability to discharge its statutory obligations as set out in The Cambridgeshire and Peterborough Combined Authority Order 2017, Local Government Act 1999 and other relevant pertinent legislation.

The action required by the Authority to address the significant governance weakness

Addressing the significant employee related matters emanating from the whistleblowing notification and ensuring that all Authority employees are appropriately safeguarded is of paramount importance. The Authority also needs to be mindful of the impact that implementing these safeguarding actions has on the Senior Management employees taking those actions.

However, the Authority needs to urgently ensure that it has sufficient appropriate leadership capacity to be able to deliver its objectives and statutory responsibilities. In order to do so, we believe more formal intervention is required, and expeditious discussions with the Authority's sponsoring department to this end are time critical.

These actions would support the Authority in achieving value for money through appropriate governance arrangements and safeguard the future delivery of services.

Other audit reporting considerations

Without fettering our future discretion, we will, alongside our work on VFM arrangements, continue to review how the Authority responds to our concerns and the significant weaknesses set out in this letter. Depending on the action taken by the Authority to address our concerns, we may consider the need for us to discharge our other statutory responsibilities in relation to:

1. Section 24 and Schedule 7 of the 2014 Act which provide that a local auditor should consider whether, in the public interest, they should report on any matter that comes to their notice during the course of the audit, so that it may be formally considered by the body concerned or brought to the public's attention.
2. Written recommendations - the auditor should consider whether to use the powers Schedule 7 of the Act provides to make written recommendations to the audited body which need to be considered by the body and responded to publicly.



06 Other reporting issues

01

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Narrative Report with the audited financial statements. Financial information in the Narrative Report and published with the financial statements was consistent with the audited financial statements, subject to completion of our final audit procedures.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance. We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

As the Authority falls below the £2 billion threshold for review as per the NAO's group instructions, we are not required to undertake detailed procedures on your consolidation schedule. We are able to submit the required Assurance Statement to the NAO confirming this. We therefore have no matters to report to you.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest").

We have not received any formal questions or objections to the Authority's financial statements, following the required Inspection Period.

We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues and have not had cause to use this duty.

Other reporting issues

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- ▶ Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- ▶ Any significant difficulties encountered during the audit;
- ▶ Any significant matters arising from the audit that were discussed with management;
- ▶ Written representations we have requested;
- ▶ Expected modifications to the audit report;
- ▶ Any other matters significant to overseeing the financial reporting process;
- ▶ Related parties;
- ▶ External confirmations;
- ▶ Going concern;
- ▶ Consideration of laws and regulations; and
- ▶ Group audits.

We would like to draw your attention to the following issues identified through our audit:

- ▶ The Authority did not complete the CIPFA Disclosure Checklist at the time of accounts production and we believe that this would be a valuable closedown exercise to ensure that all the requirements are addressed within the draft financial statements.
- ▶ The Authority does not have any formal procedure in place for the authorisation of manual journals before they are posted to the General Ledger. This represents a level of weakness in the Council's overall control environment and increases the potential risk of Management Override.

As a result, we have raised the following **recommendations**:

1. We recommend that the Authority prepares a full CIPFA Disclosure Checklist, as part of its closedown procedures, in advance of publishing future draft Statement of Accounts, to demonstrate that the Statement of Accounts are compliant with the CIPFA Code of Practice.
2. We recommend that the Authority initiates a control to authorise journals before they are posted to the General Ledger.



07

Independence

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Authority, and its members and senior management and its affiliates, including all services provided by us and our network to the Authority, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1st April 2021 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The next page includes a summary of the fees that you have paid to us in the year ended 31 March 2022 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are in the next page. Further detail of all fees has been provided to the Audit and Governance Committee.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted. We confirm that we have not undertaken any non-audit work.

Other communications

EY Transparency Report 2022

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2022:

[ey-uk-transparency-report-2022.pdf](#)

Relationships, services and related threats and safeguards

Services provided by Ernst & Young

	Planned fee 2021/22	Scale fee 2021/22	Final Fee 2020/21
	£'s	£'s	£'s
Total Fee - Code work	37,855	26,950	26,950
Determined Scale Fee Variation - Note 1	TBC		30,362
Revised Proposed Scale Fee	TBC	26,950	57,312
Additional work:			
Changes in work required to address professional and regulatory requirements and scope associated with risk (see Note 2)	49,408	-	-
Additional Procedures required in response to the additional risks identified in in 2021/22 and set out in this Audit Results Report, in respect of: <ul style="list-style-type: none"> Accounting in respect of Settlement Agreements, Group Consolidation, Recoverability of Long-Term Investment with subsidiary entities, Mayoral Allowance and Expenses, Property, Plant & Equipment (Group Only) 	Note 3	-	-
Additional Procedures required due to lower materiality levels in 2021/22	Note 3	-	-
Additional Procedures required to address the Value for Money risk of significant weakness	Note 3	-	-
Total fees	TBC	26,950	57,312

All fees exclude VAT

Note 1 - PSAA Ltd determined the Fee Variation for 2020/21 in October 2022.

Note 2 - For 2020/21 we proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors, as detailed in previous Audit Results Reports. For 2021/22 the scale fee has again been re-assessed to take into account the same recurring risk factors and is subject to determination by PSAA Ltd.

Note 3 - As set out in this report, we have had to perform additional audit procedures to respond to the associated audit risks and audit adjustments identified. As we are concluding our work in relation to these areas, we cannot quantify the fee impact at this time. We will provide an update on the additional fee implications at the conclusion of the audit and report this within the Auditor's Annual Report.





08 Appendices





Appendix A

Required communications with the Audit and Governance Committee





There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

Our Reporting to you		
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Initial Audit Plan - 18 January 2023 - Audit and Governance Committee
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Initial Audit Plan - 18 January 2023 - Audit and Governance Committee
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Initial Audit Plan - 18 January 2023 - Audit and Governance Committee

Appendix A

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty related to going concern ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The appropriateness of related disclosures in the financial statements 	Audit Results Report - 6 November 2023 - Audit and Governance Committee
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	<p>Audit Results Report - 6 November 2023 - Audit and Governance Committee</p> <p>Auditor's Annual Report - TBC January 2024</p>
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiry of the Audit and Governance Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit Results Report - 6 November 2023 - Audit and Governance Committee

Appendix A

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Any other matters related to fraud, relevant to the Audit and Governance Committee responsibility. 	<p>Audit Results Report - 6 November 2023 - Audit and Governance Committee</p> <p>Auditor's Annual Report - TBC January 2024</p>
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	<p>Audit Results Report - 6 November 2023 - Audit and Governance Committee</p> <p>Auditor's Annual Report - TBC January 2024</p>
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Initial Audit Plan - 18 January 2023 - Audit and Governance Committee</p> <p>Audit Results Report - 6 November 2023 - Audit and Governance Committee</p> <p>Auditor's Annual Report - TBC January 2024</p>

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Independence (continued)	<p>Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p> <p>For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2019:</p> <ul style="list-style-type: none"> ▶ Relationships between EY, the company and senior management, its affiliates and its connected parties ▶ Services provided by EY that may reasonably bear on the auditors' objectivity and independence ▶ Related safeguards ▶ Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees ▶ A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit ▶ Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy ▶ Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ▶ The Audit and Governance Committee should also be provided an opportunity to discuss matters affecting auditor independence 	
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures. 	<p>Audit Results Report - 6 November 2023 - Audit and Governance Committee</p> <p>At the date of issuing this report we are awaiting one investment confirmation from Wokingham Borough Council.</p>
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the Audit and Governance Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit and Governance Committee may be aware of 	<p>Audit Results Report - 6 November 2023 - Audit and Governance Committee</p>




Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit. 	Audit Results Report - 6 November 2023 - Audit and Governance Committee Auditor's Annual Report - TBC January 2024
Group Audits	<ul style="list-style-type: none"> An overview of the type of work to be performed on the financial information of the components An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements. 	Initial Audit Plan - 18 January 2023 - Audit and Governance Committee Audit Results Report - 6 November 2023 - Audit and Governance Committee Auditor's Annual Report - TBC January 2024
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> Written representations we are requesting from management and/or those charged with governance 	Audit Results Report - 6 November 2023 - Audit and Governance Committee Auditor's Annual Report - TBC January 2024
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report - 6 November 2023 - Audit and Governance Committee Auditor's Annual Report - TBC January 2024
Auditors report	<ul style="list-style-type: none"> Key audit matters that we will include in our auditor's report Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - 6 November 2023 - Audit and Governance Committee Auditor's Annual Report - TBC January 2024

Appendix B

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item 	Actions to resolve 	Responsibility 
Officers' Remuneration & Members' Allowances	Awaiting conclusion on Internal Audit reviews and finalisation of disclosure amendments	Management
Pension Scheme Liabilities	Awaiting assurances from the Cambridgeshire Pension Fund auditor over membership changes	EY and management
Value for Money Procedures	Awaiting conclusion of multiple internal reviews to continue our procedures	EY and management
Investments	Awaiting one confirmation (Wokingham Borough Council) and procedures in respect of the value of investments held	Management
Group Accounts	Awaiting further information from the component auditor & resolutions of intercompany eliminations.	Management
Unrecorded Liability Testing	Awaiting support for final items within our testing of post year-end cash payments	Management
Related Party Transactions	Awaiting further information in respect of the completeness of these disclosures	Management
Going Concern	Updated disclosure to be provided towards the conclusion of the audit	Management
Final Manager and Partner review	EY to conclude the final review procedures in relation to the latest information received from Management	EY
Receipt of management representation letter	Management to prepare and provide us with their representation letter for the 2021/22 audit	Management
Subsequent events procedures	Extension of some audit procedures like review of minutes and testing for unrecorded liabilities and provisions up to the date of our auditor's report	EY and management
Checks to the final amended set of accounts	EY to receive final set of accounts with all audit adjustments, and review it for consistency with our schedule of misstatements	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on going concern remain to be finalised and audited. A draft of the current opinion (with outstanding areas highlighted) is included in Section 3.



Appendix C – Request for a Management Representation Letter

Request for a Management Representation Letter

[To be prepared on the entity's letterhead]
[Date]

Janet Dawson
Partner

Ernst & Young
1 More London Place
SE1 2AF
London

This letter of representations is provided in connection with your audit of the consolidated and authority financial statements of Cambridgeshire and Peterborough Combined Authority ("the Group and [Council/Authority]") for the year ended 31 March 2022. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and Authority financial statements give a true and fair view of the Group and Authority financial position of *Cambridgeshire and Peterborough Combined Authority* as of 31 March 2022 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with, for the Group and for the Authority, CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

We understand that the purpose of your audit of our consolidated and Authority financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and for the Authority, the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).
2. We acknowledge, as members of management of the Group and Authority, our responsibility for the fair presentation of the consolidated and /Authority financial statements. We believe the consolidated and Authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and the Authority in accordance with [the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets

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(November 2022) and are free of material misstatements, including omissions. We have approved the consolidated and Authority financial statements.

3. The significant accounting policies adopted in the preparation of the Group and Authority financial statements are appropriately described in the Group and Authority financial statements.
4. As members of management of the Group and Authority, we believe that the Group and Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)) for the Group and the that are free from material misstatement, whether due to fraud or error.
5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated and [Council/Authority] financial statements taken as a whole. We have not corrected these differences identified and brought to our attention by the auditor because [specify reasons for not correcting misstatement].
6. We confirm the Group and /Authority does not have securities (debt or equity) listed on a recognized exchange.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Group and Authority's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the consolidated and Authority] financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you, and provided you full access to information and any internal investigations relating to, all instances of identified or suspected non-compliance with law and regulations, including fraud, known to us that may have affected the Group or Authority (regardless of the source or form and including, without limitation, allegations by "whistleblowers") including non-compliance matters:
 - involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Authority's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which

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may be fundamental to the operations of the Group or Authority's activities, its ability to continue to operate, or to avoid material penalties:

- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the consolidated and Authority financial statements, including those related to the COVID-19 pandemic and including those related to the conflict can related sanction in Ukraine, Russia and Belarus.
3. We have made available to you all minutes of the meetings of the Group, Board and Audit and Governance (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: *[list date]*
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and Authority financial statements.
5. We believe that the methods, significant assumptions and the data we used in making accounting estimates and related disclosures are appropriate and consistently applied to achieve recognition, measurement and disclosure that is in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

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6. We have disclosed to you, and the Group and Authority has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and Authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact on the Group and /Authority financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and Authority financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in the consolidated and Authority financial statements all guarantees that we have given to third parties.

E. Going Concern

1. Note 34 to the consolidated and Authority financial statements discloses all the matters of which we are aware that are relevant to the Group and Authority's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

F. Subsequent Events

1. Other than the events described in Note 1.5 to the consolidated and Authority financial statements, there have been no events, including events related to the COVID-19 pandemic, and including events related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to year end which require adjustment of or disclosure in the consolidated and Authority financial statements or notes thereto.

G. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the Authority, subsidiary undertakings

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Request for a Management Representation Letter

and associated undertakings.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and the Annual Governance Statement.
2. We confirm that the content contained within the other information is consistent with the financial statements.

Reserves

1. We have properly recorded or disclosed in the consolidated and Authority financial statements the useable and unusable reserves.

Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the pension liability valuation and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and Authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Estimates

- Pension Liability Valuation
 - Provisions
 - Property, Plant and Equipment Valuation (within the Group)
1. We confirm that the significant judgments made in making the above accounting estimates have taken into account all relevant information and the effects of the COVID-19 pandemic of which we are aware.
 2. We believe that the selection or application of the methods, assumptions and data used by us have been consistently and appropriately applied or used in making the above accounting estimates.
 3. We confirm that the significant assumptions used in making the above accounting estimates appropriately reflect our intent and ability to carry out our statutory services on behalf of the entity.
 4. We confirm that the disclosures made in the consolidated and Authority financial statements with respect to the accounting estimate(s), including those describing estimation uncertainty and the effects of the COVID-19 pandemic on, are complete and are reasonable in the context of CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets (November 2022)).

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5. We confirm that appropriate specialized skills or expertise has been applied in making the above accounting estimates.
6. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and parent entity financial statements, including due to the COVID-19 pandemic.

Retirement benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

(Chief Financial Officer/Finance Director)

(Chairman of the Audit Committee)

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Appendix D

Implementation of IFRS 16 Leases

In previous reports to the Audit and Governance Committee, we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

IFRS 16 does not come into effect for the Authority until 1 April 2024. However, officers should be acting now to assess the Authority's leasing positions and secure the required information to ensure the Authority will be fully compliant with the 2024/25 Code. The following table summarises some key areas officers should be progressing.

About EY

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ED None

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Audit and Governance Committee		Agenda Item
17 November 2023		7
Title:	23/24 Treasury Management Mid Year Review	
Report of:	Ian Pantling	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/A	

Recommendations:

A	Review and note the in-year performance against the adopted prudential and treasury indicators.
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Delivering Best Value and High Performance
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Adhering to best practice guidance is a key element to demonstrate that the Combined Authority is performing well, CIPFA treasury management guidance requires that treasury management performance is regularly reported and reviewed.

1. Purpose

1.1	The purpose of the report is for the Audit and Governance Committee to review the in year against the prudential indicators included within the Treasury Management and Capital Strategies.
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2. Proposal

2.1	In-line with the Audit and Governance Committee's terms of reference they are asked to review and note the performance of the Combined Authority's treasury management functions against the performance indicators set in the approved Treasury and Capital strategies
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3. Background

3.1	According to its Terms of Reference, the Audit and Governance Committee shall "ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice".
3.2	The Treasury Management in the Public Services: Code of Practice 2021 recommends

	that Members receive regular reports on the authority's treasury management policies, practices and activities, including a mid-year review progress report.
3.3	Appendix 1 to the report details our performance against the indicators agreed in the 23-24 strategies with areas of exception highlighted in the body of the report.
3.4	There have been no breaches of the indicators in 2023-24
3.5	Appendix 2 shows the current treasury management investments compared to the position as at 31 st March 2023.
3.6	Appendix 3 presents the Combined Authority's treasury management investment position benchmarked against other Local Authorities
3.7	<p>As return on investment is only considered after liquidity and security when making treasury management investments, the adopted performance indicators do not include any which report directly on the amount of interest received by the Authority.</p> <p>However the significantly increased interest rates seen over the last 12 months, along with slower than forecast spend on the capital programme, has resulted in the most recent budget monitoring report to the Combined Authority Board reflecting a forecast £6.8m income from treasury investments this year, £6m more than was forecast when the budget was approved in January.</p>
3.8	<p>The Combined Authority Board has been regularly updated on the performance of the Treasury Management portfolio and has received recommendations from Officers as to options to achieve best value in the use of these funds.</p> <p>These recommendations have focussed on one-off opportunities as it would not be prudent to underpin recurrent service budgets on such income as it is expected to drop in future years as interest rates are forecast to decrease from their current levels, and our cash balances are lower over the medium-term.</p>

4. Appendices

4.1	Appendix 1 – 23/24 Mid Year performance against Treasury Management and Capital Indicators and Limits
4.2	Appendix 2 – Current Treasury Management Investments
4.3	Appendix 3 - Benchmarking of the Combined Authority's treasury investment portfolio

5. Implications

Financial Implications

5.1	The financial implications are contained within the body of the report
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Legal Implications

6.1	<p>The CPCA is under a duty to manage its resources prudently and therefore due consideration must always be given to its borrowing and lending strategy. A wide range of local authority financial activities, including borrowing, lending, financial management, and the approval of types of investment vehicle are governed by legislation and various regulations. The CPCA is obliged to comply with these</p> <p>The CPCA will have regard to the latest CIPFA Code of Practice on Treasury Management (the Code) which is regarded as best practice in ensuring adequate monitoring of the capital expenditure plans of Local Authorities and in setting its Prudential Indicators (PIs).</p> <p>The CPCA will also have regard to the Department of Levelling Up, Housing and Communities (DLUHC) guidance.</p>
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Public Health Implications	
7.1	There are no direct public health implications
Environmental & Climate Change Implications	
8.1	There are no direct climate change implications although the Treasury team are monitoring emerging investment opportunities with ESG credentials to see if any can be utilised within the approved treasury strategies.
Other Significant Implications	
9.1	There are no other significant implications
Background Papers	
10.1	23/24 Treasury Management Strategy 23/24 Capital Strategy

Appendix 1: 23/24 Mid Year Performance against Treasury Management and Capital Indicators and Limits

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators, compliance has been indicated for each:

1. **Investment limits:** In order to minimise the risk of a single default against available reserves, the maximum that will be lent to any one organisation (other than the UK Government) will be £25m. A group of banks under the same ownership will be treated as a single organisation for limit purposes.

Sector	Counterparty limit	Sector limit	Maximum balance held in 2023/24 financial year per Counter Party / Sector	Complied?
The UK Government	Unlimited	n/a	£100m	Yes
Local authorities & other government entities	£25m	Unlimited	£20m/£170m	Yes
Secured investments	£25m	Unlimited	£0	Yes
Banks (unsecured) (excluding operational bank account)	£15m	Unlimited	£0	Yes
Banks (unsecured, operational account)	£25	Unlimited	£5m	Yes
Building societies (unsecured)	£15m	£25m	£0	Yes
Registered providers (unsecured)	£15m	£50m	£0	Yes
Money market funds	£25m	Unlimited	£10m / £30m	Yes
Strategic pooled funds	£25m	£100m	£0	Yes
Real estate investment trusts	£25m	£50m	£0	Yes
Other investments	£15m	£25m	£0	Yes

2. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target	As at 30.09.2023	Complied?
Portfolio average credit score (lower is better)	6 (A)	4.72 (A+)	Yes

This indicator is provided as at 30.09.23 as it is calculated by our Treasury Management advisors as part of our quarterly benchmarking. The credit rating of investments as at 31.10.2023 is not materially different from the position as at 30.09.2023

3. **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target	As at 31.10.2023	Complied?
Total cash available within 3 months	£15m	£99.3m	Yes

4. **Interest Rate Exposures** This indicator is set to control the Authority's exposure to interest rate risk.

Interest rate risk indicator	Limit	As at 31.10.2023	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.5m	£1.2m	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.5m	(£1.2m)	Yes

5. **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sums invested to final maturities beyond the period end were:

Price risk indicator	2023/24	2024/25	2025/26
Limit on long-term principal invested beyond year end	£50m	£30m	£20m
Actual long-term principal invested beyond year end	£30m	£15m	£0m
Complied?	Yes	Yes	Yes

Capital Strategy Indicators

6. **Capital Expenditure in £ millions.** . The table shows the Combined Authority's capital expenditure for 2023/24, and the following two financial years based on the 22/23 budget outturn report. This will be updated to show three future years from the draft, and final, MTFP once approved in Nov and Jan respectively draft

	2023/24 budget as at 31.07.23	2023/24 forecast	2024/25 budget	2025/26 budget
Capital investments	£192m	£183m	£42m	£32m
TOTAL	£192m	£183m	£42m	£32m

7. **Capital Financing in £ millions.** All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The financing of the above expenditure is as follows:

	2023/24 Budget as at 31.07.23	2023/24 forecast
Grant Funding	158.86	156.48
Usable Capital Receipts	33.28	26.10
Debt	0	0
TOTAL	192.14	182.58

8. **Gross Debt and the Capital Financing Requirement in £ millions.** The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR. Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

	31.3.2024 budget	31.3.2024 forecast
Debt (incl. PFI & leases)	0	0
Capital Financing Requirement	0	0

9. **Borrowing and the Liability (asset) Benchmark in £ millions.** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. Given that there are no current plans to borrow, the liability benchmark is replaced with an asset benchmark so that the Committee can see how closely our forecasts of it's assets match to the actuals.

	31.3.2024 budget	31.3.2024 forecast
Outstanding borrowing	0	0
Liability (asset) benchmark	(54.6)	(55.0)

10. **Authorised limit and operational boundary for external debt in £ millions.** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2023/24 limit	2023/24 forecast
Authorised limit - total external debt	84.61	0
Operational boundary - total external debt	74.61	0

11. **Proportion of financing costs to net revenue stream** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants.

	2023/24 budget	2023/24 forecast
Financing costs (£m)	0	0
Proportion of net revenue stream	0%	0%

Appendix 2: Current Treasury Management Investments

The table below shows the current treasury management investments alongside the investments in place at the end of the previous financial year.

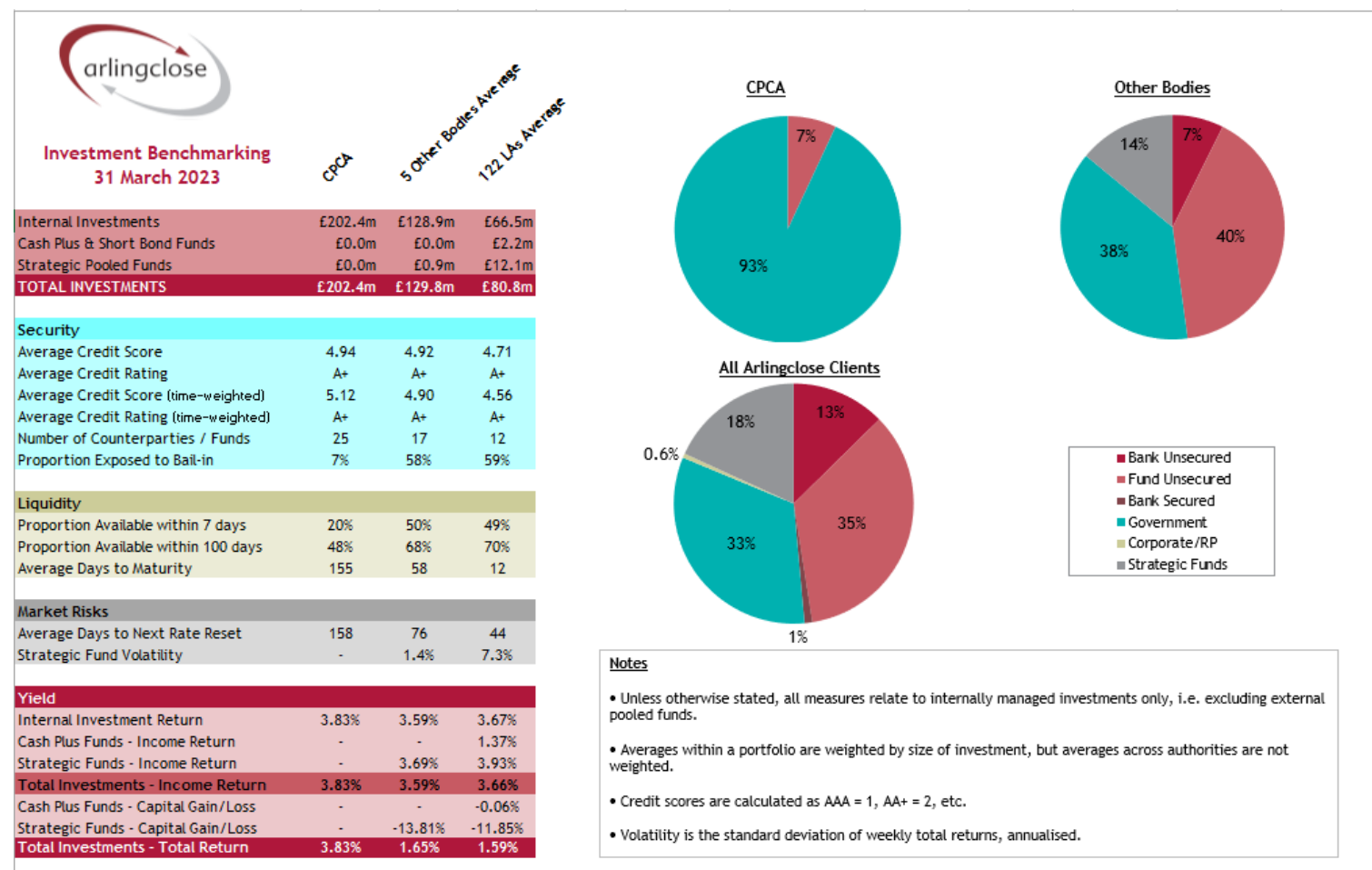
There has been a small increase in the total investment balance since the start of the financial year. This is due to large portion of the Combined Authority's funding being received towards the start of the financial year and balances are expected to fall significantly over the remainder of the financial year - £154m of the £209m is available before 31st March 2024.

The average rate for investments maturing in 10-12 months as at 31/3/23 is impacted by one historic long term deal taken out before interest rates started to rise. This falls in the less than 3 months bracket as at 31.10.23 and has a smaller impact on average rate due the higher value of investments maturing at this point.

Principal outstanding		As at 31.03.2023		As at 31.10.2023	
		£k	Av. Rate	£k	Av. Rate
Fixed Term Deposits:					
Local Authority:					
	less than 3 months	57,000	3.76%	70,000	4.32%
	4-6 months	35,000	3.97%	45,000	5.13%
	7-9 months	35,000	4.22%	10,000	5.83%
	10-12 months	20,000	2.48%	10,000	5.78%
	More than 12 months	15,000	4.05%	25,000	4.39%
	Total Local Authority	162,000	3.77%	160,000	4.77%
DMO	less than 3 months	26,250	4.05%	24,700	5.19%
Access:					
	Call Account	102	1.60%	428	2.00%
	Money Market Funds	14,000	4.11%	24,200	5.32%
	Total Investments	202,352	3.83%	209,328	4.86%

Appendix 2: Benchmarking of the Combined Authority's treasury investment portfolio

Benchmarking summary as at 30th September 2023

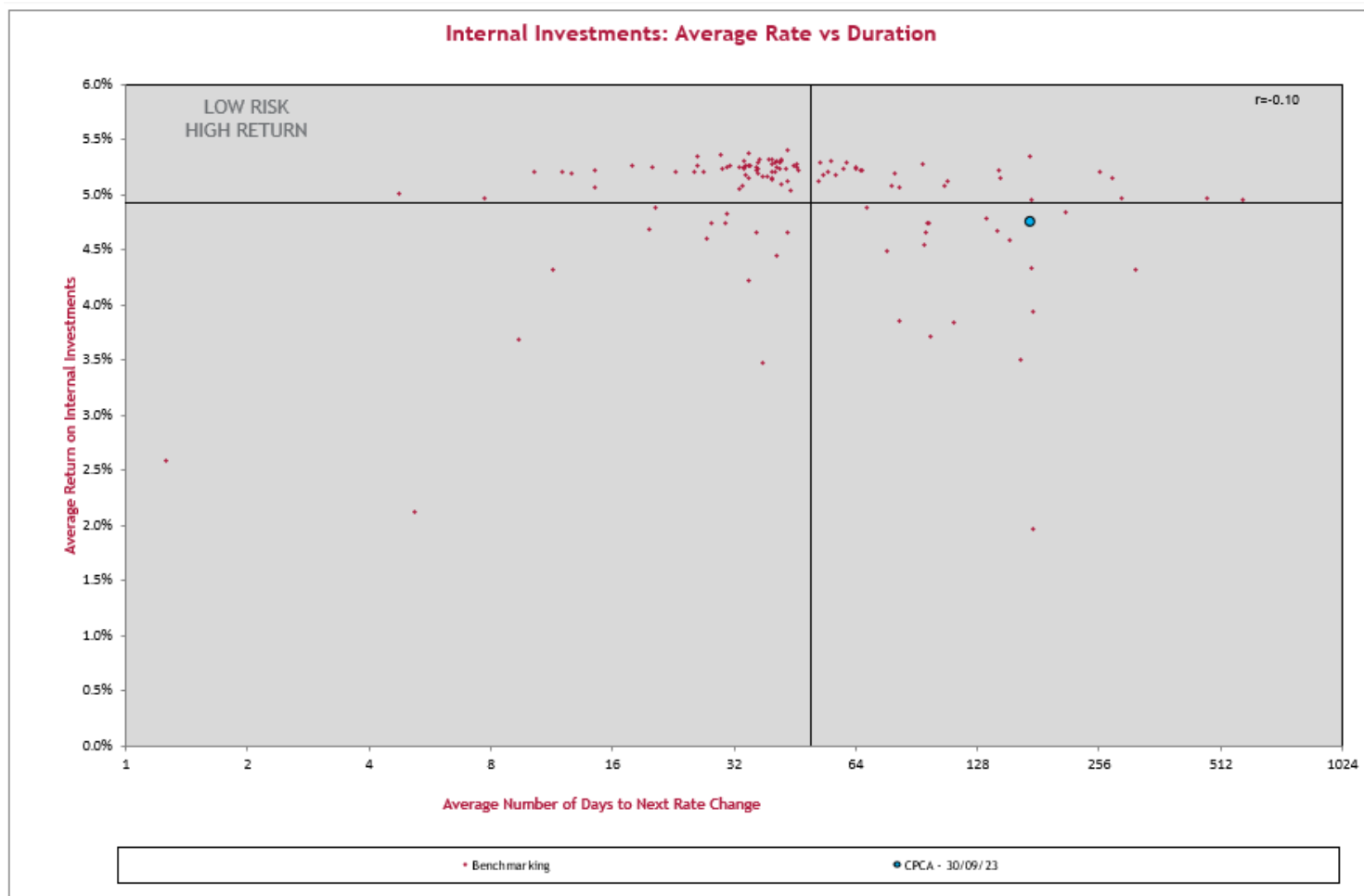


This dashboard compares the Combined Authority's treasury investment portfolio with 5 similar entities identified by our treasury advisors, Arling Close, and with 125 other Local Authorities.

While the Combined Authority has more counterparties, and less exposure to bail-in risk (both positives), it has no 'strategic funds' – these are longer term investments where capital can be at risk (as seen in the c.9% losses at the bottom of the table).

Over the long-term strategic funds are expected to out-perform simple loans however taking money out at an inopportune time could lead to significant losses. As such, due to the rapidly changing nature of the Combined Authority's funding, investment in those funds has not been considered appropriate at this stage.

Average duration of investment vs rate of return



‘Normal’ behaviour in markets is that longer term investments offer higher returns, as the borrower places a premium on the certainty which would be seen in a trend with data points clustered in a rough line from bottom left of the graph to top right, and a positive r-value close to 1.

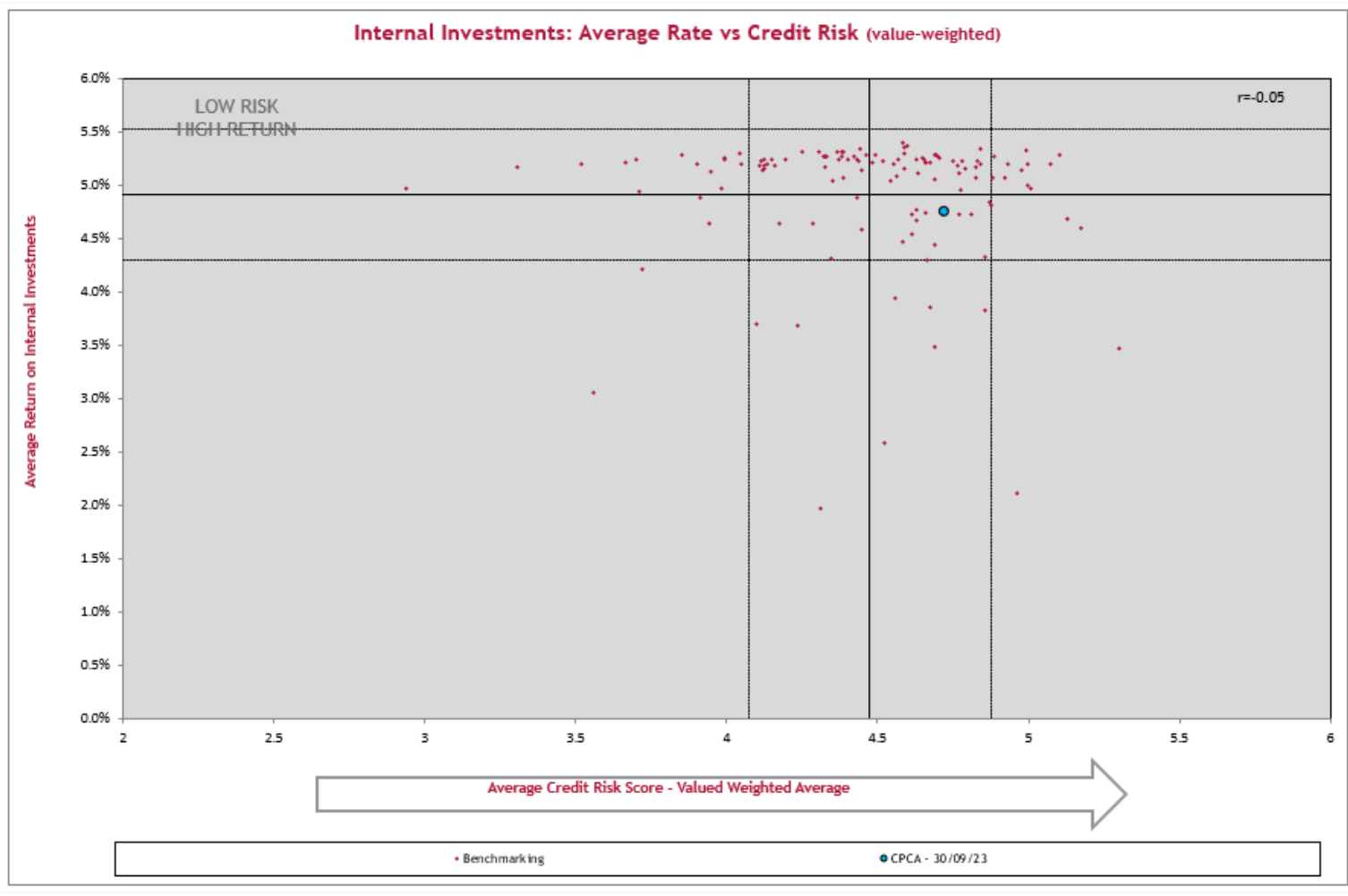
This behaviour is not seen in treasury markets at the end of September due to the current high inflation rates although now falling, are doing so at a much more slowly that they rose.

As such short-term rates are as good, or better, than long term rates as longer term deals (1+ years) are setting their rates on the expectation that overall interest rates will be lower.

The Combined Authority sits to the right of the majority of local authorities in this graph, showing that we have a longer average length of loan while achieving slightly below average returns (the horizontal line).

Moving forward, as some final historic loans repay the average return on investment should increase to over 5% as new loans are achieving higher rates, before starting to fall again as expectation of longer term rate cuts impact further on future investments made.

Average rate vs Credit Risk



Credit risk scores are an indicator of how much trust the market has in the entity's ability to repay those funds, with lower numbers being better. For context, the UK Government's score is 3.7.

The risk here is the average of the entities the Combined Authority has lent to, not the Combined Authority's rating.

While the Combined Authority's average score is higher than most Local Authorities it is still well within the acceptable average score of 6 – which could allow capacity for the Authority to explore ESG accredited funds which may have a slightly lower rating in the future.



Cambridgeshire & Peterborough Combined Authority

Internal Audit Progress Report

17 November 2023

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other.

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1 Key messages

The internal audit plan for 2023/24 was approved by the Audit and Governance Committee at the June 2023 meeting. We also have an update relating to the 2022/23 internal audit plan. 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.



2022/23 Internal Audit Delivery

Since the last meeting we have finalised the one remaining 2022/23 report (**Core Control Framework – Treasury Management and Accounts Payable**). Full details are shown in **Appendix A** below. The Committee has already been sighted on the headline findings from this review in our 2022/23 annual report.



2023/24 Planning and Delivery

We have issued one final report since the September 2023 Audit Committee for 2023/24 (**Governance - Improvement Plan 2.23/24**). Two further draft reports have been issued and scopes are either already agreed or being agreed in good time for the remainder of the 2023/24 schedule. The full update in regard to the 2023/24 plan and schedule of work is included below in **Appendix B**.

2 Reports

2.1 Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H
Core Control Framework – Treasury Management and Accounts Payable 9.22/23	Partial Assurance	3	6	1

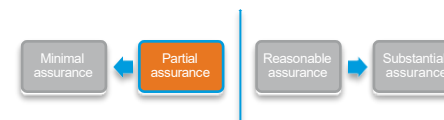
Treasury Management

Our review found that the Authority had a Treasury Management Strategy 2022/23 which has been approved by the CPCA Board in March 2022. Although the Authority had a Treasury Management Strategy, there were no formal policies or procedures to support or guide staff in complying with the strategy. During our testing we found that the two systems (Agresso and Treasury Live) both had users on the user lists who have left the Authority; given these are cloud-based systems, leavers could still potentially access the systems.

We were only provided with one bank account reconciliation conducted in December 2022 for the period of April to October 2022 which had not been subject to any scrutiny or approval. In addition, the summary of the report found that £6,668,315 of receipts were 'unmatched' within the reconciliation. We noted that the monthly bank reconciliation process had not been fully completed since the end of April 2022 leading to seven months being 'caught up' in December 2022.

Accounts Payable

We found that there was guidance in place for the Accounts Payable processes and from a sample of ten creditor payment runs from September to December 2022, we found in all cases payment runs were prepared by and approved by two individual staff members. The payment run amounts were accurately reflected within the bank account.





Assignment

Opinion issued

Actions agreed

L M H

However, we found an inconsistent process for supplier information changes with regards to the Vendor Registration Form (VRF), including cases where signatures were missing, and contact information (email addresses, telephone numbers and titles) not consistently recorded within the Agresso system as recorded on the VRF.

Accounts Payable (Follow up)

Taking account of the issues identified in the remainder of this report of the seven management actions agreed previously, we identified that:

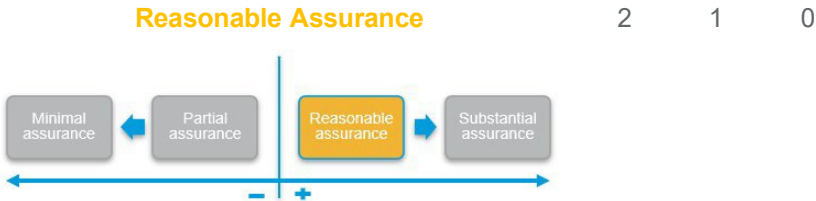
- Three actions had been implemented;
- One action has been superseded; and
- Three actions had not been implemented.

Improvement Plan - Governance 2.23/24

We confirmed that the Improvement Plan clearly identified the outcomes and actions required to be implemented by the Governance Workstream, with owners and due dates consistently assigned. This was approved by the CPCA Board in October 2022.

The outcomes and actions for the Governance Workstream were based on the findings of the external governance review completed in April 2022, and we confirmed that these outcomes and actions were clearly aligned to the improvements suggested by this review, whilst also incorporating the concerns of External Audit and DLUHC.

The progress of the Governance Workstream was monitored by a Project Group, with overdue tasks scrutinised, although we identified nine instances where actions agreed by the Group were overdue or had been left open. Subsequent confirmation was provided that the five actions left open had all been completed or were superseded, whilst the four overdue actions were overdue by less than a month. In addition, monthly highlight reports were being produced, detailing the progress of the Improvement Plan, including the Governance Workstream. Key information was included such as RAG ratings of each workstreams progress, although we noted that slippage against planned milestones was not highlighted.





Assignment

Opinion issued

Actions agreed

L M H

These reports were reviewed by the Improvement Group, Overview and Scrutiny Committee, Audit and Governance Committee and the CPCA Board, with the progress of the Programme scrutinised. The IIB was also reporting to the Board on improvement areas which it was assured on, whilst key outputs from the Governance Workstream were signed off by the Board.

Following Phase One of the Programme, the achievement of planned outcomes was assessed, with a reframed Plan developed covering the further concerns raised by external audit and DLUHC, whilst lessons learnt were also acted upon.

Overall, we confirmed that the Governance Workstream has documented significant progress towards achieving the planned improvements, however, the methods that will be used to ensure that improvements to practices are embedded had not yet been agreed and documented, although action was being taken in this regard and will become a priority once all improvement actions have been implemented.

Appendix A – Progress against the 2023/24 Internal Audit Programme

There has been **one further 2023/24 report** finalised since the previous Committee meeting held in September 2023, as highlighted in **bold** below. We include an update on the remainder of the programme.

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target AGC	Actual AGC
		L	M	H		
Budget Setting and Budgetary Control 1.23/24	Final Reasonable Assurance	4	1	0	September 2023	September 2023
Governance - Improvement Plan 2.23/24	Final Reasonable Assurance	2	1	0	November 2023	November 2023
Key Financial Controls 3.23/24	Issued in Draft				January 2024	
Risk Management 4.23/24	Issued in Draft				January 2024	
Strategic Planning	Date and Scope Agreed – To Commence 23 November 2023				January 2024	
Project Planning and Delivery – Improvement Plan	Date and Scope Agreed – To Commence 25 November 2023				March 2024	
Business Continuity Planning	Date and Scope Agreed – To Commence 4 December 2023				March 2024	



Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target AGC	Actual AGC
		L	M	H		
Subsidiary Company Governance	Date and Scope Agreed – To Commence 13 December 2023				March 2024	
HR Digital Processes	Scope to be agreed with new lead – Scheduled to commence 11 January 2024				March 2024	
IT Audit	RSM Technology Risk Assurance to confirm scope with Management. To commence 19 February 2024				June 2024	



Appendix B – Other matters

Changes to the audit plan

We have agreed two minor changes in terms of fieldwork timeframes. These are:

- The Business Continuity Planning audit has been deferred from October 2023 to December 2023.
- The HR Digital Processes audit has been pushed back from December 2023 to January 2024 due to a new lead officer commencing in role.

Annual Opinion 2023/24

The Audit and Governance Committee should note that the assurances given in our audit assignments are included within our Annual Report. In particular, the Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion (this includes follow up reviews, assurance opinions and advisory reviews with any significant weaknesses).

We have issued two final reports to date, both with a positive assurance opinion. We will provide further updates at the remaining Committee meetings and also provide updates to the Chief Financial Officer as more reviews are finalised. These updates will take into account the reviews from the remainder of the programme (when complete and finalised) and will also consider other relevant factors (for example, the ongoing best value notice).

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams. The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.



Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attach a brief survey for the client lead to complete. We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.



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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire & Peterborough Combined Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.



Audit & Governance Committee		Agenda Item
17 November 2023		9
Title:	Whistleblowing Policy	
Report of:	Edwina Adefehinti	
Lead Member:	Cllr Edna Murphy- Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	Majority	

Recommendations:

A	<i>That the Committee notes the report and comments on any aspect of the report and whistleblowing policy</i>
---	---

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	This will enable improvements to the Combined Authority's governance.
---	---

1. Purpose

1.1	This report provides this committee with an update on the changes to the whistleblowing policy, lessons learnt, and action taken to improve the policy and its operation.
1.2	

2. Proposal

2.1	That this committee makes comments and recommendations on improvements to the whistleblowing policy and the operation of the policy
2.2	

3. Background

3.1	In May 1995 the Nolan Committee issued a report on the Standards in Public Life: Local Public Spending Bodies. This report made a number of recommendations, some sector specific and others more general in nature. The Nolan Committee recommended that Local Authorities
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	<p>should institute Codes of Practice on Whistleblowing, which would enable concerns to be raised confidentially inside and if necessary outside the organisation.</p> <p>A Whistleblowing commission was established in February 2013 by the charity Protect to review the effectiveness of existing arrangements for workplace Whistleblowing and make recommendations for change.</p> <p>They issued a report in November 2013 with recommendations to the secretary of state at the time and a recommended Code of Practice. This code sets out practical guidance for the raising, handling, training and reviewing Whistleblowing arrangements.</p> <p>An effective and positive whistleblowing culture has the following advantages:</p> <ul style="list-style-type: none"> • Detects and deters wrongdoing; • Provides information to managers so they can make decisions and contain the risk; • Demonstrates to stakeholders that the CPCA is serious about good governance; • Reduces the chance of anonymous or malicious leaks; • Reduces the chance of Legal claims against the CPCA; and • Clear whistleblowing arrangements are likely to help with a defence under the Bribery Act 2010. <p>CIPFA's guide on delivering good governance, recommends the following is considered as part of its Annual Governance Statement: "Ensure that effective arrangements for Whistleblowing are in place to which officers, staff and all those contracting with or appointed by the authority have access. That a Whistleblowing policy exists and is reviewed on a regular basis. The policy is made available to members of the public, employees, partners and contractors."</p>
3.2	<p>The Whistleblowing Policy and Procedure was reviewed and updated for approval in March 2023 by the Employment committee now called the Human Resources Committee. This policy forms part of the CPCA's Anti Fraud and Anti Corruption arrangements and is included with the Employee Code of Conduct. The revised Whistleblowing Policy and Procedure is attached at Annex 1 to this report.</p>
3.3	<p>The CPCA last received a whistleblowing complain in October 2021. This complaint was anonymous and, further to an investigation, the complaint was considered in light of the Member Code of Conduct.</p> <p>No whistleblowing complaints have been received by the Monitoring Officer and HR is unaware of any whistleblowing complaints in the last 12 months. Following the complaint received in 2021, the CPCA reviewed. The last update was in September 2023.</p> <p>The content of the current policy has therefore been reviewed and compared to best practice and other Local Authority's Whistleblowing Policies and has been updated, with clearer explanations. As part of the review, the CPCA received comments from an external Consultant to ensure the policy met national standards and was strengthened. The old version of the whistleblowing policy contained 11 pages and our current version now contains 7 pages. Part of that is linked to the current template that we use, and so the layout/sections have changed. The reduction does not in any way diminish the rigor of the new policy.,</p> <p>Looking line-by-line in the new Policy, some detail was removed around a long list about examples of types of concerns so as not to limit the concerns that can be raised. In addition, the type of language in the new policy is more plain-speaking. Sections were removed in relation to untrue allegations/malicious allegations/unfounded allegations and consolidated from approximately a page to a short section on untrue allegations. However, the process</p>

	<p>hasn't changed. There is more information on our independent helpline as well, which wasn't included in the original document.</p> <p>As a result of lessons learnt, the role of the Monitoring Officer in this process is new but provides an additional level of oversight to ensure that investigations are undertaken correctly and in a timely way. Going forward, the Monitoring Officer will maintain a central register of all whistleblower allegations. This register will record a summary of the original allegation and the actions taken. Where an allegation has been received by other departments in the CPCA and involves a non-financial issue, this must still be reported to the Monitoring Officer who may decide where the investigation should sit and appoints a manager to investigate the issue.</p> <p>As a result of lessons learnt, where appropriate a summary of whistleblowing allegations will be reported to this Committee. The whistleblower's identity will, however, always remain confidential if known, unless the whistleblower makes it public.</p> <p>As a result of lessons learnt, training on whistleblowing and how to handle whistleblowing is now covered in management induction and general staff induction. The link to the policy is well signposted on the internal HR hub.</p>
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4. Appendices

4.1 Appendix 1 – Whistleblowing report

5. Implications

Financial Implications

5.1	There are no direct financial implications from this proposal, but an effective whistleblowing policy supports financial propriety and helps to demonstrate Best Value
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Legal Implications

6.1	These are contained within the report and reflect the requirements of the Public Interest Disclosure Act 1998. Human Rights implications are considered in the conduct of all investigations, e.g, if directed surveillance is felt necessary this will be carried out in accordance with the Regulation of Investigatory Powers Act 2000. Furthermore, the Whistleblowing Policy provides a mechanism where concerns regarding the welfare of individuals can be raised and therefore helps protect their Human Rights. Investigations will take into consideration Equality and Diversity implications. Investigations may reveal weaknesses in financial management and other monitoring systems. Ensuring action is then taken in respect of these weaknesses plays a role in ensuring that CPCA Resources are used to enable fair access to quality services.
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Public Health Implications

7.1

Environmental & Climate Change Implications

8.1

Other Significant Implications

9.1

Background Papers

Whistleblowing Policy

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1. Aim

The Policy is aimed to ensure individuals feel confident raising serious concerns about wrongdoing or malpractice within the organisation.

It is also intended to ensure people receive a response and feedback on any actions taken to the concerns they have raised.

Lastly, it is aimed to reassure the whistle-blower they will be protected from possible reprisals or victimisation if they have made any disclosure in good faith.

2. Principles

Whistleblowing is the common term for making a protected disclosure in the public interest where the interest of others or the organisation are at risk.

Whistleblowing is reporting malpractice or illegal acts at work and the whistle-blower is not usually affected directly or personally by the matter involved.

3. Scope

This Policy applies to all CPCA employees and other workers, including freelance staff, temporary and agency staff, consultants, contractors (and their staff), volunteers and employees in organisations which work in partnership with the Authority.

In this Policy the term “employee” refers to employees of CPCA and other workers to whom the Policy applies.

Whistleblowing Policy

4. Vision and Values

Our vision is for a prosperous and sustainable Cambridgeshire and Peterborough. Driven by our values and using our collective voice and strengths, we seek inclusive good growth for an equitable resilient, healthier and connected region.

Our values define what is important in the way we deliver this vision. At Cambridgeshire and Peterborough Combined Authority our core values are Collaboration, Integrity, Vision, Innovation and Leadership. We are committed to ensuring our culture enables our employees to display these values regardless of their roles within the organisation. Managers and employees alike must ensure our core values are upheld when implementing this policy.

5. Confidentiality

CPCA will be sensitive to the persons reporting the concerns. All concerns will be treated in confidence and every effort will be made not to reveal the identity of the whistle-blower without their permission.

In some circumstances, the Authority may be obliged to disclose the name of the whistle-blower i.e., when ordered by the court.

6. Reporting a concern

Reporting a concern will depend on the seriousness and sensitivity of the matter and who is suspected of the wrongdoing. Employees can raise their concerns with:

- Line Manager
- Corporate Director
- The Monitoring Officer via email - Edwina.Adefehinti@cambridgeshirepeterborough-ca.gov.uk
- The Chief Executive via email – rob.bridge@cambridgeshirepeterborough-ca.gov.uk
- Internal Audit Function.

Whistleblowing Policy

- By calling the Free 24 hour Confidential Helpline from Health Assured – 0800 047 4037.

Confidential Whistleblowing

If you believe you've witnessed wrongdoing in the workplace, we're here to help. Health Assured offer a completely confidential, 24/7 freephone whistleblowing helpline.

Use it to disclose:

- Criminal offences
- Breaches of legal obligation
- Miscarriages of justice
- Dangers to health & safety
- Damage to the environment
- Attempts to conceal any of the above

Free 24 Hour Confidential Helpline:

0800 047 4037

healthassured.eap.com

FAQs

What is a whistleblowing service?

A whistleblowing service is a confidential, freephone helpline. You can use this to report issues and wrongdoings that you have witnessed, or strongly believe are happening in the workplace.

Will I remain anonymous?

You don't need to give your name when blowing the whistle, and calls are not recorded. An advisor will note down the details—date, time, location and description of the incident—and move forward from there.

Workers who blow the whistle are protected by law.

What happens next?

The advisor will get in touch with your organisation's whistleblowing contact. Your personal details will not be provided, just the details you've reported.

Is the Service 24 hours?

Yes, 24 hours a day and 365 days a year.

health assured

Whistleblowing Policy

7. How to report a concern

In majority of the cases, an employee who wishes to report a concern under the whistleblowing Policy would be expected to contact their Corporate Director in most cases. We encourage employees to raise concerns in writing as soon as they become aware of them. They will need to provide the following information:

- the nature of your concern and why you believe it to be true
- the background and history of the concern (giving relevant dates).

Anonymous Reports

Anonymous allegations are those which are not signed and unidentifiable. All reports will be investigated, but employees should be aware that anonymous allegations are more difficult to investigate and so may not be effective in solving the alleged malpractice.

The credibility of the allegation and likelihood of obtaining information from other sources to confirm the allegation will be considered when deciding what action to take in response to an anonymous allegation.

Untrue Allegations

If an employee makes an allegation in good faith and reasonably believing it to be true, but it is not confirmed by the investigation, the Authority will recognise the concern and respond accordingly. However, if, the allegation is made frivolously, maliciously or for personal gain, appropriate action that could include disciplinary action, may be taken against the employee.

8. How the Combined Authority will respond to a concern

The Authority will aim to respond to concerns without delay. It will not be possible for an employee to prevent a matter from being investigated by subsequently withdrawing their concerns.

If urgent action is required to safeguard individuals or property or to preserve any evidence the Monitoring Officer/Lead Manager will immediately take the action required.

Once the report has been received by the Line manager or Corporate Director, they will register the report with the Monitoring Officer within 7 working days. Details provided to the Monitoring officer must include:

- Date report of concern received
- Name of person reporting concerns
- Details of the concerns reported
- Proposed action and by whom.

The Corporate Director will be the Lead Manager and responsible for all report of concerns raised. They may assign the role of Lead manager to another senior manager where needed.

To protect all parties involved and the Authority, initial enquiries will be made to decide whether

Whistleblowing Policy

an investigation is appropriate and, if so, what form it should take. In some cases, there may be the possibility to resolve the reported concerns informally without the need for a detailed investigation.

The Lead Manager will need to make a judgement about whether the concern reported should be dealt with under other procedures (the concern may not meet the criteria for Whistleblowing) or under the Whistleblowing Policy. This decision will be made following consultation with the Monitoring Officer and/or with the officer responsible for the operation of the procedures they think might be more appropriate to follow.

The Lead Manager is responsible for appointing an appropriate senior manager or external investigator as Investigating Officer. If the allegation involves or may involve wrongdoing by an employee, the Investigating Officer must be senior to the person under investigation.

Usually, within ten working days of a concern being raised, the lead manager will write to the whistle-blower detailing the information below:

- acknowledging that the concern has been received
- stating what steps have been taken and what action will be taken and by who (including the name of the Investigating Officer)
- an approximation of how long it will take to provide the final response
- information with employee support programmes i.e., EAP

The Investigating Officer will conduct the investigations to establish the facts of the reported concern and will make a written report with supporting documentation such as witness statements and other evidence to the Lead Manager.

All employees subject to this process of alleged concern will be entitled to be accompanied by a trade union representative or a colleague who is not involved in the area of work to which the investigation relates. In some cases, suspension from work may be appropriate during the investigation.

The Investigating Officer will keep the person who reported a concern informed of progress with the investigation and would inform them and the Lead Manager if the investigation is taking longer than estimated.

Following submission of the investigation report, the Lead Manager will be responsible for ensuring the necessary action is taken. This may include disciplinary action where appropriate against the subject or reporting the matter to the Police or other regulated authority. This decision will be taken after consultation with the Monitoring Officer.

In situations, where there is no case to answer the authority will take reasonable steps to meet with the subjects and remedy any issues that may have occurred from the investigation.

To conclude the process, the Lead Manager will also meet with the whistle-blower to give a final the conclusion of the investigation, feedback and any action taken. This will not include details of any disciplinary action, as this is confidential. If the whistle-blower is not satisfied

Whistleblowing Policy

with the outcome of the investigation, they may choose to report their concerns via email to the Chair of the Audit and Governance Committee and for the purpose of notification, include the Monitoring Officer within the email.

Within 7 working days of meeting with the whistle-blower, the Lead Manager must update the register by notifying the Monitoring Officer of:

- any resolution of the complaint without the need for investigation
- any referral for investigation under another policy
- any decision not to investigate a complaint.
- where investigated, the date of completion of the investigation.
- findings of the investigation
- action taken by the Lead Manager.

9. Document retention

All information relating to the report of concerns and its investigation must be retained by the Corporate Director. Any paperwork provided will be stored and/or destroyed in accordance with the CPCA's Data Retention Schedule.

Whistleblowing Policy

GOVERNANCE: WHISTLEBLOWING POLICY

References:
Data Retention Schedule

Issue date:	2023
Version number:	1
Review due date:	2026

Document control sheet

Purpose of document	This document provides useful information on the Whistle blowing process
Type of document	Policy
Document checked by Legal	No
If applicable, has an initial Equality Impact assessment (EIA) been completed?	Yes
Document Lead and Author	HR Team
Dissemination	
What other documents should be read in conjunction with	Document listed in this guidance;
Who will review the document (job title)	HR Team
Why is this document being reviewed	Review of existing Policies and Procedures

Revisions

Version No.	Page/ Paragraph No.	Description of amendment	Date approved
2	2	Name of Chief Executive	18/9/23



Audit & Governance Committee		Agenda Item
17 September 2023		10
Title:	Audit and Governance Work Programme	
Report of:	Anne Gardiner, Governance Manager	
Lead Member:	Edna Murphy – Lead Member Governance	
Public Report:	Yes	
Key Decision:	NA	
Voting Arrangements:	Majority	

Recommendations:

A	Note the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year attached at Appendix 1
B	Note the recommendation tracker for the Audit and Governance Committee attached at Appendix 2

1. Purpose

1.1	To provide the Committee with the draft work programme for Audit and Governance Committee, for the 23/24 municipal year.
1.2	To provide the Committee with the draft recommendation tracker requested for feedback from members.

2. Proposal

2.1	The Committee to review the proposed work programme at Appendix 1 and provide any comments including suggestions of items for future meetings.
2.2	The Committee to review the drafted recommendation tracker at Appendix 2 and provide any comments back to officers.

3. Background

3.1	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.
3.2	A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.

3.3	At the June A&G Committee meeting the members requested that officers find a means to track recommendations from the Committee and record where they go and track whether they have been implemented. The draft tracker is attached at Appendix 2 for review and comment.
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4. Appendices

4.1	Appendix 1 – Draft Work Programme 2023/24
4.2	Appendix 2 – A&G Committee Recommendation Tracker

5. Implications

Financial Implications

5.1 None

Legal Implications

6.1 None

Public Health Implications

7.1 None

Environmental & Climate Change Implications

8.1 None

Other Significant Implications

9.1 None

Background Papers

10.1 None

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

8th September @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
	Improvement Plan Highlight Report - CIVIL values embedded within organisation	Review and challenge to seek assurance of improvement progress	Angela Probert
Internal Control Items:			
	Risk Register	Review of register including two deep dives which will focus on explaining operational process issues including risk appetite. Risk training roll out	Chris Bolton/Nick Bell
	Single Assurance Framework		Jodie Townsend/ Nathan Bunting
Audit Items:			
	Internal Audit – Progress Report		
	Verbal update on the 21-22 audit, and the approach to the national audit backlog".		EY Mark Hodgeson
	Final 21-22 statement of accounts & annual governance statement		Nick Bell/Robert Emery/Edwina Adefehinti
Standards and Conduct Items:			
	Member Officer Protocol	Report providing the context and background to the member officer protocol agreed at the July meeting.	Edwina Adefehinti/Nick Bell
Other:			
	Update Procurement Review		Nick Bell/Chantel Allott
	Audit of A&G Committee of other CA's		Nick Bell
	Co-Opted Independent Councillor		Edwina Adefehinti
	Co-Opted Independent Person		Edwina Adefehinti

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

17th November @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
	Improvement Plan Highlight Report		Angela Probert
Internal Control Items:			
	2023-24 Treasury Management mid-year update		Ian Pantling
Audit Items:			
	Internal Audit – Progress Report		Dan Harris
	2021/22 Audit Results Report, Audit Opinion		EY – Mark Hodgson
Standards and Conduct Items:			
	Whistleblowing Arrangements	Review of lessons learned from 2021/22 & 22/23 events and examination of current process to see if it is fit for purpose	Edwina Adefehinti
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

12th January @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
Internal Control Items:			
	Internal Audit Action Tracker	To be reported to Committee on an annual basis	Nathan Bunting
	Corporate Risk Register	Page 145 of 152	Chris Bolton
	Draft 2024-25 Financial Strategies		Ian Pantling

	Review Performance Management Framework		Jules lent
Audit Items:			
	Internal Audit – Progress Report		
	External Audit – Opinion Value for Money		EY
Standards and Conduct Items:			
	Code of Conduct Annual Report	Committee requested they receive an annual report on complaints received.	Edwina Adefehinti
Other:			
	Information Governance Update	Reported to Committee Annually	Susan Hall
	Review of A&G Committee Arrangements		Nick Bell

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

9th February @ Huntingdonshire District Council (RESERVE)

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
Internal Control Items:			
Audit Items:			
Standards and Conduct Items:			
Other:			

8th March @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
Internal Control Items:			
	Internal Audit Action Tracker		Chris Bolton
	Assurance Framework		
Audit Items:			
	Internal Audit – Progress Report		
	External Audit – Initial Audit Plan for 2022/23		EY – Mark Hodgson
	2021/22 Audit - Auditor's Annual Report		EY- Mark Hodgson
Standards and Conduct Items:			
Other:			
	Treasury Management Summary		
	Audit Committee Draft Annual Report		
	Shareholder Board Annual Report to A&G Committee		Edwina Adefehinti/Nick Bell/Mayor Johnson
	Proposed Deep Dives for the 24/25 Municipal Year		Edwina Adefehinti/Nick Bell

AUDIT & GOVERNANCE COMMITTEE DEVELOPMENT PROGRAMME 2022/23 – 23/24

Date:	Item:	Provider:	Purpose:	Lead:
24 th March 2023	Risk Appetite Training	Internal Audit		Adam Lickorish, RSM
8 th June	A&G Committee Induction	Governance Team	Provide induction to the CA for new members	Anne Gardiner

9 th June PM	Financial Management and Role of the Committee	Arling Close (CPCA's treasury advisors)	To set out the role of the Committee in regard to financial management and provide training on key elements of role	Nick Bell/Robert Emery
13 th July	KPI Training	Policy & Executive Support Team		Jules lent
TBC	Project Management Training	Chris Bolton		Chris Bolton
9 th October	Development Session – Subsidiary Companies	Robert Fox/Edwina Adefehinti		Robert Fox
4 th December	Development Session Topic Cyber Security	Adam Goldsmith		Susan Hall
9 th February	Development Session – Analysing the Draft Accounts	TBC		TBC
8 th September at close of meeting.	Private Meeting of Committee & Internal and External Auditors			Anne Gardiner

Items for future work programmes:

Member Officer Protocol to be reviewed every 2 years – next review date Sept 2025.

Risk Management Framework to be reviewed every 2 years – next review date Sept 2025

Risk Appetite to be reviewed annually – next review date Sept 2024

Topic	A&G Recommendation	Date of Recommendation at A&G	Date presented at CA board	CA Board Outcome	Approved/ Not Approved	Implementation of decision	Date of implementation
Co-Option of Independent Members	To advise the CA Board that the Committee has requested that officers look into creating a process for selecting a co-opted independent member from one of the constituent councils.	09/06/2023	20/09/2023	<p>A) Review the suggested update to the Combined Authority constitution and adopt the proposed changes as revisions to the Constitution, so that a co-opted independent member and substitute from constituent authorities can be appointed.</p> <p>B) To delegate the recruitment, selection and appointment of independent co-opted member(s) to the Audit and Governance Committee and that the arrangements for the selection of such members be delegated by the Audit & Governance Committee to the Chairman of the Audit and Governance Committee in consultation with the Monitoring officer.</p> <p>C) Agree that the role of any independent co-opted member(s) from a constituent authority is not remunerated but note that they will receive expenses in line with the authority's current expenses policy.</p>			
	That an amendment to the Constitution be brought back to the Committee which would formally allow for co-opted members on the Audit and Governance Committee.	09/06/2023	20/09/2023				
	review the suggested update to the Combined Authority constitution and to provide recommendations to the Board to adopt the proposed changes as revisions to the Constitution, so that a co-opted independent member and substitute from constituent authorities can be appointed.	07/07/2023	20/09/2023				
	recommend to the Combined Authority Board to delegate the recruitment, selection and appointment of an independent co-opted member(s) to the Audit and Governance Committee and that the arrangements for the selection of such members be delegated by the Audit & Governance Committee to the Chairman of the Audit and Governance Committee in consultation with the Monitoring officer.	07/07/2023	20/09/2023				
	Comment on and agree to recommend to the CPCA Board that an additional independent person is appointed to sit on Audit Committee for a period of four years 1.1 which may be renewed up to a maximum of one further term (i.e. total maximum 8 years).	08/09/2023	20/09/2023	<p>A) Comment on and agree that an additional independent person is appointed to sit on Audit Committee for a period of four years.</p> <p>B) Approve the amendments to the constitution as set out</p>			

Independent Person	Recommend that the CPCA Board agrees to delegate to the Executive Director of Resources and Performance and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee, authority to finalise the draft role description, skills, competencies and person specification attached as Appendix 1 and to approve the advert.	08/09/2023	20/09/2023	in the report. C) Delegate to the Executive Director of Resources and Performance and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee, authority to finalise the role description, skills, competencies and person specification attached as Appendix A and to approve the advert.		
	Recommend to the CPCA Board that the recruitment of the Independent Member be led by a panel consisting of the Chairman of the Audit and Governance Committee and three members of the three main political parties of the committee supported by the Executive Director of Resources and Performance and the Monitoring Officer. Nominations for members of the committee be provided.	08/09/2023	20/09/2023	D) Agree that the recruitment of the Independent Person be led by a panel consisting of the Chairman of the Audit and Governance Committee and three members of the three main political parties of the Audit and Governance committee supported by the Executive Director of Resources and Performance and the Monitoring Officer. E) Following the recruitment process, a report to formally appoint the Independent Person will be presented to a future CPCA Board meeting		
	Recommend to the CA Board the implementation of the high level action plan as set out in Appendix 2 - Action Plan	09/06/2023	26/07/2023			

<p>Outcome & Recommendations from Procurement Review and High-Level Action Plan</p>	<p>Recommend that the CA Board approve the recruitment of the additional posts noted in the high level action plan (2 procurement and contracts officers and 1 contract manager) and that the costs of these posts will need to be built into the Medium Term Financial Plan for 2024-25 onwards</p>	<p>09/06/2023</p>	<p>26/07/2023</p>	<p>A Approve the Implementation of the high-level action plan as set out in Appendix 2 – Action Plan.</p> <p>B Approve the recruitment of the additional posts noted in the high-level action plan (2 procurement and contracts officers and 1 contract manager) and note that the costs of these posts can be covered from existing budgets in 2023-24 but will need to be built into the Medium-Term Financial Plan for 2024-25 onwards.</p>			
<p>Proposed changes to to Constitution following Procurement Review</p>	<p>approve the changes to the Contract Procedure Rules (CPR's) within the constitution which is to be discussed and approved at Board on 26 July 2023.</p>	<p>07/07/2023</p>	<p>26/07/2023</p>	<p>C Approve the Procurement Policy attached to this report.</p> <p>D Approve the Procurement Strategy attached to this report</p> <p>E Approve the revised Contract Procedure Rules attached to this report and note the intent to maintain the Guidance Document as an Appendix to the main Constitution subject to the Guidance document coming back to Board in September.</p>			
	<p>Recommend to the Combined Authority Board to approve the Procurement Strategy and Procurement policy document which is to be discussed and approved at Board on 26 July 2023.</p>	<p>07/07/2023</p>	<p>26/07/2023</p>				

Revisions to Scheme of Delegation	Committee reviewed the suggested update to the Scheme of Delegation of the Combined Authority recommended to the CA Board to adopt changes as revisions to the Constitution.	09/06/2023		Going to board in November			
Member Officer Protocol Report	The updated protocol incorporating the changes suggested by the Committee be presented to the CA Board for approval with a covering report which would highlight the strong feeling of the Committee in regard to breaches of the code.	07/07/2023	26/07/2023	<p>A Review the Member/Officer Protocol and comment on whether any further amendments are required.</p> <p>B Approve a yearly review of the protocol to be delegated to the Audit & Governance committee.</p> <p>C Authorise the Monitoring Officer in consultation with the Chair of the Audit and Governance Committee to make any make any changes to the protocol arising from the review and any further changes deemed necessary.</p> <p>D Note the information regarding instances when members have had to be reminded of the Protocol and officer seeking advice on whether the protocol would apply.</p>		Following CA Board's approval in September, amended protocol was agreed by A&G in September. They also decided that the protocol should be reviewed on a biennial basis	08/09/2023
Risk Management Framework and Deep Dive	Recommend to CPCA Board approval of the Risk Management Framework and Procedure (including refined Financial risk scoring definitions).	08/09/2023	29/09/2023	Approve the Risk Management Framework and Procedure			