



Audit & Governance Committee

Friday 26 January 2024

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| Venue: | Civic Suite, Pathfinder House, Huntingdon PE29 3TN | |
| Time: | 10.00 to 12.32 | |
| Present: | Cllr C Christy Cllr A Coles Cllr S Corney Cllr G Harvey Cllr S Smith Cllr A Whelan Cllr Mark Inskip Mr John Pye | Fenland District Council Peterborough City Council Huntingdonshire District Council South Cambs District Council Cambridge City Council East Cambs District Council Cambridgeshire County Council Independent Person and Chair |
| Officers in attendance | Rob Bridge Nick Bell Rob Emery Angela Probert Chris Bolton Edwina Adefehinti Nathan Bunting Ian Pantling Nick Fanning Jacob McHugh Janet Dawson Susan Hall | Chief Executive Officer Executive Director for Resources & Performance Assistant Director Finance Interim Programme Director – Transformation Head of Programme Management Office Interim Head of Legal, Governance & Monitoring Officer Project Manager Senior Technical Accountant Internal Auditor (RSM) External Auditor (EY) External Auditor (EY) Data Protection Officer |

Minutes:

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| 1 | Apologies for Absence and Declarations of Interest |
| 1.1 | Apologies were received from Cllr Wilson substituted by Cllr Whelan. |
| 1.2 | No disclosable interests were declared. |
| 2 | Chair's Announcements |
| 2.1 | The recruitment timetable for the Independent Person was progressing with the aim that the advert should go out mid-February with the closing date mid-march. Shortlisting latest end of March, recruitment by end of April at the latest, ready for the first AGM in May. |
| 2.2 | The Chair had met with Elise Wilson, a member of the independent improvement board, to gain a perception of how things were going with the improvement journey and could report back positive feedback. |
| 3 | Minutes |
| 3.1 | The minutes of the meeting held on 17 th November 2023 were approved as a correct record. |
| 3.2 | The action log was noted. |
| 4 | Improvement Framework Report |

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| 4.1 | The Committee received the report which provided the Audit and Governance Committee with an opportunity to review progress over November and December 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 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • In response to a question about the embedding of the partnership working officers advised that they would seek feedback from partners but that how well the workstream was doing and this would also be tested through the delivery of key projects and the ability to access funding. There would be a number of indicators which would demonstrate the impact getting the partnership working embedded. • The CEO advised that Board members and senior officers were doing a lot of work on creating a common ambition for the Combined Authority area and devolution opportunities based on the new framework published in the Autumn Statement – this would be developed over the coming months. The Independent Improvement Board would meet with the CA Board to discuss progress in this area. • In response to a question about procurement training for all staff officers advised that following the review of procurement the CA was ensuring that all staff had basic training in procurement and those more directly involved were receiving more detailed training. • Where specialist skills were required for projects the CA planned to look to resources that could be shared across the organisation and with colleagues from constituent councils – this would especially help in areas of the market where it was difficult to get good quality staff. Apprenticeships would also be utilised and current staff trained up to encourage new talent came through the organisation. • In response to a question about the values and behaviours introduced at the CA and how these were being used; officers advised that the values now played a key part in all staff appraisals and recruitment processes to ensure that any candidates values aligned with that of the CA. • In response to a question about mid-year staff reviews officers advised that all mid-year appraisals had taken place but some final paperwork was waiting to be signed off and therefore the figure was higher than that reflected in the report. • The CEO advised that more mature and progressive Mayoral CA's operated in such a way that difficult conversations took place out of the public eye; while it was appropriate that the Mayor should be challenged and politics would sometimes come through as it was a democratic organisation; providing a safe place to provide the Board time to develop their common purpose was important. • In response to a comment about the role of the scrutiny committee the officers advised that the Overview and Scrutiny Committee had agreed to change the way it operated, including the appointment of rapporteurs and utilising the forward plan more effectively to identify areas for deep dives. The work done by the Overview and Scrutiny Committee had been recognised by the Centre for Governance and Scrutiny and was now seen as leading by example in this area. • In response to a question about the recruitment of permanent staff and the high turnover of agency staff the CEO advised that the CA was now receiving much higher numbers of applicants for roles than they had seen previously. Helpful interim staff were taken on to help the CA on its journey and permanent staffing would create the stability required. • The Chair stated that the Committee welcomed the progress and would be pleased to |

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| | see more work done with the CA Board and requested that further thought on the culture of the CA Board be included in the next update. |
| 4.3 | <p>RESOLVED</p> <ul style="list-style-type: none"> a) Note the progress made over November and December 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 2.7. b) Note the proposed transition from the current Improvement plan to continuous improvement activity embedded across and down through the Cambridgeshire and Peterborough Combined Authority set out in paragraph 2.8. c) Note the intention to review the current remit and focus for the Independent Improvement Board following the delivery of stated areas of improvement identified by the External Auditor and the Best Value Notice set out in paragraph 2.9. d) Note the outcome of the recent Internal Audit review of the 'Project planning and delivery' improvement programme set out in paragraph 2.10 |
| 4.4 | <p>ACTION</p> <ul style="list-style-type: none"> 1) Further detail on the progress of the culture of the CA Board be included in the next update. |
| 5 | Corporate Risk Register |
| 5.1 | The Committee received the report which provided a progress update on the refreshed risk register, risk dashboard and heat map and provided an update on the progress of the Risk Software implementation at a service level. |
| 5.2 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • Members queried the lack of movement of the risks and were advised that these had been checked with the risk owners; some were waiting on decisions to be taken and more movement was expected in the next month. • Officers advised that risks were discussed at CMT level and project manager level on a monthly basis. Risks were monitored with a bottom up approach together with CMT doing horizon scanning for future risks – this approach helped with identifying emerging risks. • Officers advised that the CA had received a positive assessment of the measures used and progress had been made on compliance. It was important that risk was an integral part of each project undertaken by CA and this was part of the culture being embedded. • The strategic risk register would drive the internal audit review and plan going forward and as a result the Committee should see more internal audits coming back with a reasonable assurance as these risks would be identified at an earlier stage and mitigations put in place. • The Committee commented that reputation did not currently appear as a risk and officers agreed that this was a good challenge for CMT to consider as although reputation was implicit in many areas it would probably help to make it more explicit. • The Committee requested that further deep dives of risks on the register be provided to help provide more context. |
| 5.3 | <p>RESOLVED</p> <ul style="list-style-type: none"> a) To note the refreshed Corporate Risk December 2023 register report, risk dashboard and heat map |

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| | b) To note the update on progress of the Risk Software implementation at a service level c) To note Monthly Corporate Management Team Risk register reviews |
| 5.4 | <p>ACTION</p> <p>1) A list of deep dives for the Committee to consider going forward to be brought to the next Committee meeting.</p> |
| 6 | Internal Audit Tracker |
| 6.1 | The Committee received the report which provided an update on the progress on the implementation of internal audit actions. |
| 6.2 | <p>The following points were raised during discussion:-</p> <ul style="list-style-type: none"> • Officers agreed to provide more detail in the commentary going forward. • In response to a question about the subsidiary companies and the oversight the CA had over these officers advised that the number of companies was being reduced and going forward companies would only be set up where there was no other way to manage projects. There was also the new Shareholder Board which would soon become the Investment Committee which would consider key investments under the Single Assurance Framework and help to provide the oversight required. • In response to a question about whether delays were due to deadlines not being realistic; officers advised that this was the case for some of the audits undertaken but for others there were external factors that played a part such as delays to the audit of accounts and work being done on the MTFP. |
| 6.3 | <p>RESOLVED:-</p> <p>a) To note progress on the implementation of internal audit actions b) To review the internal audit tracker on an annual basis and have this added to the work programme going forward.</p> |
| 6.4 | <p>ACTION</p> <p>1) Internal Audit Tracker to be added to the work programme for an annual report in January going forward.</p> |
| 7 | External Audit Draft Audit Results & Value for Money Opinion |
| 7.1 | The Committee received the report which provided the External Auditors Audit Results Report summarising the status of the audit and expressed an opinion on the 2021/22 financial statements. |
| 7.2 | <p>The External Auditors advised that they were aiming to have the accounts completed for the March A&G Committee meeting.</p> <p>The 22/23 accounts would focus on the work that was carried out following the issue of the best value notice and whether sufficient attention was being paid to weaknesses – this would then lead into the work for the 23/24 accounts.</p> <p>The Chair advised he was happy to have an informal chat with the External Auditors if that would be helpful for the process.</p> |
| 7.3 | <p>RESOLVED:-</p> <p>a) To note the report.</p> |

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| 8 | Statement of Accounts & Annual Governance Statement - 21-22 |
| 8.1 | The Committee received the report which recommended they approve the audited accounts and review the annual governance statement. |
| 8.2 | <p>On being proposed by Cllr Coles and seconded by Cllr Smith the Committee RESOLVED (UNANIMOUSLY) :-</p> <p>a) To approve the audited Statement of Accounts 2021/22 b) To review the Annual Governance Statement 2021/22 c) To authorise the Chair of the Audit and Governance Committee to sign off any further im-material changes required to the Statement of Accounts and Annual Governance Statement for 2021/22 prior to publication</p> |
| 9 | Draft Financial Strategies |
| 9.1 | The Committee received the report which requested that they review and comment upon the Draft Capital, Investment and Treasury Management Strategies for 2024-25 and the draft 2024-25 Minimum Revenue Provision (MRP) statement. |
| 9.2 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> Members commented that as there were only minor changes this showed the maturity of the organisation and the progress being made. Officer advised that all policies aligned with the CIPFA guidance. |
| 9.3 | <p>RESOLVED:-</p> <p>a) To review and comment upon the Draft Capital, Investment and Treasury Management Strategies for 2024-25 and the draft 2024-25 Minimum Revenue Provision (MRP) statement.</p> |
| 10. | Internal Audit - Progress Report January 2024 |
| 10.1 | The Committee received the report which provide an update on the progress of the internal audit plan for 2023/24. |
| 10.2 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> The Committee were advised that the audit on the HR system had been dropped as the CA was about to switch to a different system. Progress on making sure recommendations were implemented had been positive. The Chair requested that it would be helpful to have a direction on whether the authority would receive a positive opinion so this could be included in the committee's annual report; the Internal Auditor advised that as 3 out of the 5 audits had been positive it looked likely that this would be the case. |
| 10.3 | <p>RESOLVED:-</p> <p>a) To note the Internal Audit Report</p> |
| 11. | Code of Conduct - Lessons Learned |
| 11.1 | The Committee received the report which provided the Committee with an overview of observations from the recent code of conduct complaint concluded on 14th November 2023 and requested any comments or recommendations regarding code of conduct complaints, investigations, sanctions, hearings and decisions. |

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| 11.2 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • The Committee had received some useful comments via email from a CA Board member which the Committee felt were important for officers to take into consideration when making any amendments to the constitution. • The Committee discussed that it would be useful to research what other local authorities use in regard to their sanctions and see if these could be used to benchmark for a recommendation to the CA Board to amend the current sanctions in the constitution. • Members discussed that they felt that the process that had been carried out had been rigorous, considered, and that an evidenced based judgement had been reached. • The Monitoring Officer advised that the LGA had prepared a model Code of Conduct which many other local authorities had adopted and would be happy to consider as part of the research on best code of conducts to benchmark against. • Members felt there was little value in writing to government regarding the limits on the sanctions available as one committee would make little impact. • Members felt that it was important to emphasise the importance of prevention of the problem; by having a supported whistleblowing arrangement and an embedded culture that would support this would help identify any problems as they emerged rather than it escalating. |
| 11.3 | <p>RESOLVED:-</p> <p>a) To identify areas for further work which may include amendments to the code of conduct and/or hearings.</p> <p>b) To consider whether to write to the government and Committee on Standards in public to reconsider the law on sanctions.</p> <p>c) The Combined Authority Monitoring Officer to come back to the next meeting with a report on possible amendments to the Combined Authority Constitution having researched the LGA and other local authorities Code of Conduct to benchmark against and also take into account the comments received from a CA Board member.</p> |
| 12. | Annual Code of Conduct & Complaints Report |
| 12.1 | <p>The Committee received the report which provided an overview of complaints dealt with throughout 1 June 2023 to 31 May 24("the review year")and complaints against members for this period.</p> |
| 12.2 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • Members requested that the stages that complaints were at be included in future reports. • In response to a question about whether there were interventions that could be taken to prevent complaints getting to this stage; the Monitoring Officer advised that A&G Committee could intervene as it was part of their role to monitor member behaviour and standards. Regular meetings with other members to provide advice; mediation and away days could also be considered. • The Monitoring Officer advised that the A&G Committee could recommend to the Board that any member that wished to sit on a CA Board or Committee must attend code of conduct training. • Members requested that the report be brought to the committee on a bi-annual basis so they could monitor the number of complaints and gauge whether the current in- |

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| | crease was an ongoing trend. |
| 12.3 | <p>RESOLVED:-</p> <p>a) The annual report on code of conduct complaints be reviewed and any areas for further work be identified.</p> <p>b) The Committee agreed that complaints and code of conduct report should be brought back to the committee in six months' time to review</p> |
| 13. | Review of A&G Committee Arrangements |
| 13.1 | The Committee received the report which sets out the results of a questionnaire sent to Members of the Audit & Governance Committee and a workshop attended by Members of the Audit & Governance Committee to consider a number of potential changes to the arrangements for the Committee. |
| 13.2 | The Committee agreed that the annual review should be added to the work programme for January's meeting. |
| 13.3 | <p>RESOLVED:-</p> <p>a) To note the outcome of the review of the arrangements for the Audit & Governance Committee following the completion of the questionnaire and workshop regarding options for changes following benchmarking with other Mayoral Combined Authority Audit & Governance Committees.</p> <p>b) To approve that there will be an annual review by Members of the Audit & Governance Committee of the arrangements for that committee in sufficient time for any proposed changes to be made in the following Municipal Year.</p> <p>c) To ask the Monitoring Officer to contact other Mayoral Combined Authorities with a view to establishing a forum for the Chairs and Vice-Chairs of their Audit & Governance Committees to discuss issues of mutual concern and benefit.</p> |
| 13.4 | <p>ACTION</p> <p>1) The Annual review of Committee Arrangements be added to the work programme.</p> |
| 14. | Information Governance Update |
| 14.1 | The Committee received the report which provided an update the Audit & Governance Committee on the current position with regards to Information Governance and to provide data related to Freedom of Information requests, Environmental Information requests, data breaches and state 2 complaints for the period 01 January 2023 – 31December 2023. |
| 14.2 | <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • The Data Protection Officer advised that the CA received a mixture of FOI requests from various sources including the press, researchers and local campaign groups. • There was not currently a communications strategy linked to FOI requests however, all FOI requests were published on the CA website. • The Committee requested that more detail and context be provided in the next report. |
| 14.3 | <p>RESOLVED:-</p> <p>a) To note the contents of this report.</p> |
| 15. | Audit and Governance Work Programme |
| 15.1 | The Committee received the report which provided the Committee with the draft work programme for 23/24 municipal year. |
| 15.2 | The Committee requested that a draft work programme for the 24/25 municipal year be |

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| | provided at the next meeting including development session dates and suggested topics. |
| 15.3 | RESOLVED a) To note the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year attached at Appendix 1 |
| 15.4 | ACTION 1) Draft work programme for the 24/25 municipal year be provided at the next meeting including development session dates and suggested topics. |
| 16. | Date of Next Meeting |
| 16.1 | Friday 8 th March 2024 at Huntingdonshire District Council |

Chair