



# Audit & Governance Committee

**Friday 17 November 2023**

Venue:	Civic Suite, Pathfinder House, Huntingdon PE29 3TN	
Time:	10.00 to 13.00	
Present:	Cllr H Nawaz Cllr A Coles Cllr S Corney Cllr G Harvey Cllr M Todd Jones Cllr G Wilson 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 Rob Emery Chris Bolton Edwina Adefehinti Dan Harris Jacob McHugh Adam Lickorish	Chief Executive Officer Assistant Director Finance Head of Programme Management Office Interim Head of Legal, Governance & Monitoring Officer Internal Auditor (RSM) External Auditor (EY) RSM

## Minutes:

<b>1</b>	<b>Apologies for Absence and Declarations of Interest</b>
1.1	Apologies were received from Cllr Christy, substituted by Cllr Nawaz and from Cllr Smith, substituted by Cllr Todd Jones.
1.2	No disclosable interests were declared.
<b>2</b>	<b>Chair's Announcements</b>
2.1	Nick Bell, Executive Director for Resources and Performance would be retiring at the end of this municipal year.
2.2	The Committee had a brief private meeting with the Internal and External Auditors in September in line with best practice – there was nothing to report following that meeting.
2.3	<p>The Hearing panel, which was a cross party subcommittee of A&amp;G – with the independent Chair – met on Tuesday to determine code of conduct complaints against the Mayor.</p> <p>The Panel sought representations from the legal adviser to the Panel, from the CPCA's independent person, from the independent investigator and from the Mayor's legal representative, in deciding whether or not to publish the Investigator's Report - the options were to publish either a full or a redacted version of the Report, or not to publish at all. After deliberation, the Panel decided unanimously not to publish the Investigator's Report. All the other findings of the Panel were also unanimous.</p> <p>The Law and the CPCA's Constitution prescribed the sanctions that could be imposed on an elected member. Consequently, and in order to ensure lawful and proportionate sanctions, the Panel constrained itself to the sanctions available to it.</p> <p>A Decision Notice would be published next week. This would set out the background and context to</p>

	the conduct complaints, together with the Panel's findings.
<b>3</b>	<b>Minutes</b>
3.1	The minutes of the meeting held on 8 <sup>th</sup> September 2023 were approved as a correct record.
3.2	The action log was noted.
<b>4</b>	<b>Improvement Framework Report</b>
4.1	The Committee received the report which provided 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 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"> <li>• The Chief Executive advised that the team at the Combined Authority had worked hard to help progress the organisation to be doing what it should for the region. There had been strong endorsements on partnerships; there would be a bigger piece of work including case studies which would be presented to the Independent Improvement Board (IIB) next week. There was hope that the organisation would be in a position in the New Year for the External Auditors to consider a positive Value for Money (VFM) opinion and for the government to consider removing the Best Value Notice.</li> <li>• Members queried the partnership RAG rating as it was not clear what needed to be done to get the rating to GREEN. They were advised that officers hoped it would be green following discussions with the IIB next week. DLUHC were requesting the CA demonstrate how good partnership working would be embedded within the organisation, but this would be a long process.</li> <li>• In response to a query on whether the partners were doing what the CA needed them to do to help embed good partnership working, the CEO advised that they had received feedback from constituent councils, other external partners and the M10 group (group of combined authorities Monitoring Officers) on how the CA was working with them. Despite potential areas of disagreement there was a shared goal that there needed to be a common vision. There was more work to be done to ensure the Region had one voice when approaching government. The CEO was confident of the work being done at the officer level.</li> <li>• The Chair invited the External Auditors to say when would they be in a position to provide their VFM opinion. The External Auditor advised that they appreciated that the CA had taken lots of steps and that they were confident, now certain matters had been concluded that they should be able to provide a final opinion on the 21/22 accounts in January.</li> <li>• In response to a query about how the Authority could provide assurance around the areas of risk highlighted by the recent code of conduct hearing; the CEO advised that he would be working with statutory officers to ensure that the recommendations made at the A&amp;G Sub Committee were followed through; there were appointments being made to the final vacant senior management positions this month. These appointments would be made by the Human Resources Committee who would have been involved in the drafting of the job descriptions; the shortlisting and the interview process and that external stakeholders were also involved. The skill set of anyone applying to work at the CA would be heavily scrutinised and this process had been in place since 2022.</li> <li>• The culture of the organisation was changing; the way of working and staff feeling they were part of something positive was something officers would endeavour to demonstrate to external viewers.</li> <li>• It was important that the CA was not seen as a separate entity to everybody else – it was part of the system, and everyone was part of the CA and therefore the success was down to all councils; for the CA to be successful it was important to focus on making it clear there</li> </ul>

	<p>was a common vision.</p> <ul style="list-style-type: none"> <li>• In response to a question, the CEO assured the Committee that once the Best Value Notice was lifted the organisation would continue to work on improvement through an internal improvement board and the CEO encouraged the A&amp;G Committee to have regular updates on the improvement work of the authority going forward.</li> <li>• In response to a question on how the CA should communicate its role to other levels of local government; the CEO advised that all minutes and decision made at the CA were shared with the constituent councils but there was further work to be done on how the CA communicated with all levels of government and partners.</li> </ul>
4.3	<p>The Committee RESOLVED:</p> <ul style="list-style-type: none"> <li>a) To 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.</li> <li>b) To note the outcome of the recent Internal Review of the governance and decision making improvement programme</li> <li>c) To note the feedback from the staff conference on the progress made over the last 12 months</li> </ul>
5	<b>Corporate Risk Register</b>
5.1	<p>The Committee received the report which provided a progress update on the refreshed risk register, risk dashboard and heat map and requested that the Committee agree how often they would like to receive the register going forward.</p>
5.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> <li>• Members felt that the new dashboards were helpful and that the process was starting to embed and mature.</li> <li>• The Committee were advised that some risks since the last meeting had been closed while others had been consolidated.</li> <li>• Many of the risks appeared to fall under finance; this was due to finance underpinning much of the work done at the CA including links to the delivery of any project. Other risks such as cyber security fell under finance as it was managed under that directorate despite it not being a financial risk.</li> <li>• The limited amount of detail on cyber security was intentional, but officers advised that the CA followed best practice as advised by GCHQ.</li> <li>• The dashboard that had been presented to the Committee had been devised specifically for A&amp;G; however, other departments within the organisation would also receive the dashboards to ensure officers were risk aware and that decisions taken were risk informed.</li> <li>• The Committee were advised that the Executive Directors reviewed the risk register and dashboards monthly; the specific risks were taken to each relevant committee. Currently the risk register was not taken to CA Board but could be in future to ensure visibility at all levels.</li> <li>• Members were unaware that the CA Board had not asked to see the register. They agreed to recommend that the register should be considered by the CA Board at least once a year.</li> <li>• The Committee discussed and agreed they felt they should continue to receive the risk register at every meeting.</li> </ul>
5.3	<p>Committee RESOLVED:</p> <ul style="list-style-type: none"> <li>a) To note the refreshed Corporate Risk register report, risk dashboard and heat map.</li> <li>b) That the register should be reviewed at every A&amp;G for the foreseeable future and in line with best practice.</li> <li>c) To note the update on Risk Software including Training.</li> </ul>

	d) The Committee welcomed the maturity reached in devising a way of presenting risk in an understandable and meaningful way and recommended that the CA Board should review the Corporate Risk Register at least once a year.
5.4	ACTION  1) Corporate Risk Register be added to the work programme for every meeting going forward. 2) Recommend that the CA Board review the register at least annually.
6	<b>External Audit – Cambridgeshire &amp; Peterborough Combined Authority – Audit Results Report</b>
6.1	The Committee received the report which presented the audit results report which expressed an opinion on the 2021/22 financial statements and addressed current statutory and regulatory requirements.
6.2	The following points were raised during the discussion:-  <ul style="list-style-type: none"> <li>• Officers advised that they felt that the audit had gone very smoothly and would be taking on both of the advisory notes within the External Auditors report.</li> <li>• In response to a query on the exit payments, officers advised that some payments fell between financial years, and they should be listed according to the year they related rather than the year they were paid – further information on this would be included in the report being brought to the January meeting.</li> <li>• The CEO stated that this was a positive audit report and showed how far the organisation had progressed. In regard to the VFM opinion still outstanding, discussion would be held with the external auditor as this would be crucial for when government reviewed the Best Value Notice.</li> <li>• The Chair requested that the External Auditor and officers aim to ensure that the audit could be brought to the A&amp;G meeting on the 12<sup>th</sup> January.</li> </ul>
6.3	RESOLVED  a) To note the content of the report
7	<b>23/24 Treasury Management Mid-Year Review</b>
7.1	The Committee received the report which requested the Committee review the in – year against the prudential indicators included within the Treasury Management and Capital Strategies.
7.2	The following points were raised during the discussion:-  <ul style="list-style-type: none"> <li>• In response to a question on falling interest rates and the impact on treasury management the committee were advised that the CA were expecting the rates to peak at 5% and then fall in the medium term to 4% and therefore the current spread of the portfolio was not expected to change significantly. Officers would be looking to move to longer term rates with local authorities to lock in the rates.</li> <li>• There had been a risk identified by the internal auditors under Treasury Management in regard to staffing levels as there were currently only two officers to manage the day-to-day treasury management strategies. This would be addressed and reflected in the risk register in the future.</li> </ul>
7.3	RESOLVED

	a) To review and note the in-year performance against the adopted prudential and treasury indicators.
<b>8</b>	<b>Internal Audit – Progress Report November 2023</b>
8.1	The Committee received the report which provided an update relating to the 2022/23 internal audit plan.
8.2	<p>The Chair said that, if possible, it would be good to include the internal audit opinion as part of the A&amp;G Committee's annual report which would be brought to the March meeting.</p> <p>The Vice Chair proposed that in their annual report the Committee state their support of the CEO's earlier statement that the CA would commit to continuous improvement going forward after the Best Value Notice had been lifted, and that the Internal Auditors should pick up elements of that continuous progress of improvement as part of their audit plan for 2024/25.</p>
8.3	<p>RESOLVED</p> <p>a) To note the contents of the report.</p>
8.4	<p>ACTION</p> <p>1) The Committee add into the annual report a statement to support that the CA would commit to continuous improvement going forward after the Best Value Notice had been lifted, and that the Internal Auditors should pick up elements of that continuous progress of improvement as part of their audit plan for 2024/25</p>
<b>9</b>	<b>Whistleblowing Policy</b>
9.1	The Committee received the report which provided an update on the changes to the whistleblowing policy, lessons learnt, and action taken to improve the policy and its operation.
9.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> <li>• Whistleblowing training was now provided to all staff as part of the induction process and was also covered in management training.</li> <li>• There were now links and signposting available on the CA Hub for all staff to access with ease.</li> <li>• As part of the new employee benefits officers can now use the ViVup platform, the CA health and wellbeing partner for staff to access support and have confidential discussions and get advice from independent sources.</li> <li>• Going forward, the goal was to make it even more visible to staff with posters around the office environment to assure staff that the CA culture was one of being open and that they would be supported.</li> <li>• In response to a question about how complaints were filtered to ensure they were genuine, members were advised that it was a balance between ensuring that anyone could make a whistleblowing complaint and then allowing an investigation to take place to ensure the complaint was genuine.</li> </ul> <p>The Committee welcomed the changes and supported the CEO's pledge to make arrangements on whistleblowing more visible to staff to help promote confidence in the process.</p>
9.3	<p>RESOLVED</p> <p>a) To note the report of the report and whistleblowing policy</p>
<b>10</b>	<b>Audit and Governance Work Programme</b>
10.1	The Committee received the report which provided the Committee with the draft work programme for

	and also with the draft recommendation tracker requested for feedback from members.
10.2	<p>The following items were requested to be added to the work programme:</p> <ul style="list-style-type: none"> <li>- Lessons Learned following the recommendation from the A&amp;G Sub Committee to be added to the January meeting agenda.</li> <li>- External Audit Opinion to be added to the January meeting agenda.</li> </ul> <p>The Chair advised that there may be a need to use the reserve meeting in February to agree the accounts if they were not ready for their January meeting and if this was the case the scheduled Development Session would be held after this meeting.</p>
10.3	<p>RESOLVED</p> <ul style="list-style-type: none"> <li>a) To note the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year attached at Appendix 1</li> <li>b) To note the recommendation tracker for the Audit and Governance Committee attached at Appendix 2</li> </ul>
11.	<b>Date of Next Meeting</b>
11.1	Friday 12th January 2024 at 10am Huntingdonshire District Council

Chair