



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 17 December 2021

Time: 10:00

Location: Sand Martin House, Peterborough

Present:

Mr John Pye
Cllr Ian Benney
Cllr Mike Sargeant
Cllr Graham Wilson
Cllr Mohammed Haseeb
Cllr David Brown

Chairman
Fenland District Council
Cambridge City Council
Cambridgeshire County Council
Peterborough City Council
East Cambridgeshire District Council

Officers:

Robert Parkin
Robert Emery

Mark Hodgson

Robert Fox

Monitoring Officer
Deputy Chief Finance Officer (remote attendance)
External Auditors, Ernst & Young (remote attendance)
Governance Officer

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies were received from Cllr Shaz Nawaz, Peterborough County Council who was substituted by Cllr Mohammed Haseeb. Apologies were also received from Cllr's Graham Bull and Mac Maguire, Huntingdonshire District Council; and Cllr Tony Mason, South Cambridgeshire District Council whose substitute Cllr Peter Fane joined the meeting remotely.
- 1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 Given this meeting was rearranged from the scheduled date on 26 November due to issues of quoracy the Chair encouraged members to have a dialogue with their

named substitutes to avoid the risk of future meetings being inquorate and having to be abandoned.

- 2.2 The Chair informed the Committee of the latest public health guidelines encouraging business at meetings to be reduced and to only consider items which require a timely decision. To that end the Chair proposed to reduce the agenda for the meeting and suggested deferring items 4, 6, 10, 12 and 13 on the agenda to the next meeting of the Committee. This was agreed.
- 2.3 The development session on the role of the Audit & Governance Committee and projects would be rescheduled to 2022.
- 2.4 The Chair informed the Committee that an Independent Person for the Authority's complaints procedure has been appointed and the decisions had been ratified by the Combined Authority Board. David Pearl had been appointed with the reserve Independent Person being Gillian Holmes.

3. Minutes of the last Meeting

- 3.1 The minutes from the meeting held on 24 September 2021 were agreed as a correct record.
- 3.2 The Actions from the previous meeting were noted.

4. Combined Authority Board Update

- 4.1 This item was deferred.

5. Corporate Risk Register

- 5.1 The Chair stated the Committee should focus on the recommendations it might wish to make to the Combined Authority Board in relation to the register.
- 5.2 The Chair invited Robert Parkin to introduce the report. Robert informed the Committee that there was work being undertaken with the Authority internal auditors, acting as advisors on risk management and risk-setting. One of the likely outputs of this work would be to place the Committee in a better position to advise on risk. There were likely to be changes to how the risk register was presented to the Committee in the future.
- 5.3 Robert informed the Committee that its recommendation to the Combined Authority Board on the residual risk score for climate change was agreed, and that the Board shared the Committee's concerns about the score being too low. The risk level had subsequently been raised.
- 5.4 The Committee questioned whether risks 21 and 32, related to housing, should be increased and have the same scores, which is currently not the case. This Committee's concerns would be raised with the Director of Housing.
- 5.5 Following a question on the risk associated with the future strategy of the Combined Authority Robert Parkin confirmed that mitigation steps were being undertaken currently by officers with Leaders. The Chair supported the inclusion of this risk and requested future assurances on actions to ameliorate the risk were being put in place.
- 5.6 The Committee noted the risk register.

6. Internal Audit

- 6.1 This item was deferred.

7. External Audit

- 7.1 The Chair welcomed Robert Emery and Mark Hodgson, Ernst & Young to the Committee. Robert informed the Committee that they were being requested to approve the management letter of representation.
- 7.2 Mark gave the Committee the same assurances as stated in July and that he intended to issue an unqualified audit opinion.
- 7.3 Mark also informed the Committee that a value for money assessment for 2021 had been completed and there was no significant risk and no matters to report by exception. There were no new risks to take into account.
- 7.4 The Chair asked the Committee to approve the management representation letter. Cllr Brown moved to approve the letter, and this was seconded by Cllr Wilson.

The Committee AGREED:

- 7.5 a) The management letter of representation for the external audit opinion.

8. Annual Accounts and Annual Governance Statement

- 8.1 The Chair invited Robert Emery to introduce the report. The Committee was informed there were no changes to the draft accounts, previously received. Robert highlighted a revision on the line for the Peterborough HE Company Limited of £139,000 which was below the reporting threshold to change the accounts. The external auditors had had full sight of the amendment and sought opinion from the subsidiary company auditors. The balance sheet of the subsidiary company does not alter the Combined Authority accounts.
- 8.2 Robert highlighted the two amendments to the Annual Governance Statement, the first of which was in response to a challenge from this Committee and been agreed by the Authority's internal and external auditors. The second amendment was requested by the Chief Executive of the Combined Authority.
- 8.3 The Committee AGREED:
- a) to approve the annual accounts;
 - b) to approve the Annual Governance Statement.

9. Re-tendering Process

- 9.1 The Committee were requested to consider a recommendation to opt into the national scheme for auditor appointments for the period 2023/24 to 2027/28. The Combined Authority Board would be considering this at their January 2022 meeting.
- 9.2 The Chair asked the Committee if they were content with the recommendation to opt into the national scheme and make a recommendation to the Combined Authority Board on that basis. The Chair moved to support the recommendation, and this was seconded by Cllr Brown.
- 9.2 The Committee AGREED:
- a) to support opting into the national scheme for auditor appointments for the period 2023/24 to 2027/28;
 - b) to make a recommendation to the Combined Authority Board on this basis.

10. Climate Change

- 10.1 This item was deferred.

11. Combined Authority Constitution Review

- 11.1 The Chair informed the Committee that they were asked to review the amendments to the Combined Authority Constitution following the annual review and invited Robert Parkin to introduce the report.
- 11.2 Robert Parkin informed the Committee that the review had incorporated legal updates, corrected any errors and had been edited for clarity. The Committee had had a Workshop session in October to consider and suggest amendments and these had also been incorporated in the review and the accompanying report provided a table of the amendments made. The Chair commended this approach, and it was agreed that this format be undertaken in future iterations of the Constitution following annual reviews.
- 11.3 It was raised that pages 26 and 88 of the revised Constitution had conflicting information around appointment of a Vice-Chair for the Combined Authority Executive Committees. Robert Parkin said that the Combined Authority Board would be asked whether or not it wished to appoint Vice-Chairs.
- 11.4 The Committee AGREED to:
- a) Approve the revisions following the annual review of the Constitution, subject to the amendment suggested in 11.3 above;
 - b) Recommend the revisions to the Combined Authority Board.

12. Treasury Management Strategy

- 12.1 This item was deferred.

13. Trading Companies

- 13.1 This item was deferred.

14. Work Programme

- 14.1 The work programme was noted.
- 14.2 With regard to the deferred item on Trading Companies, there was a request for further information and background on the Combined Authority Board oversight of the subsidiaries as well as a list of the Board members for each Company.

15. Date and Time of Next Meeting

- 15.1 The Committee would next meet on Friday, 28 January 2022 at 10:00 at Sand Martin House, Peterborough. This was a change of venue from East Cambridgeshire District Council, Ely.
- 15.2 With no further business the Chair wished all a happy and safe festive season.

Meeting Closed: 11:00