

Audit & Governance Committee Meeting – Friday 13 January 2023

Feedback to the Board ahead of their meeting on 25 January 2023

Procurement Policy

The Committee had some reservations about the practicality and value of including environmental requirements above the social and economic requirements required by law. The following was therefore recommended:

1. That the impact of the new procurement policy needed to be monitored over the first year to see if there were any adverse consequences; either to value for money or on fair competition.
2. That the Policy should include an annual review of the nature and size of contracts.
3. That the Policy should define what is meant by a 'local supplier'.
4. That every effort should be made to minimise the bureaucracy of the procurement process in order to aid small businesses.

Revisions to the Constitution

The Committee felt that there should be a further examination of the revisions made and that the Monitoring Officer be invited to redraft, where necessary, to improve clarity and avoid ambiguity. Specifically, the following areas also needed to be addressed:

Introduction

The Committee recommended that the paragraph explaining the purpose of the Constitution should be carried over and included in the new version of the document.

Chapter 2/ Para 2.2.5

Why is a fourteen-day period needed? Could this not be immediate on receipt of notification?

Chapter 5/ Para 5.33.1

Is it sufficiently clear who can ask questions of whom? Should this read another CA *Board* Member?

Chapter 5/ Para 5.33.9

Needs to be explicit that, even if the response to a question raises further questions, no other member, other than the one who originally posed the question, can ask a supplementary.

Chapter 5/ Para 5.44 – Strategic Policy Debates

There needed to be more clarity about who could be invited, whilst also maintaining some flexibility.

Chapter 13/ Para 13.5.1 – The Audit & Governance Committee. To reflect the practice established by the CA Board since the Authority's formation:

- The Independent Member should be designated as Chair of the Audit and Governance Committee.
- The Vice-Chair of the Committee should be chosen by the Committee, at its first meeting each Civic Year.

Chapter 16/ Para 16.12.2 – Hearings Panel

This paragraph was felt to be too restrictive. It was recommended that the wording be amended to read 'at *least* 3 members', to provide flexibility for an Independent Chair and political balance.

Chapter 17/ Para 17.3.21 – Subsidiary Companies

The Committee recommended that the Constitution should stipulate that the Shareholder Board meet at least once a year.

In general, the Committee also recommended that the draft be reviewed for grammatical and spelling errors, and for consistency of language eg. the use of Board or CA Board.

Governance Arrangements

The A&G Committee welcomed the general approach and asked that the CA Board be provided with the following feedback:

1. There was confusion about the way that the voting arrangements were articulated in the draft. The Committee could not support the proposals as currently presented, ie that only Members of the Board would be entitled to vote, as their understanding was that the new thematic committees were there to reduce the workload of the CA Board. However, the Committee was supportive of the general move to thematic committees and the delegation of work *if* they were given the ability to vote.
2. The terminology be reviewed so that there was a consistent approach rather than, for example, the alternating use of thematic and executive committees.
3. The Monitoring Officer confirmed that under the terms of the 2017 order that Combined Authorities were unable to pay allowances. However, in order to assist the Constituent Councils with their own remuneration deliberations, the CPCA should provide assessments of the work involved in Committee roles.
4. The CA Board would have to take particular care of potential conflicts of interest when ratifying the appointments of Chairs of the Committee. It was considered likely that constituent councils would put forward candidates with experience in these roles, and who consequently might also be members of other related committees and boards.
5. It was not clear how the concept of informal advisory groups would work in practice and how they linked in with the Committees. It was felt it would be useful to include information on who calls for these groups, how their brief was set and how they were organised. It was recommended that in six months' time and in the light of experience, further appropriate guidance on their operation should be provided.

6. The Board needed to establish resource requirements and make suitable financial provision to deliver the improved Governance framework.
7. The Key Functions of the CA Board (as shown in Appendix A to the report) be amended so that they better captured the requirements of the Authority's response to the concerns expressed in the External Auditor's letter of 1 June 2022. These include:
 - a. That the CA Board's responsibility for driving performance of key deliverables and performance measures for good growth be elevated to a Key Function and included in the list (a)- (q) and reflected throughout the terms of reference.
 - b. A dynamic element to the key functions be included so that for example (a) should read to set, *review, keep up to date and revise* the long-term vision of the CA.
 - c. That a substantive reference to communication and consultation be included as, for example, consultation on the Budget was a statutory responsibility
 - d. That the wording of (n) - to exercise General power of competence - be exemplified with a much clearer and stronger statement as to its meaning.
8. The voting arrangements of the Board be explained and set out in their Terms of Reference.