



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 28 January 2022

Time: 10:00

Location: Sand Martin House, Peterborough

Present:

Mr John Pye
Cllr Jan French
Cllr Mike Sargeant
Cllr Graham Wilson
Cllr Shaz Nawaz
Cllr David Brown
Cllr Graham Bull
Cllr Tony Mason

Chairman
Fenland District Council
Cambridge City Council
Cambridgeshire County Council
Peterborough City Council
East Cambridgeshire District Council
Huntingdonshire District Council
South Cambs District Council

Officers:

Robert Parkin
Robert Emery
Anne Gardiner
Dan Harris
Jay Desai
Eileen Milner
Jodie Townsend

Monitoring Officer
Deputy Chief Finance Officer
Governance Manager
RSM (Internal Audit) (remote attendance)
RSM (Internal Audit) (remote attendance)
Chief Executive Officer (remote attendance)
Interim Head of Governance (remote attendance)
Senior Technical Accountant (remote attendance)
Chief Finance Officer (remote attendance)
Governance Officer (remote attendance)

Ian Pantling

Jon Alsop
Robert Fox

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies were received from Cllr Ian Benney, substituted by Cllr Jan French
- 1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 The Chair made the following announcements:
- 2.2 The Committee had attended a Development Session on 27th January 2022 on the role of the committee in major projects at the Combined Authority; the Chair encouraged committee members to watch the recording which had been circulated.
- The Committee had requested that they receive a further development session on project management which would report on value for money, provide hard numbers and qualitative aspects for the members to consider.
- 2.3 Agenda management - Although government restrictions had been lifted – the decision to shorten the agenda this month was taken prior to this and therefore certain items were removed to try to keep this meeting as short as possible. As a result, the agenda for next month would potentially be quite substantial.
- 2.4 The Risk register was not on this agenda as it was only last month when it came to the Committee, and nothing had substantially changed – the register would be brought to the March meeting and Directors would be in attendance to answer any questions.

3. Minutes of the last Meeting

- 3.1 The minutes from the meeting held on 17 December 2021 were agreed as a correct record.
- 3.2 Nick Sweeney, Residential Development Manager was in attendance (via zoom) to provide a verbal update on an outstanding action regarding the Housing risks on the Corporate Register.

Risk 21 referred specifically to the Affordable housing programme under the original devolution deal, which would come to end on 31st March 2022. This risk reported as being closed from 17.11.21 as the existential risk has been resolved and it was now back to being a project delivery risk until the end March 2022. This risk would be removed from the Corporate Risk Register.

Risk 32 referred to the potential ongoing role for the CPCA in Housing beyond expiration of the affordable housing programme in March 2022. This risk was higher, with greater uncertainty of what the future role of the CPCA in housing would look like without funding from central government. Clarification of the CPCA's role from Apr 22 onwards was pending papers to Housing Committee and the Board in March.

The commentary on risk 32 would be updated by the Director for Housing to better reflect this.

- 3.3 The Actions from the previous meeting were noted.

4. Combined Authority Board Update

- 4.1 The Committee received a verbal update from Eileen Milner, Chief Executive Officer (via zoom) with the following areas covered:
- 4.2 There were two important documents which the Combined Authority were waiting to be published by government, the Levelling Up White Paper and the LEP review; it was expected the two would be published in parallel. These reports would provide the CA with greater clarity and help to set the tone, context, and direction of travel for devolution in England.
- 4.3 The CA had created a Performance and Risk Committee to act as an internal peer challenge and to better understand the risks that faced the Combined Authority, the committee had met twice so far and would continue to meet monthly.

In response to a question about how the Audit and Governance Committee could get involved with this; the Chief Executive Officer advised that members of the Committee were welcome to attend to provide any advice to the new committee.

The Monitoring Officer advised that there was also work being undertaken by the internal auditors (RSM) to provide some guidance on risk management which would be reported to the Performance and Risk committee; and the governance around this would be reported to the A&G Committee.

Directors would also attend the A&G Committee in future to answer any queries the Committee had around risk.

The Chief Executive Officer advised that a workshop around risk and performance could be provided to members at a future date, once the work ongoing was more mature

- 4.4 The CA Board members and the Executive Team were working on developing the direction of the Combined Authority and this would tie into the current governance view being undertaken.

In response to how well the Combined Authority was working with its partner organisations, the Chief Executive Officer advised that the feedback received had been very encouraging – the tone was very proactive and visible and inviting others to sit alongside the Combined Authority helped ensure it became an asset for all those who created it to be a voice for Cambridgeshire & Peterborough.

- 4.5 The Local Transport and Connectivity Plan was a critical planning document for the Combined Authority. Following an extensive consultation, it appeared that there was an appetite for a re-write which would require a 12-week consultation period which would begin after the May elections.

- 4.6 In regard to housing, the team were having conversations with partners to understand what housing needed to look like for the geography of Cambridgeshire and Peterborough.

Work was being done with Homes England to provide a blueprint which could be shared collectively going forward.

- 4.7 The Business Board had appointed two new members who would join in March.

- 4.8 The University of Peterborough was looking ahead to the Autumn when the first intake of students would start.

- 4.9 Work was continuing in relation to the climate working group, which drew together representatives from local government organisations and utility companies.

- 4.10 The Committee thanked Eileen for the update.

5. Internal Audit Progress Report

- 5.1 The Committee received the report from the Internal Auditor, Dan Harris (RSM) which provided an update on the progress being made against the internal audit plan for 2021/22.

- 5.2 Committee members requested that in future the report would provide the dates for when the progress had been monitored. The Internal Auditor agreed that a comment would be added against each audit to note the date of when field work was carried out.

- 5.3 The Internal Auditor advised that there had been some slippage to the programme; this was partly due to additional audits that had been requested and partly due to requests for some reviews to be carried out in the fourth quarter.
There was the resource to be able to deliver these reviews and provide the Committee with an opinion just after the year end.

- 5.4 In response to a question about the IT arrangements the Monitoring Officer advised that there were currently interim arrangements with SOCITM, and that work was being

undertaken to build towards a more permanent solution with a procurement exercise being carried out.

The Combined Authority was in a strong position and was meeting its data management obligations.

- 5.5 In response to a question about the independence of the Internal Auditors if they were requested to become involved in providing ongoing advice / a critical friend review in relation to any projects; the Internal Auditor advised that any concerns around this would be reported to the Committee.
- 5.6 The Internal Auditor advised that if there was a positive opinion about any review then it was the practice to not provide full details.
- 5.7 In relation to the weaknesses mentioned under the Adult Education Budget review the Committee requested that an update on the Adult Education Budget come back to the Committee at a future meeting.
- 5.8 The Committee noted the progress report.

6. Review of Governance and Ways of Working

- 6.1 The Committee received the report from the Interim Head of Governance which provided the Committee with an overview of the purpose of the review of governance and ways of working at the Combined Authority and the evidence being gathered to inform the review.
- 6.2 The Committee queried whether any constitutional implications because of this review would come through this Committee and were advised that the A&G Chair would be engaged to discuss the key themes coming out of the review and any relevant areas would be brought to the Committee to discuss.
- 6.3 In response to a question around the review of the committee structure and the importance of ensuring that the Executive Committees were well informed about the views of external stakeholders, in particular central government departments on the performance of the Combined Authority, the officers advised that this was an important point and that decision makers should be well informed, and that the role of central government was a key theme that was emerging from the review.
- 6.4 The Interim Head of Governance advised that in addition to the review there was also ongoing governance improvements being undertaken to create a better understanding of governance across the CA.
- 6.5 The Committee noted the report and requested that a further update be brought to this Committee at the March meeting.

7. Financial Strategies

- 7.1 The Committee received the report from the Senior technical Accountant which requested that the Audit and Governance Committee to review the proposed Capital, Investment and Treasury Management Strategies and MRP Statement for 2022/23
- 7.2 In response to a question about the significant reduction in the budget from £105m to £58m between the 21/22 financial year and 22/23 financial year, the Committee were advised that this represented the number of programmes that would be due to finish in the 22/23.

Government had now moved towards inviting bids for grant funding for future projects.

- 7.3 In response to a question about the return funding from the CAM project, the Committee were advised that the company was still being wound up and the exact figure was not known yet but would be provided to the Committee.
- 7.4 The officers advised that they were looking into investment options to achieve a better rate of interest.
- 7.5 The Committee noted the report.

8. Combined Authority Trading Companies

- 8.1 The Committee received the report from the Monitoring Officer which provided the Committee with an update to the draft terms of reference in relation to the review and assessment of the Combined Authority's trading companies in line with the statutory powers invested in the Committee.
- 8.2 The Chair advised that there was still a way to go in regard to the nature of the governance for the companies at the CA. The next stage would be to try and understand how to apply these terms of reference. Officers advised that a report which would provide information on the governance status and the organisation of the companies would be brought to the June meeting.
- 8.3 The Committee requested that a further update be brought to the June meeting.
- 8.4 With six votes for and one abstention the Committee approved the terms of reference of the Committee in relation to the Combined Authority trading companies.

9. Work Programme

- 9.1 In response to a question raised earlier in the meeting the Committee were advised that the change to accounts deadlines would not impact the CPCA; the external auditors plan would be presented to the Committee in March and officers were hopeful that the audit results would be reported to the Committee in July.
- 9.2 The Committee requested that as part of the risk register report for the next meeting that further detail on the Covid impact be provided.
- 9.3 The Chair requested that the standard items that were due to come to the Committee at future meetings be added into the work programme.
- 9.4 The upcoming development session where the committee would undertake a self-assessment exercise would be held virtually with potential dates to be circulated to members.
- 9.5 The Annual report for the Committee would be brought to the March meeting for the members to review before being presented at the AGM for the CA Board in June.
- 9.6 With the additions above the work programme was noted.

10. Date and Time of Next Meeting

- 10.1 The Committee would next meet on Friday, 11 March 2022 at 10:00 at a venue TBC

Meeting Closed: 11:38am