



Report title: Revisions to the Cambridgeshire and Peterborough Combined Authority Constitution – Financial Regulations (Chapter 8)

To: Audit and Governance Committee

Meeting Date: 24th March 2023

From: Jon Alsop - Head of Finance (S73) and Chief Finance Officer

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) To review the suggested update to the financial regulations of the Combined Authority and to provide recommendations to the Board to adopt changes as revisions to the Constitution.

Voting arrangements: a simple majority of all Members.

1. Purpose

- 1.1 This report provides the Committee with commentary on proposed revisions to the Financial Regulations section of the Constitution with a view that these be approved and recommended for adoption by the Combined Authority Board.

2. Background

- 2.1 The Combined Authority is obliged to review its Constitution on an annual basis. Officers have been undertaking a process of review, and changes were recommended by this Committee on 13 January 2023 and were considered by the Combined Authority Board on 25 January 2023.
- 2.2 The review of the Constitution is an iterative process, and the Audit & Governance Committee will be receiving amendments for consideration to approve and recommend revisions to the document to the Combined Authority Board on an ongoing basis. The financial regulations review forms part of the next iteration.
- 2.3 The Audit and Governance Committee is responsible for keeping under review the governance arrangements, such as the constitution of the Combined Authority and is empowered to make recommendations to the Combined Authority Board.

- 2.4 Specifically, under its terms of reference, the Audit and Governance Committee is required to “Maintain an overview of the Council’s Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary”.
- 2.5 The Committee is therefore asked to review the proposed updates to the finance regulations as set out in this paper and to provide recommendations to the Chief Finance Officer to take forward to the CPCA Board for approval and incorporation into the Combined Authority’s constitution.

3. Main Issues

- 3.1 Appendix 1 of this report is the current version of the Financial Regulations with track-changes to indicate the amendments made to the current regulations. Appendix 2 is the ‘clean’ version of the suggested amendments to the Financial Regulations.

- 3.2 The key changes are:

Section 8.7 expansion of virement section
Section 8.8 expansion of variation section
Section 8.9 expansion of reserves section
Section 8.25 expansion of payment of accounts to include grants
Section 8.26 inclusion of purchasing cards section

Para 8.1.1 introduction updated to reflect CA local government act 1985.
Para 8.3.1 / 8.3.8 changes made to the wording to reflect that the CA do not delegate responsibility of delivery to constituent councils. Services are funded via grant arrangements.
Para 8.3.2 inclusion of Mayoral office requirements.
Para 18.9.2 inclusion of equipment and ICT arrangements around assets.
Para 8.23.2 inclusion of debt write off limits.
Para 8.24.3 update to reflect PO arrangements and payments of invoices.

4. Financial Implications

- 4.1 The proposals contain no financial implications.

5. Legal Implications

- 5.1 The Combined Authority is obliged to adopt and maintain a constitution and standing orders.
- 5.2 The CPCA, as a publicly-funded organisation, must demonstrate the highest standards of financial control and stewardship of public resources. The Financial Procedure Rules, along with the Single Assurance Framework and the Procurement Procedures in the Constitution, are a set of procedures that everybody working for or on behalf of the CPCA must observe in order to achieve those high standards.

6. Appendices

Appendix 1: Financial Regulations (Chapter 8) including mark up

Appendix 2: Financial Regulations (Chapter 8) clean copy