



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Date: Friday, 09 June 2023

Democratic Services

Edwina Adefehinti
Chief Officer Legal and Governance
Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Civic Suite, Pathfinder House, St Mary's Street, Huntingdon
PE29 3TN
[Venue Address]**

AGENDA

Open to Public and Press

- 1 Apologies for Absence & Declaration of Interests**
- 2 Election of Vice Chair for A&G Committee**
- 3 Co-option of Independent Member**
- 4 Chair Announcements**

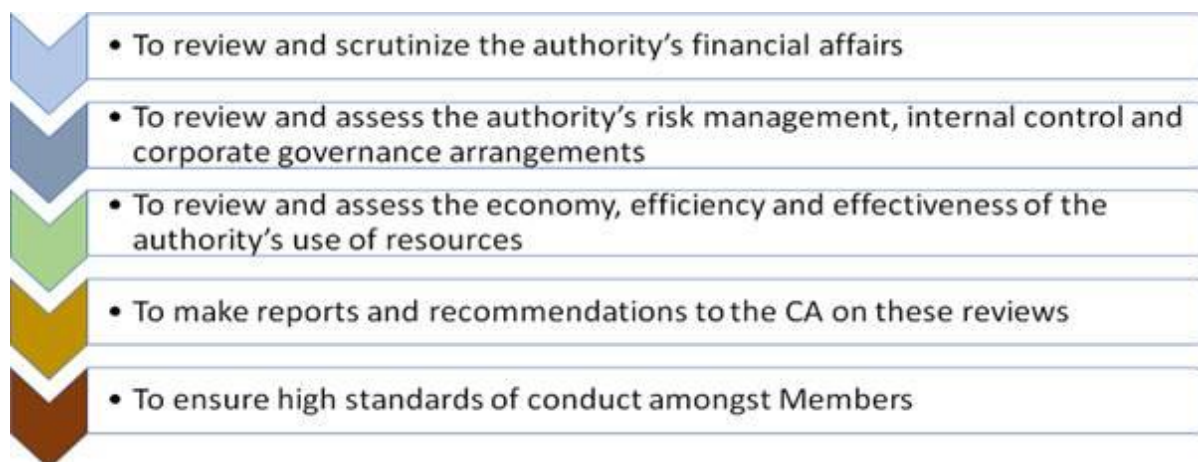
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5	Minutes of the Previous Meeting	6 - 12
	To approve the minutes of the meeting held on 24 March 2023.	
6	Single Assurance Framework Report	13 - 18
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18	Date of next meeting:	
	Friday 7th July 2023 at Pathfinder House, Huntingdonshire District Council	

The Audit and Governance Committee comprises the following members:

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

The Audit and Governance Committee Role.



The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

John Pye

Councillor Jackie Allen

Cllr Gary Christy

Councillor Stephen Corney

Cllr Geoff Harvey

Cllr Mark Inskip

Cllr Simon Smith

Councillor Graham Wilson

Clerk Name:	Anne Gardiner
Clerk Telephone:	
Clerk Email:	anne.gardiner@cambridgeshirepeterborough-ca.gov.uk



Audit and Governance Committee		Agenda Item
9th June 2023		3
Title:	Co-Option of Independent member from Constituent Councils	
Report of:	Edwina Adefehinti – Interim Monitoring Officer	
Lead Member:	Cllr Edna Murphy	
Public Report:	Yes	
Key Decision:	NA	
Voting Arrangements:	Majority	

Recommendations:

A	Consider the co-option of an independent member (and substitute) from a Constituent Council.
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1. Purpose

1.1	The purpose of the report is to ask the Audit and Governance Committee to consider the appointment an independent member (and substitute), from a Constituent Council for the ensuing year.
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2. Proposal

2.1	The Combined Authority Board has agreed to use its discretion to provide independent members a seat on both the Audit and Governance Committee and the Overview and Scrutiny Committee. Recognising the process operated through the exercise of discretion in previous years to provide an independent Member with a seat but ensuring the political balance of the Committee is not compromised, it has been proposed that the Audit and Governance Committee consider the co-option of an independent member (from a constituent Council) to the Committee. The co-opted member would not be given voting rights. Should the Audit and Governance Committee agree to the co-option of an independent member, authority may be delegated from the Combined Authority Board to the Committee to appoint a co-optee. The co-option would be for the municipal year 2023/24.
2.2	An appointment would not compromise the political balance of the Committee. The co-opted member (and substitute) is without voting rights but may be given voting rights by resolution of the combined authority.
2.3	If the Committee wished to pursue co-opting an Independent Member (and substitute), this would be actioned by recommendation to the Combined Authority including amendment to the Constitution, formally allowing for co-opted members. A process of selection would follow which could include seeking expressions of interests with a random selection made by an independent officer of the authority, witnessed by the Monitoring Officer.

3. Background

3.1	The Combined Authority at its Annual General Meeting on 31 st May 2023 confirmed the appointment of members nominated by constituent councils to the Audit and Governance Committee.
3.2	The Board also requested that the Audit and Governance Committee consider the co-option of an independent member (and substitute) from a Constituent Council for the municipal year 2023/24. The substitute will not necessarily be required to be a named substitute from the same Constituent Council.

4. Appendices

4.1	<i>None</i>
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5. Implications

Financial Implications

5.1	In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, no remuneration is to be payable by the Combined Authority to its members including co-opted members of the Overview and Committee.
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Legal Implications

6.1	<p>The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 provides for members of the Overview and Scrutiny Committee appointed from the constituent councils and those who are appointed other than from the constituent councils. The CFGS guidance referred to within the main body of the report describes three categories of members:</p> <ol style="list-style-type: none">1 Members of the committee appointed from a constituent authority. These members have a vote and are taken into account for the purpose of political proportionality. Such members would be nominated by their home authority, subject to proportionality requirements...2 Members of the Committee appointed from a non-constituent authority. These members do not have a vote. Such members would be nominated by their home authority....3 Members of the Committee who are co-opted, because of their skills and experience, or for some other reason. These members do not have a vote and are not taken into account for the purpose of political proportionality. A separate appointment process will be required for these people. <p>The appointment of an Independent Member (and Substitute) would fall under 'some other reason' as described above. An amendment to the Constitution would formalise this approach and a fair and transparent process would need to be implemented for such appointments.</p> <p>The Committee also has the option to recommend to the Combined Authority the appointment of a co-opted member to address a skill and/or capacity gap. This approach would more closely align with CFGS guidance.</p>
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Public Health Implications

7.1	None
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Environmental & Climate Change Implications

8.1	None
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Other Significant Implications

9.1	None
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Background Papers

10.1	CA Board AGM Agenda, Decision Summary and Minutes
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CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

AUDIT & GOVERNANCE COMMITTEE DRAFT MINUTES

Date: Friday, 24 March 2023

Time: 10.00

Location: Civic Suite, Pathfinder House, Huntingdon District Council

Members Present:

Mr John Pye	Independent Chair
Cllr Ian Benney	Fenland District Council
Cllr Geoff Harvey	South Cambs District Council
Cllr Simon Smith	Cambridge City Council
Cllr David Brown	East Cambridgeshire District Council
Cllr Graham Wilson	Cambridgeshire County Council

Officers:

Nick Bell	Executive Director for Resources and Performance
Angela Probert	Interim Programme Director - Transformation
Edwina Adefehinti*	Chief Officer – Legal & Governance, and Monitoring Officer
Jon Alsop	Chief Finance Officer
Rob Emery	Business Board S151 & Dept.S73 Combined Authority
Chris Bolton	Head of Programme Management Office
Anne Gardiner	Governance Manager
Susan Hall	Data Protection Officer
Nick Fanning	RSM (Internal Auditor) Manager
Dan Harris*	RSM (Internal Auditor) Partner

Also in attendance Mark Hodgeson – Ernst & Young (External Auditor)

*denotes attendance via Zoom

1. Apologies for Absence and Declarations of Interest

1.1 Apologies were received from Cllr Corney and his substitute Cllr Beutell.

1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 Introduction and welcome to Nick Bell, new Executive Director for Resources and Performance who was taking on the S73 responsibilities.

Thanks were given to Jon Alsop for his hard work and support to the Committee.

Rob Emery had been promoted to Assistant Director of Finance and would deputise for Nick as appropriate.

- 2.2 Risk Management Training Session would be held after the meeting.

3. Minutes

- 3.1 The minutes of the meetings held on 27 January 2023 were approved as a correct record.
- 3.2 The Action Log was noted.
- 3.3 The Committee received an update on the progress on the formation of the Shareholder Board, from the Interim Monitoring Officer, and requested that the Chair of the Board be invited to attend the next Committee meeting to provide a further update.
- 3.4 The Committee received a briefing on the resilience of the Finance team at the CPCA following concerns raised around delayed reports and were advised that the finance team structure was being looked out and that going forward the team would be aligned with the new directorate structure and would have a more permanent recruitment. The new Executive Director for Performance and Resources was aware of the issues, would be taking steps to address these and would provide an update to the July meeting.

4. Improvement Framework

- 4.1 The Committee received the report which provided an opportunity to review progress against the key areas of concern identified by the External Auditor in his letters dated 2 June 2022 and February 2023, and by the Department for Levelling up, Housing and Communities (DLUHC) 's letter dated January 2023. It was emphasised that the Committee's role was to scrutinise progress and receive assurances, not to provide them.
- 4.2 During the discussion the following points were noted:
- a. It was reassuring that the external auditor had acknowledged the pace of work that had been achieved by the Combined Authority and that a number of key building blocks were firmly in place to help the Improvement Plan proceed.
 - b. PWC were going to review the current procurement processes; this would commence next week and should be completed by May. Recommendations and an action plan would be brought back to the Committee.
 - c. The Committee asked the External Auditor for his feedback on the new report format and progress being made. He advised that the new layout did provide a much clearer trail to monitor the progress. The breadth and depth of the actions that the Authority needed to take were significant. He particularly noted three areas:

- 1) Changing the culture and monitoring staff feedback would take time and needed to be sustained.
 - 2) While the Independent Improvement Board (IIB) had been set up it had yet to meet, so it was not yet known how well it would operate.
 - 3) The ongoing whistleblowing and conduct cases need to be concluded.
- d. The Chair advised that he had met with Cllr Elise Wilson, a member of the IIB. The conversation had been useful and generally positive. Her view was that integrity, competence and effective leadership were crucial to the performance of the Combined Authority.
 - e. In relation to a question about staff and what actions were being implemented to tackle ongoing areas of concern; officers advised that staff surveys had been carried out in September and again in January and another would be done in April. Some teams across the CA felt very positive about changes while others did not and this was being mapped by the executive team. There had been a staff conference to provide feedback and work was being done to involve staff in any changes, including a weekly update on areas of concern. The proactive approach to engagement was more embedded but it was acknowledged there was still work to do.
 - f. The CPCA would hold quarterly meetings with DLUHC, which draw on the IIB work.
 - g. The specific issues set out in the Best Value letter from DLUHC were being considered alongside the concerns raised by the External Auditor. These would be progressed in an integrated manner to demonstrate improvement to the Committee, the external auditors and DLUHC.
 - h. Culture and the behavior of members would be a key area of focus for the IIB. The Local Government Association had been clear that support and resources would be provided, including training around relationship building.
 - i. Officers would try to align the sequence of the DLUHC, IIB and A&G meetings. to ensure sequencing worked.
 - j. In response to a question about how the values of the authority linked with the Mayor's three Cs; the officers advised they were working to ensure that they knitted together, CIVIL (Collaboration, Integrity, Vision, Innovation and Leadership) values were internally focused and should be reflected in all conversations that the CA was having. Officers recognized that there may need to be more work done to show how they connected.

4.3 RESOLVED:

The Committee agreed to:

1. Note the observations of the External Auditor in his letter to the Chief Executive in February 2023 and the resignation of the IIB Chair with immediate effect and the arrangements underway to find a replacement.
2. The Committee welcomed the report; it had provided assurance that the Improvements were going in the right direction; it provided clarity and focus on the purpose of the improvement activity.

4.4 ACTIONS

1. Recommendations and the action plan from the procurement review would be brought back to the committee.

5. Internal Audit Action Tracker and Information reported to PARC

5.1 The Committee received the report which updated the Committee on the progress of the Internal Audit Action Tracker and information reported to the Performance & Risk Committee (PARC).

5.2 The following points were raised in discussion:

- a. The Chair and Vice Chair advised they had attended the East of England Audit Chair's Forum where the importance of an organisation responding to its audit committee recommendations had been emphasized.
- b. This was the first report that the Committee had received from PARC, which was an action from the f the governance review – the Committee welcomed the report and would look forward to seeing it as a regular item.
- c. While there wasn't a legal requirement to report on performance management the CA had committed to provide this regularly as part of the improvement plan.
- d. The performance reports were taken to the CA Board quarterly.
- e. In response to a question about delayed items, the officers advised that while every effort to keep to the deadlines was taken there were other factors which would sometime come into play, such as the improvement work, and this would mean the date would have to be pushed back. The team worked within the context of what was happening within the organisation.
- f. The Committee requested that if there were systemic failures which were leading to delays then these should be included in future reports.
- g. The Committee requested that the report be brought back quarterly.

5.3 RESOLVED:

The Committee:

1. Noted the progress on the Internal Audit Action Tracker and information reported to the Performance & Risk Committee
2. Requested the report be added to the A&G work programme quarterly.

5.4 ACTION:

1. Internal Audit Action Tracker and Information reported to PARC be added to the work programme on a quarterly basis.

6. Information Governance Report

6.1 The Committee received the report which updated the Audit and Governance Committee on the current position with regards to Information Governance and outlined the key Information Governance activities undertaken by the CA during this period.

6.2 RESOLVED:

1. The Committee welcomed the report as it provided texture on the work of the Combined Authority and assurance that the Combined Authority was providing a good service.

6.3 ACTION:

1. The Information Governance Update be added to the work programme annually.

7. **Revisions to the CPCA Constitution – Financial Regulations**

7.1 The Committee received the report which provided 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.

7.2 The following points on the revisions were raised in discussion:

Para 8.7.2

There needed to be consistency in the use of the word 'Board' and 'Authority' as it currently stated 'approvals must be sought from the Board or the Authority' some clarity was needed on the differences.

Para 8.21.1

States that purchasing cards should only be used for official Combined Authority business and *In an emergency* - clarity need to be provided on what constituted an emergency.

Para 8.2.1(e)

Suggest that the word guidelines be removed so that statement read *that the Mayor and the Combined Authority follow the relevant manuals, instructions, and policies.*

Para 8.2.2 (c)

The line should be clear that the Board ensures and approves a balanced budget, while the responsibility of the Chief Finance Officer is to prepare the draft balanced budget.

Para 8.3.8 & Para 8.7.1

Committee requested that a line be added to indicate that the Chief Finance Officer would consult appropriately with elected members.

Para 8.18.5

Committee suggested that rather than 'before the start of the financial year' that a specific meeting of the Audit and Governance Committee be identified.

7.3 RESOLVED:

1. That the Chief Finance Officer be invited to redraft the sections, as outlined above, to improve clarity and avoid ambiguity.
2. That the draft be reviewed for grammatical and spelling errors, and for consistency of language eg. the use of Board or Authority
3. That the Committee's comments on the revisions to the Financial Regulations be fed back to the CA Board ahead of their meeting on 31st May 2023.
4. Recommend to the CA Board that subject to the revisions detailed above that the Financial Regulations be adopted into the Constitution.

7.4 ACTION:

1. The Committee requested that an update on whether the Audit and Governance Committee's recommendations in relation to the Constitution had been accepted by the CA Board and adopted into the constitution.

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The Committee agreed to switch items 8 and 9 to enable the Committee to discuss the progress report before the annual plan.

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8. Internal Audit Progress Report

- 8.1 The Committee received the report which was for the Committee to note progress against the internal audit plans for 2021/22 and 2022/23.

- 8.2 The Committee were advised that all final reports would be brought to the June meeting including the Internal Audit Opinion.

8.3 RESOLVED:

1. The Committee noted the report.

8.4 ACTION:

1. The Committee requested that an introductory narrative on how the audits relate to the improvement plan be included in future reports to provide further context.

9. Internal Audit Plan 2023/23

- 9.1 The Committee received the report which requested that the Committee consider and approve the proposed 2023/24 Internal Audit Plan.

- 9.2 The Committee queried what they were being asked to do within this report and were advised that the Committee's view on which audits should be carried out would be shared with the Executive Team before a final decision was taken.

- 9.3 The Committee felt it was not normally appropriate for them to direct which audits should be carried out but agreed that audits that were manageable and necessary for the Improvement process should take priority.

9.4 RESOLVED:

The Committee recommended to the Executive Team that items that would contribute most to the Improvement Plan, and any areas of weaknesses that may lead to an unqualified opinion, should be the focus for the next year.

10. Annual Report of the Audit and Governance Committee

- 10.1 The Committee received the Draft Annual Report of the Chair of Audit and Governance Committee and were asked to approve it before it was submitted to the CA Board.

10.2 The Chair and Vice Chair advised the Committee that the report had been deliberately hard hitting and the other committees' members agreed that this was a fair reflection of the current state of affairs.

10.3 In response to a query about whether further detail could be provided under the whistleblowing and complaints section, the Monitoring Officer advised that as the investigations were still ongoing there could not be any further information disclosed in public. However, whilst recognising the confidential aspects, the Chair asked that some amplification along the lines of the wording used in the Improvement Framework Report earlier in the meeting be added to the annual report.

10.4 **RESOLVED:**

The Committee approved the draft annual report.

11. Work Programme

11.1 The Committee received the report which provide the Committee with the draft work programme for Audit and Governance Committee, for the 23/24 municipal year.

11.2 **RESOLVED:**

To note the work programme.

11.3 **ACTION:**

1. To schedule a meeting between the Committee and the Internal and External Auditors to meet privately 15 minutes before a scheduled meeting.
2. CIPFA document to be circulated to all new members of the Committee.

12. Date of next meeting

12.1 Thursday 8th June – Induction Session

12.2 Friday, 9th June at 10am

12.3 Friday 9th June at 1pm – Financial Management Training Session

Meeting Closed: 12.44pm



Audit & Governance Committee		Agenda Item
09 June 2023		6
Title:	Single Assurance Framework Project	
Report of:	Jodie Townsend, Governance Improvement Lead	
Lead Member:	Councillor Edna Murphy, Lead Member for Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	The report requests that the Committee note its content. Any vote that may be required in noting the report contents would be by majority of Committee members present.	

Recommendations:

A	Note and provide comment on the update on the development of a Single Assurance Framework
B	Note and provide comment on the timeline for development of the Single Assurance Framework

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

✓	Achieving ambitious skills and employment opportunities
✓	Achieving good growth
✓	Increased connectivity
✓	Enabling resilient communities

A Single Assurance Framework will provide the systems, processes and protocols designed to provide an evidence base and independent assessment of the governance, risk management, and funding processes of a funding or grant application.

Applying to all projects/ programmes that place a financial liability upon the Combined Authority, the intended improvements in project prioritisation, development and approval will have a positive impact upon ability to successfully deliver project outcomes and contribute towards delivery of the Corporate Plan.

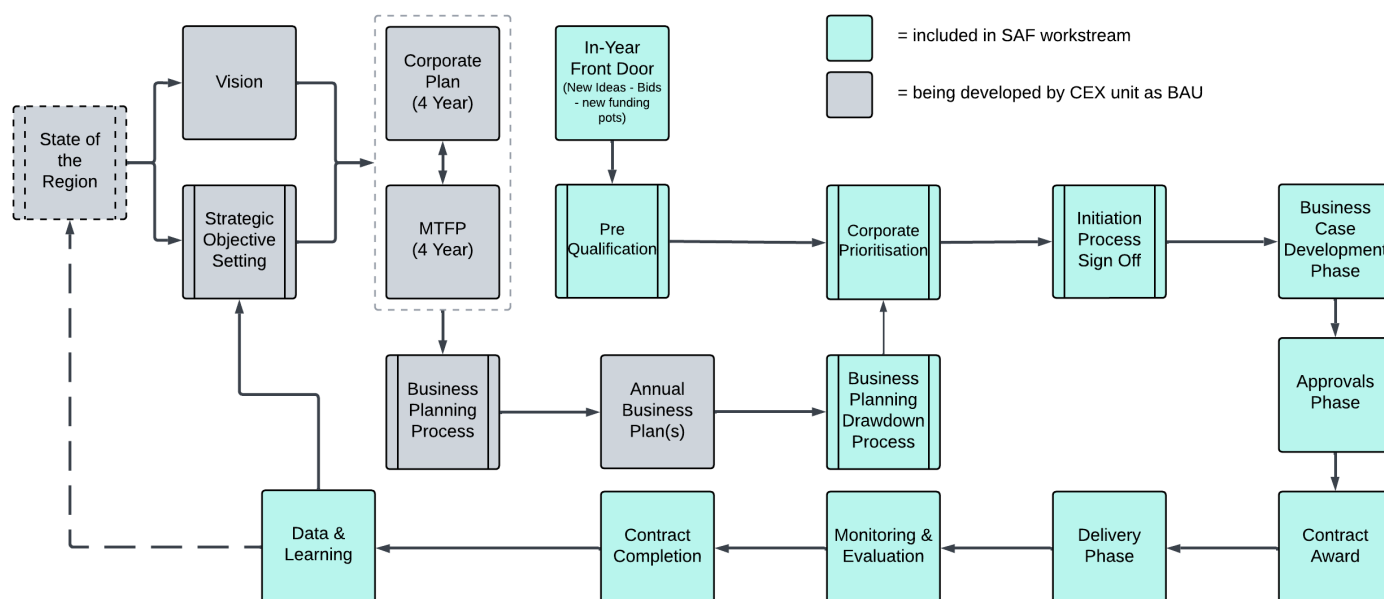
1. Purpose

1.1	The purpose of this report is to: <ul style="list-style-type: none"><input type="checkbox"/> bring the Audit & Governance Committee up to speed on the project to develop a Single Assurance Framework<input type="checkbox"/> note and provide comment on the timeline for development
1.2	The Combined Authority currently has an assurance framework under the name Local Assurance Framework (LAF) which was last updated in September 2021. It sets out roles and responsibilities between the CPCA and the Business Board as well as the key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money in regard to project funding, appraisal, prioritisation and approval.

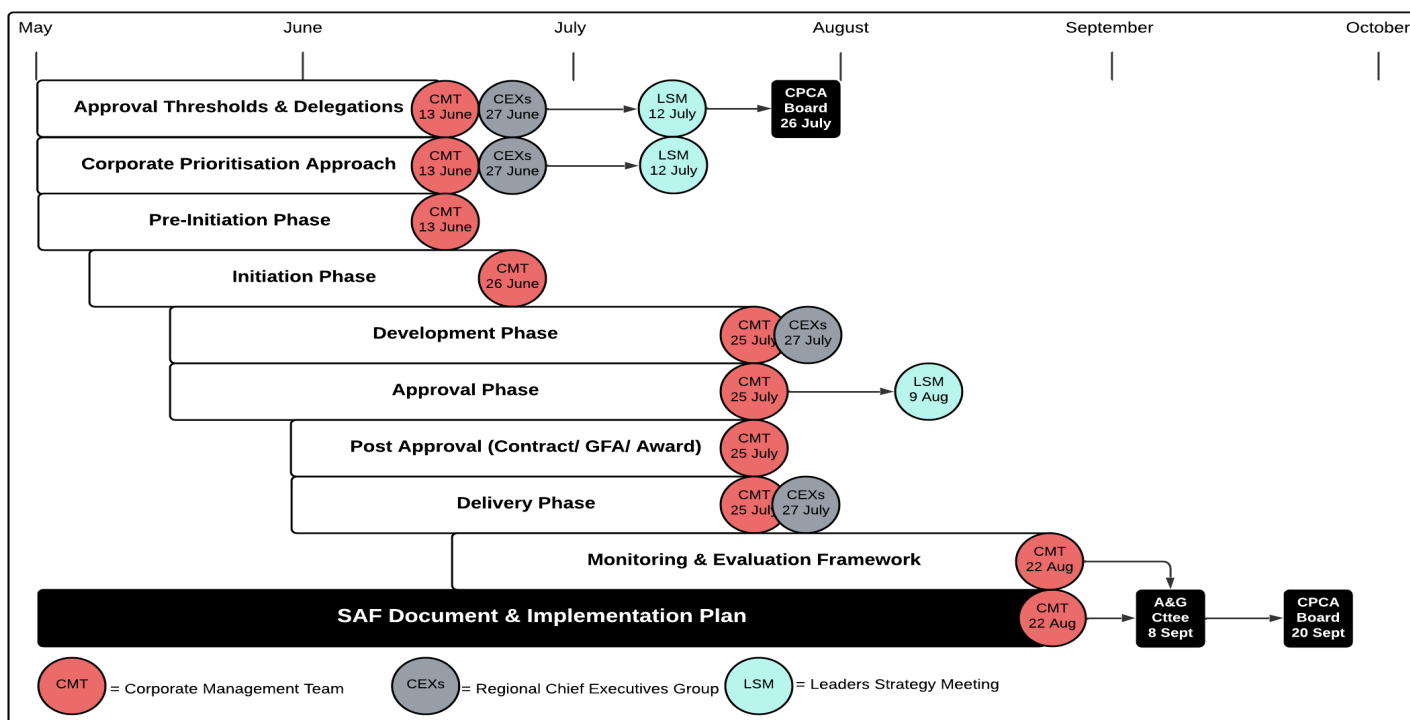
1.3	The existing framework was highlighted as having potential deficiencies in driving project standards, consistency of development and consideration which all could have a negative impact on delivery. These deficiencies were raised during the 2022 review of governance.
1.4	DLUHC have subsequently raised concerns with CPCA regarding project delivery and the initial Improvement Plan adopted by CPCA Board in October 2022 recognised the need to develop a SAF in line with approaches taken at other MCAs.
1.5	The SAF needs to exist to provide additional assurance to Government on how funding granted or devolved to the CA is allocated, that there are robust local systems in place which will ensure resources are spent with regularity, propriety and value for money.

2. Single Assurance Framework

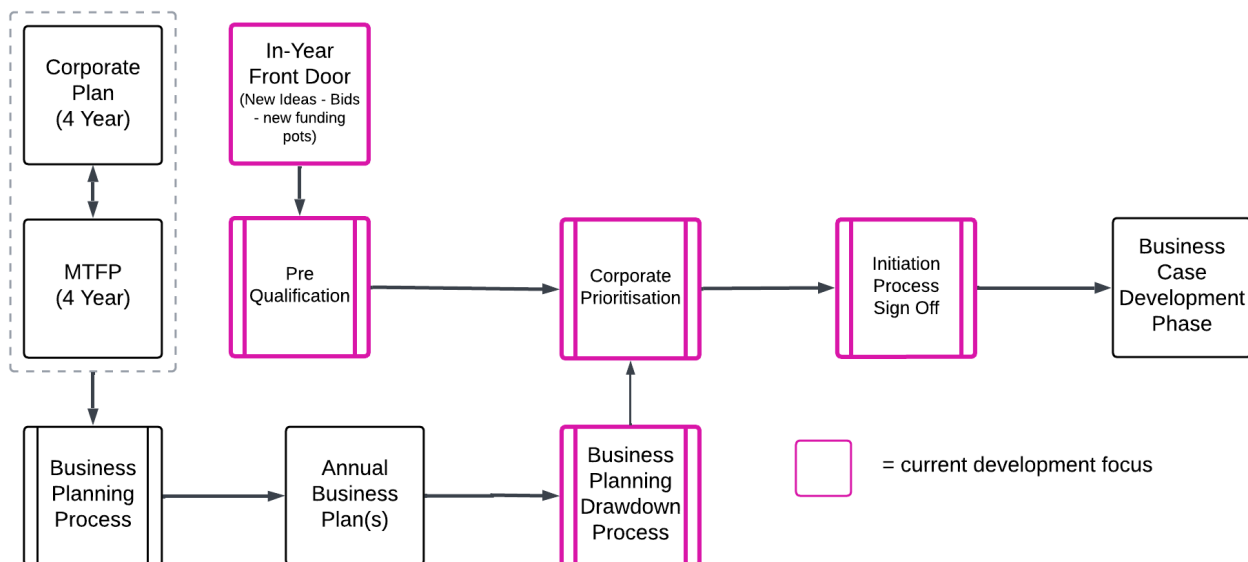
2.1	A SAF approach is recognised best practice within MCAs, ensuring consistent application of proportionality, standards and compliance with agreed strategic objectives. A SAF is intended to drive standards from a minimum acceptance level through project development which in turn should increase the likelihood of positive project delivery.
2.2	A Single Assurance Framework (SAF) is a set of systems, processes and protocols designed to provide a consistent approach to lifecycle stages (initiation/ development/ approval), appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes.
2.3	Having a consistent approach allows for the development of proportionate governance and approval considerations based around a core set of standards as well as aiding clarity for those involved in projects and allowing for specific layers to account for complexity. The SAF will drive standards from a minimum acceptance level through project development which in turn should increase the likelihood of positive project delivery.
What will the SAF cover?	
2.4	The SAF will cover the respective roles and responsibilities of the components and elements within CPCA decision-making; the key processes for ensuring accountability, probity, transparency, legal compliance, and value for money; how potential investments will be assured, appraised, prioritised, approved and delivered; and how the progress and impacts of these investments will be monitored and evaluated.
2.5	The SAF will ensure a full circle lifecycle approach to developing and delivery key strategic objectives, the exact extent of what it will cover is set out in the illustration below (for each element process, criteria, templates and guidance will be produced):



Design Principles	
2.6	The SAF project is developing the new assurance framework in line with agreed design principles following engagement with the Mayor and Council Leaders through Leaders Strategy Meeting, regional council Chief Executives and the Combined Authority Corporate Management Team.
2.7	<div> <p>All agree that the SAF must seek to provide:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Protections for stewardship of public funds <input type="checkbox"/> Improvements in project development standards <input type="checkbox"/> Consistency, control & clarity across processes <input type="checkbox"/> Appropriate and proportionate levels of assurance <input type="checkbox"/> Management of political and reputational risk <input type="checkbox"/> Alignment to HMT Green Book (and others) <input type="checkbox"/> Appropriate approval delegations </div> <div> <p>The design principles that have been agreed to be applied to the SAF project are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Deliver better informed decision-making <input type="checkbox"/> Deliver streamlined and simple processes <input type="checkbox"/> Drive golden thread and proportionality throughout <input type="checkbox"/> Deliver improved approach to business cases <input type="checkbox"/> Deliver ability to be agile and responsive to opportunities <input type="checkbox"/> Seek to develop regional specific criteria alongside Green Book <input type="checkbox"/> Provide clear guidance and support throughout <input type="checkbox"/> Deliver increased delegation thresholds </div>
Timeframe	
2.8	<p>The 2 key Board decision points are intended to be:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 26 July: Corporate Prioritisation Approach and Officer Delegations for Approvals <input type="checkbox"/> 20 September: Single Assurance Framework document with Implementation Plan
2.9	Sign off is required from DLUHC on the final SAF before Board consideration on 20 September. As the SAF will need to be recommended for approval to Board by the Audit & Governance Committee, informal clearance from DLUHC (and DfE and DfT) on content will be sought by early August. Engagement is taking place at present with DLUHC to seek details on the required clearance process and an update on progress can be given at the Committee meeting.
2.10	<p>The PMO, with support from external consultants, will lead development of the SAF. They will be supported by 2 working groups, these are as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> internal working group consisting of key delivery officers <input type="checkbox"/> external working group consisting of key constituent council officers put forward by regional CEXs <p>These groups will be utilised to highlight key support and content requirements and also consulted on some of the specific element draft proposals.</p>
2.11	There is also an M10 Assurance Group, this consists of the responsible officers for the Assurance Frameworks at each of the 10 Mayoral Combined Authorities. This group is also being utilised as required by the project team to help develop the SAF.
2.12	The Independent Improvement Board have been provided with a briefing on the SAF project and the timeline for completion, a basic timeline for the project is set out below:



2.13	Key to the timeline is engagement with Central Government who have a sign-off role in the production of any Combined Authority Assurance Framework. This sign-off process will be led through engagement with Department for Levelling Up, Housing & Communities (DLUHC) and will likely also require input from Department for Transport (DfT) and Department for Education (DfE).
2.14	The sign-off process is now required to adhere to requirements set out in the English Devolution Accountability Framework and should seek to future proof the Combined Authority for single local growth settlements. DLUHC have been engaged and a point of contact has been established, the next step is to provide DLUHC with an overview of key changes that will occur as a result of the SAF for review.
Current Focus	
2.15	The current focus of the project team is on developing the following aspects of the SAF: <ul style="list-style-type: none"> <input type="checkbox"/> Pre-Initiation Phase, including Corporate Prioritisation <input type="checkbox"/> Approval thresholds and required supporting delegations
2.16	The pre-initiation phase covers business plan drawdown and in-year activity which are set out as 2 different entry points that flow into the corporate prioritisation and initiation assessment and sign-off. The current phase of work requires assessment of possible governance pathways, supporting criteria and functionality along with process, templates, roles and responsibilities. These areas of focus are set out in illustration below:



2.17	Developing options for application of a Corporate Prioritisation process are a key part of the current focus of the workstream. This will enable strategic fit is to be assessed against the priorities set out in the CPCA Corporate Plan, alongside a view of the level of Gross Value Added (GVA) that each project is estimated to produce so the Combined Authority can make a judgement on both the breadth of projects that the CPCA is committed to as well as their fit with the core of the devolution deal with government. This is in support of setting the medium-term financial strategy (MTFP), where not all project proposals can be taken forward due to budget constraints.
2.18	Options for the application of a Corporate Prioritisation process will be taken to the CPCA Corporate Management Team on 13 June.
Approval Thresholds	
2.19	Work to determine the required approval thresholds within the SAF for project approvals is also underway, this is being developed now rather than during the approvals phase development to help inform and align with work being undertaken by the Executive Director for Resources & Performance on the Scheme of Delegations. Undertaking this work now will also help inform the required business case development and approval routes.
2.20	Thresholds for approval will be a key element of the SAF that CPCA Board Members will need to consider, this refers to the level of potential Officer approval, Committee approval and then the threshold to step up for Board approval for projects and programmes. The levels for approval thresholds to be set at will need to take into account the wider scheme of delegations, the design principle to deliver greater approval threshold delegations, best practice and the accompanying level of assurance required to go alongside each approval level.
2.21	Delivering the necessary level of assurance required to allow Politicians to delegate greater approvals based on agreed thresholds outside of CPCA Board will be a key component of the pathways within the SAF. This assurance will be provided through: <ul style="list-style-type: none"> <input type="checkbox"/> Informed initiation process that involves deliverability assessment <input type="checkbox"/> Improved business case development delivered with enhanced business case appraisal and assurance assessment external to the lead business area or Constituent Authority <input type="checkbox"/> New Technical Officer Group that will provide technical appraisal of business cases and subsequent technical assurance/ advice to political decision-makers

3. Background Information

3.1	The CPCA Board agreed to support the development of a Single Assurance Framework in October 2022 when they approved the Improvement Plan for the Combined Authority. In doing so they rejected the alternative option of continuing with the existing Assurance Framework.
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3.2	Work to develop the Single Assurance Framework began during the Improvement Plan phase 1 in terms of scoping out requirements and engaging other Mayoral Combined Authorities to learn from their approaches. The rephrased improvement plan sets out development of a SAF as a key outcome.
3.3	There has already been a significant amount of engagement on the SAF workstream to socialise the work and its intended benefits, and to develop the design principles that are detailed in the information pack. This has involved engagement with 2 CEX meetings, a LSM meeting and the creation of a Constituent Authority engagement group that consists of relevant key officers in each Constituent Authority identified by each Chief Executive.
3.4	A more detailed report will be brought to the July meeting of the Audit & Governance Committee which will include specific detail on the development of: <ul style="list-style-type: none"> <input type="checkbox"/> Corporate Prioritisation Process <input type="checkbox"/> SAF Entry Points <input type="checkbox"/> Initiation Phase <input type="checkbox"/> Approval Thresholds

4. Appendices

4.1	There are no appendices to this report
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5. Implications

Financial Implications

5.1	Costs to develop and implement the SAF are contained within the Improvement Budget approved by the Board. Once the final SAF proposals are approved it may require a further review of the Combined Authority's Financial Regulations. This will be reported to Audit & Governance Committee at its September meeting (if required).
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Legal Implications

6.1	Given that this is an update report there are no legal implications set out in its content.
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Public Health Implications

7.1	Given that this is an update report there are no public health implications set out within its content.
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Environmental & Climate Change Implications

8.1	Given that this is an update report there are no environmental and climate change implications set out within its content
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Other Significant Implications

9.1	There are no other significant implications set out in the content of this report.
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Background Papers

10.1	CPCA Improve Plan papers approved by CPCA Board – 19 October 2022 <ul style="list-style-type: none"> <input type="checkbox"/> Interim Chief Executive Assessment: Document.ashx (cmis.uk.com) <input type="checkbox"/> Outline Improvement Plan: Document.ashx (cmis.uk.com)
10.2	Review of Governance approved by CPCA Board – 27 July 2022: Document.ashx (cmis.uk.com)
10.3	CPCA Governance Arrangements Report to CPCA Board – 25 January 2023: Document.ashx (cmis.uk.com)
10.4	Reframed Improvement Plan CPCA Board 31 May 2023: Document.ashx (cmis.uk.com)
10.5	English Devolution Accountability Framework: English Devolution Accountability Framework - GOV.UK (www.gov.uk)



Audit & Governance Committee		Agenda Item
09 June 2023		7
Title:	Shareholder board update	
Report of:	Edwina Adefehinti	
Lead Member:	Cllr Edna Murphy- Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/A	

Recommendations:

A	Note the update regarding the shareholder board
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Strategic Objective(s):

A report on the progress of the shareholder board will assist this committee in assessing whether partly or wholly owned companies of the combined authority successfully support the combined authority's policies and strategies and will also assist in reviewing risks relating to these entities and establish whether they are effectively managed and scrutinised and have a strong governance framework.

1. Purpose

1.1	To provide an update to this committee on progress made so far, by the Shareholder Board.
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2. Proposal

2.1	To receive updates at intervals and to remind this committee that a member of this committee may attend the shareholder board meetings as an observer.
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3. Background

3.1	In November 2022, the Combined Authority Board approved the establishment of a shareholder Board with delegations to oversee, interface, and engage with its partially or wholly owned Companies.
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3.2	Progress has been made on appointing members of the shareholder Board and a meeting is to take place once a date has been confirmed by all members. This committee will be aware that there was a pre-election period lasting about six weeks until 4 May.
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4. Appendices

4.1	None
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5. Implications

Financial Implications

5.1	Each of the Combined Authority's Subsidiary Companies has its own approved Budget and dedicated Board. Strong oversight of the Subsidiary Companies by the new Shareholder Board will ensure that the Combined Authority's shareholdings provide maximum value for money.
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Legal Implications

6.1	<p>Chapter 13 of the Combined Authority's constitution places part of the burden of oversight of the Combined Authority's companies on this committee:</p> <p>13.3.22 Assisting the Combined Authority in fulfilling its oversight responsibilities in relation to reviewing and monitoring activity of the trading companies.</p> <p>13.3.23 Advising the Combined Authority Board on any matters within the Committee's powers pertaining to the trading companies.</p> <p>13.3.24 Providing appropriate review and challenge of the Combined Authority's governance arrangements of its trading companies and its appointments to the boards of the companies.</p> <p>13.3.25 Providing appropriate review and challenge on the financial information provided to the Combined Authority by the trading companies.</p> <p>13.3.26 Commissioning, where appropriate, the Combined Authority's internal audit function to undertake discrete activity relating to the Authority's governance of its trading companies.</p>
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Public Health Implications

7.1	None
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Environmental & Climate Change Implications

8.1	None
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Other Significant Implications

9.1	None
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Background Papers

10.1	Document.ashx (cmis.uk.com) Document.ashx (cmis.uk.com) Document.ashx (cmis.uk.com)
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Audit & Governance Committee		Agenda Item
9 June 2023		8
Title:	Improvement Framework	
Report of:	Angela Probert, Interim Director of Transformation Programme	
Lead Member:	Mayor, Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	A simple majority of all Members present and voting	

Recommendations:

A	Consider progress against the stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023.
B	Note the reframed improvement plan (to be) agreed by the CA Board at its meeting on 31 May 2023
C	Note the observations of the Independent Improvement Board held on 22 May 2023.
D	Note the observations from the recent meetings between the Combined Authority corporate management team and constituent councils management teams.
E	Note the proposed RAG rating methodology to measure progress of improvement activity against the agreed reframed Improvement Plan.
F	Note the progress made on the appointment of Chair, Independent Improvement Board.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance

The identified improvements set out in this report aim to meet the concerns of the External Auditor and Best Value Notice. By making necessary improvements, the capacity, culture and governance of the Combined Authority will support and enable the delivery of identified priorities and objectives set out in the Corporate Plan. The CA Board meeting on 31 May 2023 agreed an additional 5th strategic objective 'Achieving Best Value and High Performance' to reinforce the need for all public organisations to demonstrate Best Value and delivery against plans.

1. Purpose

1.1	Provide the Audit and Governance Committee with an opportunity to review progress 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.
1.2	Assure itself (and the Board) that the improvement framework will satisfy DLUHC and the External Auditors concerns.
1.3	Assure itself (and the Board) that improvement is on track.
1.4	Receive feedback from the Independent Improvement Board meeting held on 22 May 2023.
1.5	Finally, the report updates the Committee on the appointment of the Chair, Independent Improvement Board to replace Lord Kerslake.

2. Proposal

2.1	<p>Following the full and detailed review of improvement activity so far and the proposed areas of focus in the reframed improvement plan reported to Audit and Governance in March 2023, progress as at May 2023 is attached as Appendix 1 against the agreed key themes to reflect identified concerns by the External Auditor and the Best Value Notice:</p> <ul style="list-style-type: none">• Governance and decision making• Project Plans and delivery• Procurement• Partnerships• Culture, Capacity and Confidence
2.2	<p>Further to the meeting in March, activity has taken place to refine the reframed Improvement Plan in line with the themes set out in paragraph 2.1 above. Attached as Appendix 2 is the proposed plan to directly address the concerns raised by the External Auditor in June 2022 and DLUHC through the Best Value Notice. It also picks up any outstanding elements from the initial phase of improvement and learning from the first phase of improvement. It will be reviewed on a regular basis to ensure it is fit for purpose and reflects any additional areas of concern that are raised.</p> <p>The transformation fund agreed in July 2022 will continue to be used to support activity required.</p>
2.3	<p>The Independent Improvement Board met on 22 May 2023. A note from the Chair has been circulated to the Chair of Audit and Governance and is attached as Appendix 3 for reference. It will also feed into the first quarterly meeting with DLUHC to be held on 6 June where the new Chief Executive will be present.</p> <p>The note sets out key areas of assurance and further areas for focus. The headline from the (Acting) Chair is that whilst there is more to do – good progress is being made.</p>
2.4	<p>The new Executive Directors and Head of Policy are currently testing confidence in the CA and perception of improvement progress to date with external stakeholders. The new CPCA corporate management team has at the time of writing met collectively with five of the senior leadership teams of the constituent member authorities, key themes emerging from these meetings include;</p> <ul style="list-style-type: none">• Welcoming the opportunity for the first round of joint management team meetings.• A clear desire to work together and strengthen relationships, put firmer foundations in place and establish new ways of working• Importance of the CPCA having a permanent corporate management team, a “strong team” with a breadth of experience being a significant step forward.• Clear that that the CPCA is on an improvement journey, with progress made in a number of areas, described as “feeling different”, “more mature conversations already”, and “visible green shoots”.• Whilst more remains to be done it is important that collectively we look backwards less and adopt an approach of “Heads up and look ahead”

	<ul style="list-style-type: none"> • Recognition of the need to come together behind a common shared vision for the Place, with areas of common interest identified; underpinned by a clear set of priorities and robust pipeline of future interventions to deliver agreed outcomes. Welcome ongoing conversations and work to inform these areas. • The need to retain a focus on delivering the “here and now” and those programme and projects already committed to.
2.5	<p>The Independent Improvement Board have requested the use of ‘Rag Rating’ to report progress against identified areas of activity. It is proposed that this will be used from June 2023 for Improvement reports to all Boards and Committees to ensure a consistent approach. We have used our learning from the first phase of improvement and sought best practice to inform our future approach. Set out below is the proposed methodology to be adopted:</p> <ul style="list-style-type: none"> • Green - Successful delivery of the improvement theme to time, cost and quality appears to be highly likely. • Green Amber - Successful delivery of the improvement theme within timescale appears probable. However, constant attention will be needed to ensure risks do not materialise into issues threatening delivery. • Amber - Successful delivery of the improvement theme appears feasible, but issues exist requiring attention. These appear resolvable at this stage, and if addressed properly, should not represent a schedule overrun. • Amber Red - Successful delivery of the improvement theme is in doubt with major risks or issues apparent some key areas. Action is underway to ensure these are addressed and establish whether resolution is feasible. • Red - Successful delivery of the improvement theme within the agreed timescale and/or budget appears to be unachievable as issues have been identified which officers conclude are at present not manageable or resolvable. The theme will therefore need re-profiling.
2.6	<p>Committee was advised in March that due to poor health Lord Kerslake needed to step down as Chair of the independent Improvement Board. Julie Spence, Deputy Chair has taken on the role of acting Chair whilst a permanent Chair is confirmed. The Committee will be updated further on progress to confirm a new Chair at the meeting on 9 June.</p>

3. Background

3.1	<p>The proposals set out in this report build on the detailed report presented to CA Board in March 2023. The link to the relevant Board papers is attached as set out in paragraph 10.1. The proposals also address directly the issues raised by the External Auditor, the Best Value Notice and DLUHC; again attached through a link in paragraph 10.1</p>
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4. Appendices

4.1	Appendix 1- Update on key areas of Improvement May 2023
4.2	Appendix 2 – Reframed high level Improvement Plan (agreed) by CA Board on 31 May 2023
4.3	Appendix 3 – Note from (Acting Chair) Independent Improvement Board following meeting on 22 May 2023

5. Implications

Financial Implications

5.1	Costs of the Improvement related activity contained within this report are funded by the Improvement Budget approved by the Combined Authority Board.
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Legal Implications

6.1	<p>The CPCA is required to consider the key areas of concern identified by the External Auditor in June 2022 and in the Best Value Notice received in January. The CPCA Board agreed the Improvement plan in October 2022 and the reframed improvement plan.</p> <p>This committee has the statutory duty to review and assess the authority's risk management, internal control and corporate governance arrangements. The improvement plan deals with risk management, internal control and corporate governance arrangements of the CPCA.</p>
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	<p>CA Board January 2023 Agenda Item 2.4 – Corporate Strategy and Business Plan</p> <p>CA Board Report 22 March</p> <p>Audit and Governance Committee Report 24 March</p> <p>Best Value Notice</p> <p>External Auditor Letter</p>

Agenda Item x	Appendix 8
Improvement Plan Update	1

Update on Improvement Activity to be reported to Audit and Governance Committee 9 June 2023

Area of improvement	Governance and decision making
CPCA Progress:	<p>Major governance improvements for Board, thematic committees, other sub committees and Business Board were agreed by CA Board in March and there is a clear plan in place for implementation.</p> <p>Changes to the CA Constitution were also agreed by CA Board in March to strengthen governance.</p> <p>Following elections in some constituent councils in May an induction programme is being developed for new and existing Members involved in the CA's governance structure to help embed effective ways of working and a positive culture of collaboration.</p> <p>Clarification has been provided to the Mayor and constituent councils on political proportionality on committees under the new governance structure and Overview & Scrutiny Committee is being reminded of its facility to co-opt independent councillors to the Committee to improve the spread of representation. This would be in line with several other Combined Authorities.</p> <p>The Corporate Plan was adopted by the Combined Authority Board in January 2023</p> <p>During February and March focus was on developing Directorate Business Plans with clear objectives, milestones and priorities. The Directorate Business Plans were finalised in April and provide the "golden thread" between the adopted Corporate Plan priorities and deliverables and individual objectives. Following on from this work has started on developing an improved Performance Management Framework, including Key Performance Indicators to be reported to the Board and sub-committees.</p> <p>During March and April 2023, 7 training sessions were held for all staff and managers on appraisal training and SMART objective setting. The vast majority of staff had individual objectives set by the target date of the end of April 2023.</p> <p>14 new HR policies were approved by the Employment Committee on 14 March and training for all CA staff has been undertaken.</p>
Area of improvement	Project plans and delivery
CPCA Progress:	<p>A Single Assurance Framework that will govern how we prioritise and agree projects is being developed along with a new Performance Management Framework; which sits with the SAF, to drive delivery and new approaches to strategic and project-based performance risk management. Wider training in project management standards, risk and assurance is scheduled to commence next month.</p> <p>An external working group of officers from across the local authorities has been established to inform and guide the SAF work. It is intended to report progress on delegations and project prioritisation to the Board in July and for the Board to consider the SAF in September. Discussions are being held with DLUHC, DfE</p>

	<p>and DfT. Officers will also engage with O&S and A&G over the next couple of months to clarify their role.</p> <p>In relation to specific concerns relating to an FE provider funded by CPCA, positive steps have been put in place to address concerns about the use of public money:</p> <ul style="list-style-type: none"> • CPCA and DfE colleagues met to discuss mutual concerns in relation to a provider. • An independent Final Audit report was issued on 31st January 2023 expressing serious concerns. • CPCA have issued a 'Breach notice' to the provider and all recruitment was paused with immediate effect, and the contract terminated. <p>Discussions have now taken place with the provider to understand its position and finalise closure.</p>
Area of improvement	Procurement
CPCA Progress:	<p>PWC commenced a review of procurement across CPCA on Monday 3rd April. The review focused on whether and how well CPCA meets best practice and best value in terms of its procurement strategy, regulations, operations and compliance.</p> <p>The draft outcome of the review (subject to clarification on a few points) was received in early May and provided recommendations for improvement. The recommendations covered a number of areas including resourcing, governance, levels of delegation and training.</p> <p>An action plan to implement the recommendations is being produced and will be reported for approval to the Audit and Governance Committee in June and the CA Board in July.</p>
Area of improvement	Partnership working
CPCA Progress:	<p>The spirit of collaboration and partnership working is now embedding itself more deeply into the operating model of the CPCA. This is expressing itself in how Constituent Member Authorities at both Chief Executive and Leader level are engaging across, and starting to take greater ownership of, the business of the CPCA as well as business leaders as part of the development of the new role of the Business Board, including the appointment of a new Chair of the Business Board.</p> <p>CPCA is now taking steps to review the partnership landscape across Cambridgeshire and Peterborough to explore how and where best to engage to leverage most impact as well as receive feedback on stakeholder views of progress within the CPCA and the execution of its responsibilities and accountabilities, so that improvement can be both seen and measured. A project management resource is being identified that will:</p> <ul style="list-style-type: none"> • Review the partnerships that CPCA is engaged in and at what level, against the purpose of the partnership and what CPCA hopes to secure from it in terms of its inputs, outputs and outcomes • Review the wider and emerging partnership landscape across the area, including regional and local collaborations, as well as sub-regional • Clarify the core partnerships for the future, both in terms of strategy development and delivery for the CPCA as a whole

	<ul style="list-style-type: none"> • Review the delivery of our existing strategies, including the corporate plan and directorate plans, as well as our core outward facing ones, such as the Economic Growth Strategy, Local Transport and Connectivity Plan, Skills and Employment Strategy, and priority Sectors, given the identification of key partners within them, and assess the scope and scale of their existing and planned collaboration and contribution • Design and embed a partnership theme into any existing survey work across the CPCA area or develop a new survey to benchmark progress. <p>A good example of recent progress in partnership working relates to the Chancellor's Spring Statement. In response, CPCA has taken an active role to engage meaningfully in the implications of the announcements, particularly in relation to deeper devolution and the trailblazer devolution deals. The Mayor, Chief Executive and Executive Director for Economy & Growth, are actively participating in the dialogue and developments with the Secretary of State and senior officials as part of the M10 Group of MCAs and the GLA, as part of the potential 'roll out' of deeper devolution, single settlements, and a new Level 4 to the Devolution Framework. On the 28th April all MCAs agreed informally to move ahead together in seeking to maximise the opportunities for all combined authorities, including Cambridgeshire and Peterborough. This is continuing to be taken forward with a strong focus on securing at pace a state of readiness given there will be a need to demonstrate an ability and willingness to deliver a credible stretch on outcomes, and this is being viewed cautiously but as positive by Leaders and CEOs.</p> <p>The new CPCA corporate management team at the time of writing has now met collectively with five of the senior leadership teams of the constituent member authorities and there is a recognition that through mutually reinforcing collaboration there is much to be gained by closer working together more generally as well as moving in tandem through the M10 group.</p> <p>Equally, good progress is continuing to be made in the wider partnership arena, both with constituent member authorities, including reviewing existing professional support groups as well as across the other public, private and third sectors, with key engagement with existing partnerships, as well as key business leaders and networks.</p>
Area of Improvement	Improvement plan progress
CPCA Progress:	<p>A three month stocktake on progress after 3 months, against outcomes set out in the report to Board, October 2022 was presented to Board on 22 March and to Audit and Governance on 24 March.</p> <p>The Chair of the Audit and Governance committee has shared:</p> <ul style="list-style-type: none"> • <i>'The meeting on 24 March 2023 was the first time that the Audit & Governance (A&G) Committee had been able to form a positive view about improvements in the Combined Authority (CA) since the External Auditor's intervention in June 2022. As we had asked, officers provided a report designed to measure progress in responding to the concerns raised by the External Auditor and the Department for Levelling up, Housing and Communities (DLUHC). This approach focused the discussion on outcomes, since the monitoring of the Improvement Plan itself falls to the Independent Improvement Board (IIB).</i>

	<ul style="list-style-type: none"> • <i>The External Auditor felt that the new reporting format provided a clearer trail to monitor progress. The breadth and depth of the actions that the Authority needed to take were significant. He particularly noted that:</i> <ul style="list-style-type: none"> ○ <i>Changing the culture and monitoring staff feedback would take time and needed to be sustained.</i> ○ <i>While the Independent Improvement Board (IIB) had been set up it had yet to meet, so it was not yet known how well it would operate.</i> ○ <i>The ongoing whistleblowing and conduct cases need to be concluded.</i> • <i>The A&G noted that the CA would hold quarterly meetings with DLUHC, which would draw on the IIB work. We also asked that officers do their best to align the sequence of DLUHC, IIB and A&G meetings.</i> • <i>Overall, the A&G Committee welcomed the report on the CA's Improvement Framework. It provided assurance that the improvements were going in the right direction; it provided clarity and focus on the purpose of the improvement activity.</i> <p>The key focus for improvement going forward will be focussed on the areas of concern from the External Auditor, Best Value Notice and the Independent Improvement Board. The proposed reframed plan is set out in Appendix 2</p> <p>Observations from the Independent Improvement Board held on 17 April and 22 May will be shared with the CA Board in advance of the meeting held on 31 May.</p>
Area of Improvement	Independent Improvement Board engagement
CPCA Progress:	<p>The first formal bi-monthly IIB meeting was held on 17 April 2023.</p> <p>The observations from the IIB on assurance and areas for focus will be shared with the CA Board members following the IIB meeting on 22 May, and in advance of the CA Board on 31 May</p> <p>Julie Spence continues to act as Chair of the IIB whilst a permanent replacement is confirmed.</p> <p>Discussions are ongoing on the appointment of a Chair to replace Lord Kerslake.</p> <p>The Interim Chief Executive will give a further update at the meeting.</p>
Area of Improvement	Conclusion of investigations and safeguarding of staff
CPCA Progress:	<p>External investigators have been regularly contacted for updates and confirmation of when the investigation would be completed. The last correspondence sent to external investigator of 24 March 2023. A meeting was held with the external investigator and the Monitoring Officer on 27 March 2023. So far, some witnesses have been interviewed, some witnesses will require subsequent interviews. The decision has not been finalised. The External investigator is working through recently received witness statements and responses provided by The Monitoring officer to specific questions. The Independent Investigator estimates the investigation should be concluded by end of May/early June.</p> <p>When the investigators submit their report, the Monitoring officer will consult with the Independent Person on the findings following which there will be hearing by a panel of the Audit and Governance Committee, if there has been a finding of</p>

	<p>breach of the members Code of conduct. If there has been no finding of a breach, the Audit and Governance Committee and the CPCA Board will be informed. This is the equivalent of a Standards Committee in local authorities.</p> <p>Standards hearing training has already been given to the Committee in anticipation of the need to fulfil that role.</p> <p>A third staff survey is currently being undertaken. This includes questions relating to staff perceptions of support.</p>
Area of Improvement	Confidence, culture and capacity
CPCA Progress:	<p>The leadership and departmental structure was agreed by Board in October 2022 and Executive Directors and the Head of Policy commenced at the end of February. A permanent appointment to Assistant Directors roles in Finance and Skills have also been made.</p> <p>The newly appointed Chief Executive, Rob Bridge will join in early June 2023.</p> <p>The staff structures for the Chief Executives policy and executive office are in place and recruitment substantially completed. This includes provision of support for the Mayor. The recruitment for two specific posts to support the Mayor is scheduled to commence in May 2023.</p> <p>The Board agreed values 'CIVIL' (collaboration, integrity, vision, innovation, leadership) for both Members and Officers in January 2023. Further work is underway to develop behaviours that reflect the agreed values that are reflected in approved HR policies and will be embedded across the CA.</p> <p>At the end of April a staff workshop was held to further develop our values, the behaviours that we seek within the organisation and how these are embedded. The output from this workshop has been shared with all staff who participated and will feed into the next all staff conference in June 2023. This will give all staff the opportunity to review and refine what is being proposed.</p> <p>The CIVIL values have been built into individual staff appraisals and objective setting for 2023/24, featured prominently in the first corporate induction session in March 2023 and Values based interview questions are being developed to underpin all future recruitment activity.</p> <p>Staff surveys took place in September 2022 and again in January 2023, the latest staff survey is live until the end of May 2023. The key observations by staff and changes over the three-month period to end of January are set out below:</p> <ul style="list-style-type: none"> • Most staff have noticed overall improvements and progress since the last survey in September; but not universally. • Staff feel more confident in the direction of the CA but want to see planned improvements being fully embedded. • A varied response on feeling valued by the organisation and that people's opinions count; some teams feeling more connected than others. • Most staff feel the CA is not yet as effective and efficient as it could be. • Despite this, there are more positive feelings about working for the CA and an overall sense of optimism about the future. <p>The findings of the staff survey are informing the development of the next phase of Confidence, culture and capacity activity.</p>

Agenda Item	Appendix
Improvement Plan Update	2

Proposed reframed Improvement Plan activity May 2023

The 8 themes for improvement identified by the External Auditor and Best Value Notice are:

- 1. Governance and decision making**
- 2. Project plans and delivery**
- 3. Procurement**
- 4. Partnership working**
- 5. Confidence, culture and capacity**

6. Improvement plan progress
7. Independent Improvement Board engagement
8. Conclusion of investigations and safeguarding of staff

The outline improvement plan below sets out outcomes and associated key activities over the next 6 and 12 months to address key areas of concerns and any outstanding elements from the initial phase of improvement. It will be reviewed on a regular basis to ensure it is fit for purpose and reflects any additional areas of concern that are raised.

Detailed delivery and resourcing plans will be developed and progress against key activity and outcomes will be reported to CA Board, A&G Committee, O&S Committee and the Independent Improvement Board.

2023

1. Governance and decision making – Nick Bell

Outcome	Key areas of identified improvement by External Auditor, Best Value Notice, Independent Improvement Board and DLUHC	Activities to deliver identified outcome	Timeline
<p>CPCA is judged to have in place governance structures and ways of working to enable sound decisions to be made and implemented in line with the CPCA priorities and operating principles</p> <p>Governance arrangements agreed at CA Board in March 2023 embedded</p>	<p>Significant concerns highlighted by the external auditor, published on 1 June 2022, in relation to the 2021/22 audit year confirming significant weakness in the Authority's governance arrangements that they believe to be pervasive. EA</p> <p>Weaknesses we have observed in how the extraordinary meeting of the Authority Board (in May 2022) makes informed decisions. EA</p>	<p>Continue to revise/embed Constitution & governance improvements.</p> <ul style="list-style-type: none"> • May – financial regulations • July – Procurement code and • Sept - Single Assurance Framework <p>Full assurance review of Governance by internal Audit</p> <p>A revised senior leadership structure in place able to provide the organisation with clear and effective strategic direction and capacity</p> <p>Focus on recruitment to vacant posts and reducing the number of vacancies / roles covered by contract and temporary appointments:</p> <ul style="list-style-type: none"> • New Chief Executive to commence in June 2023 • Permanent Monitoring Officer to have been appointed before end of year. • Permanent Head of HR appointed before end of year. 	<p>May 2023 July 2023 September 2023</p> <p>March 2024</p> <p>Complete</p> <p>June 2023</p> <p>March 2024</p> <p>March 2024</p>

		<ul style="list-style-type: none"> The shift to normal levels of vacancies and turnover that has been achieved is sustained 	
	Better representation on committees for independent councillors	<p>As part of the Constitution review examine the representation on committees for independent councillors</p> <p>Briefing paper being prepared for consideration by Mayor and DMs.</p> <p>Queries resolved by clarification of process for reflecting political proportionality on committee membership and that under current arrangements the Overview and Scrutiny committee can co-opt members to its committee. Practice at some other MCAs is to co-opt an independent member.</p>	<p>September 2023</p> <p>September 2023</p>
2. Project plans and delivery – Steve Cox			
Outcome	Key areas of identified improvement by External Auditor, Best Value Notice, Independent Improvement Board and DLUHC	Activities to deliver identified outcome	Timeline
Clarity on process to be followed to maximise income		The CA has identified sustainable income options and has the capacity and capability to proactively develop effective cases for future funding	June 2023
Investment and resources in place to support and maximise future Devo deals for the CA area.		<p>The Combined Authority develops a Single Assurance Framework that reflects agreed organisational values, drives standards and 'future proofs' the CA.</p> <ul style="list-style-type: none"> Board approval (July 2023) of Scheme of delegation and prioritisation methodology Board (September 2023) approval of Single Assurance Framework 	September 2023

Performance framework agreed and judged to be effective and embedded.	Significant delivery concerns in some of the programmes delivered by the Authority. BVN Introduce systems and approach to report regularly on progress against plan on all key delivery projects BVN	Board approval of Performance Management Framework and dashboard	September 2023
Key projects deliver identified outcomes on time and on budget			
Risk appetite is clearly understood and risks are pro-actively managed. Culture of risk management is embedded		A comprehensive Risk Management Framework is embedded within corporate governance arrangements: <ul style="list-style-type: none"> • Board approval of Risk Management Framework • Quality checks will be undertaken as part of the monthly performance meetings. • A comprehensive training package developed and resourced from (DLUHC budgets provided for purpose) • Refresher training to be scheduled biannually, 	September 2023 March 2024
Project management methodology agreed and judged to be effective and embedded		In partnership develop an enhanced project management national best practice culture, training, and standards in support of the Single Assurance Framework through: <ul style="list-style-type: none"> • Schedule of project management training (APM) • Establish quality assured template as part of the SAF process 	September 2023
Quality standards raised across CPCA and constituent authorities		Create a PMO (Programme Management Office) A full business case setting out the new expanded scope and role of the PMO will be developed	September 2023
Provide CPCA and partners a comprehensive overview of performance. Increased visibility of project information		An interim performance dashboard to be delivered May 2023 Full scope completed by December 2023 and resourced as part of 23/24 budget	September 2023 March 2024 March 2024

		Identify software requirements to support project and performance management approach based on regional need	
3. Procurement - Nick Bell			
Outcome	Key areas of identified improvement by External Auditor, Best Value Notice, Independent Improvement Board and DLUHC	Activities to deliver identified outcome	Timeline
<p>Outcome of the PwC review against:</p> <ul style="list-style-type: none"> • Procurement maturity assessment • Procurement spends check. • Procurement process & governance review 	<p>A review of the mitigations put in place in respect of on demand transport services- in response to concerns raised in the BVN</p> <p>Undertake an internal/external review of procurement processes and governance in response to concerns in the BVN</p>	<p>Delivery of recommendations from PwC review</p> <p>See below for timeline re PwC report and subsequent activities</p> <p>PwC commissioned to review procurement strategy, policy, operations, and compliance</p> <ul style="list-style-type: none"> • May – PwC review complete. • June – recommendations & action plan approved by A&G • July – Board approves recommendations & action plan • June-December – action plan implemented. • Q4 – full assurance review of procurement by Internal Audit 	<p>May 2023</p> <p>June 2023</p> <p>July 2023</p> <p>December 2023</p> <p>March 2024</p>
4.Partnerships – Richard Kenny			
Outcome	Key areas of identified improvement by External Auditor, Best Value Notice, Independent Improvement Board and DLUHC	Activities to deliver identified outcome	Timeline

<p>CPCA should be the bridge between the local area and government, providing a single voice and offer</p>	<p>Concerns around partnership working, as outlined in the Minister for Local Government's letter to the then Mayor, James Palmer, on 13 July 2020, which remains an area that requires work. BVN</p>	<p>For member constituent authorities and the combined authority:</p> <p>Conduct a scoping exercise to ascertain issues and blockages but also exemplars of collaborative and partnership working within the CA area.</p> <p>Develop an action plan to maximise the culture of cross authority collaboration and partnership working to include:</p> <ul style="list-style-type: none"> • Scoping joint meetings/working groups at officer and member level; • Reflection of joint priorities within strategies and action plans to emphasise the single voice of the CA area; • Pooling of resources and maximising joint working across areas of common interest. <p>For wider partnership working:</p> <p>Mapping exercise required to understand the sub-region:</p> <ul style="list-style-type: none"> • What partnerships exist • What is the purpose of each of the partnerships • What are the CA inputs/outputs to the partnerships and desired outcomes • What is emerging across the landscape eg deeper devolution and stronger accountability • Re-prioritisation process of partnerships for strategy and delivery • Development of the single voice across the area, bringing democratic legitimacy and wider responsibility and accountability. 	<p>June 2023</p> <p>September 2023</p> <p>December 2023</p>
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		<p>Review of key strategies and their delivery arrangements:</p> <p>A single strategic framework and key strategies</p> <p>A pipeline of key priorities and programmes and associated key asks and offers and stretch on outcomes as part of delivery</p> <p>Review resources and operating model (Key dependency with SAF) to ensure focus and capacity is in place to deliver on identified vision and strategies coming out of activity above</p>	<p>December 2023</p> <p>March 2024</p> <p>March 2024</p>
5.Confidence, culture and capacity – Kate McFarlane			
Outcome	Key areas of identified improvement by External Auditor, Best Value Notice, Independent Improvement Board and DLUHC	Activities to deliver identified outcome	Timeline
<p>Ambition and priorities</p> <p>We are clear in our ambition and priorities for the combined authority region</p> <p>We have a well-established framework to work in partnership with key stakeholders to deliver this ambition</p>	<p>CA delivering its best value duty and to deliver lasting change across the organisation, such as in terms of culture and relationships. DLUHC</p>	<p>Delivery of strategic and operational priorities set out in Corporate Plan mapped by targets and milestones within directorate business plans</p> <p>Commence corporate reporting of progress to CA Board in July and following this on a quarterly basis</p> <p>Development of future programme with a focus on:</p> <ul style="list-style-type: none"> A refresh of the Cambridgeshire & Peterborough Independent Economic Review (CPIER) 	<p>End of September 2023</p> <p>End of September 2023</p> <p>End of March 2024</p>

		<ul style="list-style-type: none"> • Development of future shared vision and ambitions; bringing stakeholders together (to understand and map aspirations and shared priorities) • Engagement with residents to ensure their voice is reflected in ambitions • Creation of policy space to enable conversations to inform a unified approach for the region • Working with other Mayoral Authorities and local partners to develop Devo 2 • Study to understand the current, and future Infrastructure requirements • Clear programme plan to include resources, budget and timelines 	
<p>Values and behaviours</p> <p>Values and behaviours are embedded and owned by everyone (both officers and members) through day to day activities</p> <p>Values and behaviours are recognised as central to all CPCA practice and processes and there is collective ownership and responsibility for culture- living the values through day to day working activity.</p> <p>Alignment to the values is recognised and celebrated, whilst non-aligned of 'behaviours' are addressed</p>		<p>Development of behaviours linked to each value through a workshop held in April 2023</p> <p>3rd staff conference to be held in June, focus includes .meeting the new CEX, development of behaviours, feedback from most recent staff survey & celebrating successes</p> <p>3rd staff survey to be undertaken to continue building the CA 'one team' ethos in delivering the vision and priorities and embedding agreed values</p> <p>Increase in interim capacity to improve internal communications. External review of internal engagement (part of a wider review of communications) to address concerns raised and ensure all staff feel connected to the future vision and ways of working.</p>	<p>End of September 2023</p> <p>End of September 2023</p> <p>End of September 2023</p> <p>End of September 2023</p> <p>End of September 2023</p>

<p>Peer reviews and feedback from partners identify CPCA is 'living its values'</p>		<p>Values and behaviours are embedded in all CPCA practice and processes</p> <p>Values based recruitment policy and approach to be signed off by CMT</p> <p>Values to be a key element of 1-1 discussion, appraisals and mid-year review to evidence how values are owned.</p> <p>Member induction session to include 'how we work together', develop relationships and to identify further activity required</p>	<p>End of September 2023</p> <p>End of March 2024</p> <p>End of September 2023</p> <p>End September 2023</p>
<p>Leadership</p> <p>Leadership at all levels of CPCA is seen as high quality, effective and in line with the agreed values and behaviours</p>		<p>Onboarding of CX and first 100 days to showcase leadership required of all CA leaders</p> <p>Initial identification of training needs from 23/24 appraisals and mid-year reviews</p> <p>Coaching and mentoring scheme to be developed</p> <p>Leadership values and behaviours to be tested at both recruitment and appraisal</p> <p>Scoping of future management leadership development activity to be introduced throughout the CA / members to encourage all staff to see themselves as leaders to include:</p> <ul style="list-style-type: none"> • Leadership development qualification • Management apprenticeship • Skills based courses • Shared learning opportunities • Programme of seminar sessions 	<p>End of September 2023</p> <p>End of September 2023</p> <p>End of March 2024</p> <p>End of September 2023</p> <p>End of September 2023</p>

<p>Recruitment, Retention, Reward & Resources</p> <p>Balanced scorecard in place that reflects job satisfaction, employee turnover, absence etc.</p> <p>Workforce strategy agreed (up to 2025) that identifies key resourcing requirements and how they will be delivered.</p> <p>CPCA is viewed as a 'good' employer tested through staff surveys, exit interviews and external review</p>	<p>Ensure a robust, open, and transparent recruitment campaign to make permanent appointments to the senior team in a timely manner BVN</p> <p>Current vacancies in the Authority's senior management team, particularly at Chief Executive level, and the prospect that this could increase further from July 2022 EA</p>	<p>Divisional structures below Exec Director to be confirmed and implemented</p> <p>Review of communication function to ensure it is fit for the future and supports the ambitions of the CA</p> <p>Agreement by Employment Committee of HR policies that reflect attraction, recruitment, induction development, reward and exit requirements for CPCA (by July 23)</p> <p>Further Staff induction sessions to continue between June and September</p> <p>Introduction of balanced scorecard that reports on key HR indicators and highlights to be included in corporate performance reporting (first to July 23 Board)</p> <p>HR working with Exec Directors to ensure the resourcing strategy reflects an agile organization with the skills and experience required to deliver the ambitions of CPCA – and to inform a future operating model to be developed by March 2024</p>	<p>End of September 2023</p> <p>End of September 2023</p> <p>End of September 2023</p> <p>End of September 2023</p> <p>End of September 2023</p> <p>End of March 2024</p>
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Appendix 3**Audit and Governance Committee 9 June 2023****Note from (Acting) Chair, Independent Improvement Board, 25 May 2023**

The Independent Improvement Board met on 22 May. It was a positive meeting, and we recognise that whilst there is more to do – good progress is being made.

The interim Chief Executive updated us on progress to date on addressing the concerns of the External Auditor and the issues set out in the Best Value Notice. He also shared the draft reframed improvement plan to be presented to the CA Board on 31 May.

As Independent Improvement Board members, we were able to share insight from the meetings and interactions we have had over the last month.

The Mayor, Dr Nik Johnson joined us over lunch and the Board welcomed his candour in recognising the journey the CPCA is on, the ambitions for the region and the role the Board needs to take in leading this.

Members of the new CMT were present and it was good to meet them and hear about the joint working they are promoting across the CPCA and with constituent authority management teams. They also shared their ambitions for the CPCA. I previously caught up with Nick Bell who was unable to attend.

I am due to meet with colleagues from DLUHC later this week to share the observations of the Independent Improvement Board. This meeting is in advance of the scheduled quarterly meeting to be held in early June that unfortunately due to annual leave I am unable to attend. Below are the key observations on assurance and further areas of focus for the Combined Authority that I will share:

Assurance on progress:

1. The IIB recognised and acknowledged that a huge amount of progress has been made against the Best Value Notice and External Auditors concerns and that a greater sense of trust is in place
2. Feedback from discussions between IIB members and CA Board members indicate a more positive culture, a much greater level of confidence and a sense that things are moving forward; but with still more to do
3. The IIB welcomed the pace of recruiting the new Executive Directors and the calibre of them and the IIB is reassured by the level and extent of experience they bring
4. The IIB believe the arrival of the new permanent CX will bring more stability
5. The IIB is also reassured that the new CMT is spending time together to develop as a team and with management teams across constituent authorities to focus on joint enterprise and representing the region in discussions with government
6. The IIB welcomed that the ambitions for the region are being articulated, as the potential is huge; however, the CA must not lose sight of the improvements that need to be made or embedded
7. The IIB felt the initial work on the development of the SAF was a strong piece of work and were reassured that constituent councils are involved in its further development
8. The Improvement report has been well developed and the reflects the key areas of concern raised by the External Auditor and Best Value Notice

9. The IIB welcomed the fact that progress on improvement activity was reported on a regular basis to the CA Board, O&S Committee and A&G Committee meetings

Areas for further focus:

1. The development of a long-term vision for the CPCA is critical to its success and urgent following May elections
2. The senior officer team need to make sure the right capacity is in place to support the Mayors priorities and the agreed strategic plan
3. There is an urgent need to put in place a CA Board development plan after the elections
4. In line with recommendations and good practice; and LA stability there needs to be urgent consideration of consistency on O&S and A&G membership
5. Training needs to be provided to O&S and A&G members to help them understand what their role and responsibilities are; and for staff to understand better the role of the committees
6. The need to ensure the CA has capacity (and a workforce plan) to deliver on the stated agenda and future ambitions; and needs not to be afraid to reach out to other CA's for support on preparation for further devolution discussions
7. For future reports to the IIB, progress will be reported using a 'RAG rating' to easily identify where the progress is at, highlights and exceptions; and an executive summary will be included

Julie Spence, OBE QPM BEd LLB MA MBA
(Acting) Chair, Independent Improvement Board



Audit & Governance Committee		Agenda Item
09 June 2023		9
Title:	Interim Performance Management Framework	
Report of:	Kate McFarlane, Head of Policy and Executive Support	
Lead Member:	Dr Nik Johnson, Mayor	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	Recommendation A – note only Recommendation B – by majority	

Recommendations:

A	To review and assess plans to develop and implement an interim performance management framework.
B	To approve the plans as set out in this report.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving best value and high performance (dependent on CAB decision 31 May)

The performance management framework will support the scrutiny of performance information relating to the achievement of outcomes and outputs relating to all five corporate priorities. It will also be a key policy that supports the organisation to achieve best value and high performance.

1. Purpose

1.1	<p>The report updates the Committee on work that has taken place to develop an interim Performance Management Framework, which will give increased assurance in the interim period until September 2023, when the full Performance Management Framework will be recommended to CAB.</p> <p>Audit and Governance Committee is asked to:</p> <ul style="list-style-type: none">• Review and approve plans to develop and implement an Interim Performance Management Framework by July 2023.• Review and approve plans to scope, develop and implement a Performance Management Framework by the autumn of 2023.
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1.2	<p>National Government policy has set out a requirement for Mayoral Combined Authorities (MCAs) to be scrutinised and held to account through local scrutiny, checks and balances; accountability to the public; and accountability to the UK government.</p> <p>At Member level, performance data is currently scrutinised by Skills Committee, but not by Combined Authority Board (CAB) or the other CPCA committees. A performance report was last presented to and noted by Board in July 2022. Performance reports to CAB were subsequently stopped given the performance review element of the Improvement Plan. However, reporting of risk and internal audit actions has continued with quarterly reports going to Audit and Governance Committee and the time is now right to establish a new Performance Management Framework.</p> <p>Improvement activity to ensure a robust and effective Performance Management Framework is in place in support of strategic framework and governance arrangements is ongoing, with a plan to take the Framework to CAB in September and an implementation completion date of autumn 2023.</p> <p>An interim Performance Management Framework is being developed to provide increased assurance around project and programme delivery until September 2023.</p> <p>Accountability to the public is being developed as part of the Performance Management Framework.</p>
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2. Proposal

2.1	<p>Interim Performance Management Framework</p> <p>In July 2023, Overview and Scrutiny Committee and the CA Board will be asked to:</p> <ul style="list-style-type: none"> • Agree proposed key performance indicators (KPIs) • Scrutinise baseline and Q1 data for some KPIs • Scrutinise progress of most complex programmes, projects and activities, including the Improvement Programme • Consider whether performance is at an acceptable level and identify remedial action as required • Consider updates on development of the Performance Management Framework • Consider update on progress to evaluate impact of Devolution Deal Investment Fund <p>The intention is that the Q1 Performance Report will contain:</p> <ul style="list-style-type: none"> • A working proposed list of KPIs, to be refined during 2023. Balanced scorecard, covering resident, internal process, learning and growth and financial perspectives. Focussed on outputs, this list will not include contextual measures. • Summary of RAG rating of Corporate KPIs with commentary on red rated KPIs • Narrative report on performance of most complex programmes and projects based on scoring of all live projects for financial value, risk and strategic alignment. • Narrative report on progress of priority activities e.g. second devolution deal • Summary of RAG rating of Reframed Improvement Plan progress • Performance Management Framework development update • Evaluation of impact of Devolution Deal (Gateway Review) update • Dashboard of KPIs performance (appendix) • Dashboard of complex programmes and projects performance (appendix) • Improvement Programme Highlight Report (appendix) <p>Performance Management Framework</p> <p>Research on best practice has been completed and models for consideration presented to Combined Authority Chief Executives' Group for their guidance and views. Through the active involvement of the lead CEX officers from the constituent authorities, work is underway to develop an inclusive set of assurance and performance management frameworks. A working group with Constituent Authority officers who are experts in performance management has been set up and the first meeting took place in mid-May.</p> <p>The next phase is the scoping, development and implementation of the Performance Management Framework by the autumn of 2023. A workshop is being set up for O&S to develop and agree the full list of KPIs for implementation in the Performance Management Framework. It is anticipated that this work will be completed by the end of August. Quarterly CPCA performance reports will be scrutinised</p>
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	by O&S and CAB in July 2023, November 2023 and January 2024. A&G will scrutinise the performance management process in November 2023, January 2024 and March 2024.
2.2	<p>Performance management is about how we consistently plan and manage improvements to our services. In simple terms, performance management enables key decision makers, both elected members and officers, to take necessary action based on facts about our performance.</p> <p>Good performance management offers many benefits including:</p> <ul style="list-style-type: none"> • supporting our wider vision for Cambridgeshire & Peterborough • driving and embedding a culture of continuous improvement • clarity of key objectives and targets – where we are and where we want to be • helping the measurement of progress towards our objectives and desired outcomes • promoting accountability and transparency • enabling best value to be demonstrated • instilling confidence across our organisation, our service-users and stakeholders <p>Cambridgeshire & Peterborough is facing a range of challenges. Performance management helps us make informed choices about how to respond, and how we will review our progress against our priorities.</p> <p>It is a tool that allows us to measure whether we are on track to achieve our priorities, plans and strategies. If we are off-track, we change our activities to improve service delivery, value for money and the outcomes people experience. Effective performance management enables diagnosis and interaction. It requires an effective performance management system and a strong performance management culture.</p>

3. Background

3.1	<p>Member decisions</p> <p>On 30 March 2022, the CAB resolved to:</p> <ol style="list-style-type: none"> Adopt a Line-of-Sight performance management model. Adopt an initial set of 29 Strategic Performance Indicators to be reported to Board, with further work to take place to develop leading indicators. Agree that a Performance Report is taken to the Board quarterly as a dashboard, and that the 'key projects' profile element of the previous Performance Dashboard be removed. <p>On 19 October 2022, CAB resolved to adopt an Improvement Framework including, as Workstream E, Project Outcome E2: A robust and effective Performance Management Framework is in place in support of strategic framework and governance arrangements.</p> <p>On 25 January 2023, CAB approved the CPCA Corporate Strategy and Business Plan 2023-25. This set out four corporate priorities with 23 associated outputs that show what the CA is achieving in the short term. The strategy also sets out the outcomes that describe what it is that the CPCA really wants to provide for the people living in the area. The strategy states that monitoring outcomes is important as this is the point at which there will be material change and improvement in the life of people living and working in Cambridgeshire and Peterborough.</p> <p>On 22 March 2023, CAB noted a proposed reframed focus for outstanding improvement activity to be delivered that requires a continued corporate focus. Relating to Theme E2, actions are:</p> <ul style="list-style-type: none"> • The scoping, development and implementation of the Performance Management Framework by the autumn of 2023. • Until that date an interim Performance Management Framework to be developed to provide increased assurance around project and programme delivery. <p>On 31 May 2023, CAB is being asked to agree fifth strategic objective of 'Achieving Best Value and High Performance'. This objective is being proposed so that CPCA can clearly demonstrate Best Value and High Performance to a range of stakeholders and ensure that managerial focus and wider scrutiny is concentrated on this theme as well as the other four Corporate Priorities already approved.</p> <p>National government policy</p> <p>In March 2023, DLUHC published an English Devolution Accountability Framework that set out how MCAs will be scrutinised and held to account by UK Gov, local politicians, business leaders, residents</p>
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	and voters. The Framework presented three themes of local scrutiny and checks and balances; accountability to the public; and accountability to the UK government. The government is committed to work with local areas to develop a Scrutiny Protocol on the relationship between Mayor, the institution and its scrutiny/audit functions. The government will set out (in 2023) a series of outcomes and metrics which will help local people to assess how MCAs are performing.
3.2	<p>This proposal responds to feedback from the following groups:</p> <ul style="list-style-type: none"> • Combined Authorities Best Practice Network • CPCA Corporate Management Team • CPCA Chief Executive • CPCA Performance Management Project Group • CPCA Senior Leadership Team • CPCA Single Assurance Framework Internal Working Group • CPCA Single Assurance Framework Partner Working Group
3.3	The linear option of developing the Performance Management Framework first then resuming Performance Reporting second was considered. This has not been proposed because the approach of developing both in parallel has the advantages of enabling Members to scrutinise performance data quicker and supporting testing of elements of the draft Framework.

4. Appendices

4.1	N/a
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5. Implications

Financial Implications

5.1	<p>Full costs of the proposed Performance Framework are being finalised, albeit that existing work on the Performance Framework has been met from existing staff resources and ancillary budgets. Other costs are likely to include:</p> <ul style="list-style-type: none"> • Commissioning research • New data sets • Software subscriptions • New analyst post • Staff training <p>If these costs cannot be managed within existing budgets, there may be a requirement to ask the Combined Authority Board to consider the budget increase required to deliver the enhanced performance management framework.</p> <p>In addition, this proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to best value and help secure competitive funding.</p>
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Legal Implications

6.1	<p>This report needs to be seen in the context of the legal and constitutional nature of the CPCA itself. Under Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007), the CPCA is under a general duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.</p> <p>6.2 Chapter 13 Rule 13.3.6 of the CPCA constitution empowers this committee to monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances.</p>
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Public Health Implications	
7.1	This proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to public health impact.
Environmental & Climate Change Implications	
8.1	This proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to environmental and climate change impact.
Other Significant Implications	
9.1	This proposal will provide the CPCA with a stronger evidence base, which has the potential to support more effective decision making relating to equality, diversity and inclusion impact.
Background Papers	
10.1	



Audit & Governance Committee		Agenda Item
09 June 2023		10
Title:	Corporate Risk Register & Risk Register Improvements	
Report of:	Chris Bolton, Head of Programme Office	
Lead Member:	Chair, John Pye	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	To note	

Recommendations:

A	To note the progress of the Corporate Management team risk appetite training and statement.
B	To note the procurement and implementation of corporate risk software.
C	To note the refreshed Corporate Risk register report, risk dashboard and heat map.

1. Purpose

1.1	<p>The purpose of this paper is to provide a progress update on the provision of a risk appetite training session for members of the Corporate Management Team and resulting risk appetite statement.</p> <p>To note implementation of risk software to enable easier risk reporting and monitoring.</p> <p>To note the refreshed risk register, risk dashboard and heat map. (Appendix 1).</p>
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2. Proposal

2.1	<p>Risk Management training for members of the A&G</p> <p>Two risk Management sessions for members of the Audit and Governance Committee have now taken place:</p> <p>21st November 2022.</p> <p>24th March 2023</p> <p>Risk Management training for CPCA and subsidiary companies Programme / Project Managers was delivered on 24th February 2023.</p> <p>Risk Appetite training for the Corporate Management team took place on the 27th April 2023.</p> <p>Implementation of Risk Register software – 4Risk</p> <p>In early May, risk software was procured. (4Risk supplied by RSM). The investment in new corporate, web-based risk software will allow a central and auditable platform, for all programme/project managers to register risks associated across the work programme.</p> <p>Training in the use of the new software will be undertaken across all service areas and subsidiary companies this summer.</p>
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2.2	<p>Following the 23rd March, A&G session, direction with regards to how risks could be reported at the A&G Committee was given.</p> <p>Risk reporting to this committee will now concentrate on how risk is owned, controlled and what actions are required to mitigate risk.</p> <p>Ensuring that the processes in how risks are assessed have been followed and actions are undertaken in a timely manner.</p> <p>The recording of all risks across the work programme of the CPCA and subsidiary companies will deliver greater visibility of risk for the organisation and this committee.</p>
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3. Background

3.1	<p>A report was taken to the Audit and Governance Committee in January 2023</p> <p>The Committee have also received risk training in November 2022 and March 2023</p> <p>There has also been a Corporate Management Team Risk appetite session April 2023.</p>
3.2	We have worked with the RSM Auditors – Adam Lickorish on the report.
3.3	<p>Historically, the CPCA have used excel based spreadsheets to record risk and although used with best intentions, can be open to formatting issues and not fully auditable.</p> <p>The current register, (and directorate level risk registers), are difficult to administer and view in their totality.</p> <p>The implementation of new risk software will allow greater visibility of risk across the organisation, be easily accessible to risk owners and allow easier reporting.</p>

4. Appendices

4.1	<p>Appendix 1 - Refreshed Risk register May 2023</p> <p>Appendix 2 - CPCA Corporate Risk Dashboard May 2023</p> <p>Appendix 3 - CPCA Heat Map report May 2023</p> <p>Appendix 4 - Corporate Risk Register – May 2023</p>
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5. Implications

Financial Implications

5.1	<p>The cost of the 4Risk software is £10,000 p.a. and will be paid from the DLUHC Capacity budget.</p> <p>The contract is for a 3-year period. The remainder of the report has no direct financial implications, but a failure to recognise and (where possible) mitigate risk could have severe financial implications for the Combined Authority.</p>
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Legal Implications

6.1	The Cities and Local Government Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.
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Public Health Implications

7.1	None
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Environmental & Climate Change Implications

8.1	None
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Other Significant Implications	
9.1	None
Background Papers	
10.1	A&G Committee March Agenda

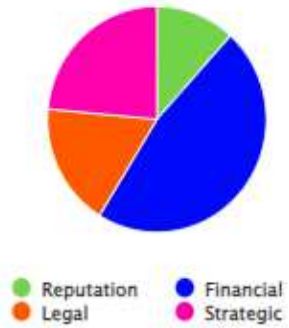
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Risk Criteria	
Project	Corporate Risk Register

Item 10

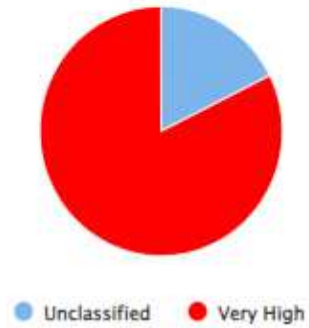
Corporate Risk Register										
Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Detail	Actions Owner	Assurance Line	Variable Target	Target Priority
Inflation	Financial	Rob Emery	Very High (4:5=23)	a) Lobby government to highlight our position and what will happen without a more sustainable funding solution b) Project delivery - enter into fixed price contracts, i.e. transferring inflationary risk to contractors. c) Project delivery delays mitigated by active project management to minimise slippage. d) Reconsideration of the use of CA powers to use financial freedoms.	Very High (3:5=20)	Review of Transport programmes underway which will allow a greater understanding of spend profile and thus size of inflationary risk that individual projects are subject to. Report June 2023. Work to identify inflationary pressures on budgets will be undertaken over summer 2023 to feed into the MTFP cycle in Oct/Nov 2023.	Rob Emery	2nd	30 Nov 2023	High (2:4=12)
Future Funding	Financial	Nick Bell	Very High (4:5=23)	a) Sharing risk with partners (how will we share risk with partners) b) Workshops with partners to work out alternative funding sources c). Liaison with government and M10 on potential opportunities d) Consider use of existing CA powers to fund future programmes e) Effective programme management to take into account funding deadlines. f) Manage stakeholder expectations regarding CA resources available to deliver strategic objectives	Very High (5:3=22)	Engage with M10 colleagues to secure new devolution deal with sustainable funding at its core. Activities and outputs being progressed as part of Improvement plan - including development of case for 'bidding' resource	Nick Bell	3rd	30 Sep 2023	High (3:3=13)
Workforce/HR	Financial	Paul Lowes	Very High (3:4=17)	a) Workforce planning - redeployment of staff / temporary contracts	High (3:3=13)	Recruitment register being created, to fortnightly at ET and is extended to include planned leavers to enable us to take a more strategic view on vacancies. Develop workforce strategy/plan to align with Business Plan (this needs to be reviewed in context of improvement work), including specific approval for fixed term contracts linked to funding and effects of inflation. Keep close to ET members in the context of potential changes to funding streams as a result of the EY letter. And update recruitment tracker accordingly. Financial implications of funding stream coming to an end, for example, exit payments	Paul Lowes	2nd	31 Dec 2023	Medium (2:3=8)
Strategy Gap	Strategic	Kate McFarlane	Very High (5:5=25)	a) agreement SGAS - agreed including Communication strategy b) agreement Business Plan - c) agreement performance metrics - agreed d) governance review - including informal policy pipeline work as noted in the CA Improvement plan e) potential CPIER refresh requires further board discussion f) CA Board Business Board workshops - one already held, next due in Sept g) Board member away days - two already held	Very High (4:3=18)	Business plan agreed at June Board. Further Business Board away day planned. Communication strategy discussed by ET, needs to be refined and implemented. New CEX Group has had an initial meeting. CEX Group will meet monthly. Improvement Plan Workstream A Political (Strategy and Ambition) work underway.	Kate McFarlane	2nd	29 Sep 2023	Low (2:1=3)
Future viability of the CA	Strategic	Rob Bridge	Very High (5:5=25)	Developing an improvement plan in order to build confidence with central government. Move to more networked decision making and delivery with stakeholder involvement. Improved communications between partners	Very High (3:4=17)	Under the leadership of the interim CEO an improvement plan has been developed.	Rob Bridge	3rd	29 Sep 2023	Medium (2:3=8)
Climate change	Strategic	Adrian Cannard	Very High (4:4=21)	Embed climate considerations in our work programme as set out in the corporate strategy and departmental plans. Keeping Climate action plan up to date, keeping evidence base current. Maintaining independent climate change commission to provide advice.	Medium (2:3=8)	Regular progress reporting to Climate partnership and E&SC Committee Internal roll out of Climate awareness training	Adrian Cannard	3rd	29 Jul 2023	Low (2:2=5)
Net Zero Hubs	Reputation	Richard Hall	Very High (4:5=23)	Expedite the job gradings and approval to recruit	Very High (3:5=20)	Move to recruitment now the role evaluations are complete. Recruitment portal launch with these roles needs to be prioritised in CPCA or an alternate route to advert found. Appoint contingent labour if there is any delay beyond July for staff to be in post for key roles in reporting and project support.	Sam Hennerley	2nd	09 Jun 2023	Low (1:3=4)
University of Peterborough project	Financial	Richard Kenny	Very High (3:5=20)	The wider CA finances are insulated from the performance of Prop Co 1 and Prop Co 2 by no future expenditure being reliant on financial returns... A review of the future campus business case is to be undertaken.	Very High (4:3=18)	Paper in Forward plan to Board in November 2022 and Jan 23. Report on the review on the future campus business case July 2023.	Richard Kenny	2nd	31 Jul 2023	High (3:3=13)

Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Detail	Actions Owner	Assurance Line	Variable Target	Target Priority
Transforming Cities Fund (TCF)	Financial	Tim Bellamy	Very High (4:4=21)	Assessing the TCF funding programme around deliverability and cost undertaken. Where schemes will no longer be delivered and there will be a...	High (3:3=13)	a) CCC and PCC to assess their TCF programme - complete	Tim Bellamy	3rd	31 Jul 2023	Medium (3:2=9)
				Meeting with DfT and ARUP to understand what programme management measures they require to be reported on a quarterly basis to DfT to maintain...		b) Identify funding gaps (complete)	Tim Bellamy	3rd	31 Jul 2023	
						c) Suggest alternative schemes for delivery - assessment required - complete	Tim Bellamy	3rd	31 Jul 2023	
						d) Paper to be written for consideration by TIC and subsequently by the Board on the requirement to approve spend by end of the financial year (including comparison with other M10 authorities) - complete	Tim Bellamy	3rd	31 Jul 2023	
						e) Outline to government the revised programme - complete	Tim Bellamy	3rd	31 Jul 2023	
						f) Respond to government's request for information and evidence to inform their "study" - ongoing - complete	Tim Bellamy	3rd	31 Jul 2023	
						g) Liaise with DfT on the additional programme management tools and associated information to maintain confidence in the deliverability of the programme	Tim Bellamy	3rd	31 Jul 2023	
Governance - Vfm risk relating to governance	Strategic	Rob Bridge	Very High (5:5=25)	Both the A&G and O&S Committees have been briefed on the issues and are making their own recommendations to the board and will work to support the...	Very High (3:4=17)	Under the leadership of the interim CEO an improvement plan has been developed to address the points raised in the EY letter.	Rob Bridge	3rd	29 Sep 2023	Low (2:2=5)
				It is to be noted that an interim CEO has been appointed to directly address these issues.		Under the leadership of the interim CEO an improvement plan is being developed in a response to DLUHC concerns so that they will release paused funding.	Rob Bridge	3rd	29 Sep 2023	
				Regular engagement with external auditors, DLUHC and BEIS.						
				Board to action a plan to satisfy EY concerns leading to DLUHC to release funds.						
Culture	Reputation	Rob Bridge	Very High (5:3=22)	Governance review underway as part of Improvement Plan.	Very High (4:3=18)	Ongoing engagement with Members and Officers to display appropriate behaviours.	Rob Bridge	3rd	29 Sep 2023	Medium (2:3=8)
Subsidiary Companies	Financial	Edwina Adefehinti	Very High (4:4=21)	Action plan to address the internal audit recommendations has been developed. Early actions are being addressed.	High (3:3=13)	Shareholder Board in process of being established. First meeting is scheduled for April 2023.	Edwina Adefehinti	2nd	30 Apr 2023	Low (2:2=5)
Financial - Underspend	Financial	Rob Emery	Very High (3:5=20)	Implementing self service financial reporting which will enable project managers to more easily identify if there is a disconnect between project...	Very High (3:4=17)	Development of directorate self service reports including RAG rating. This work will be supported by corporate project mgt and risk training.	Rob Emery	2nd	30 Jun 2023	High (2:4=12)
				Financial RAG ratings are in place so it can be seen immediately as part of the monthly performance reporting.		Reprofiling carry forward project budgets by project managers is taking place in April 2023	Rob Emery	2nd	30 Jun 2023	
EQIA	Legal	Reena Roojam				EQIA legal review to be undertaken	Sam Hennerley	2nd	29 Sep 2023	
Data Protection Training/Information Security	Legal	Susan Hall	Very High (5:3=22)	Weekly reminders to those not completing training (automatically sent from training platform Asture)	Medium (3:2=9)	Regular updates in Happenings and emails	Susan Hall	3rd	30 Jun 2023	Low (1:2=2)
				Monthly reminder from Data Protection Officer for those who are yet to complete training		Scheduled communication updates in place	Susan Hall	3rd	30 Jun 2023	
				HR meeting review fortnightly						
				Reminders sent out with Appraisal information						
				Draft Learning and Development Policy in place						
				Induction note/email to employee on first day						
Cyber Security	Financial	Nick Bell								
HR Operations	Legal	Paul Lowes				Budget for new technology circa £30k p.a.	Paul Lowes	2nd	30 Jun 2023	
						Implementation costs circa £50k	Paul Lowes	2nd	30 Jun 2023	
						Budget for business change (review all HR processes)	Paul Lowes	2nd	30 Jun 2023	
						HR staff to be upskilled	Paul Lowes	2nd	30 Jun 2023	

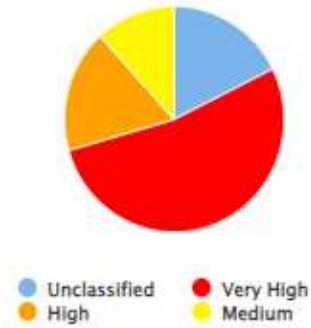
Risks by Category



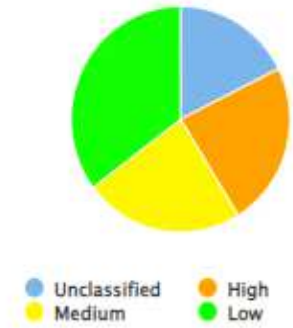
Risks by Inherent Score



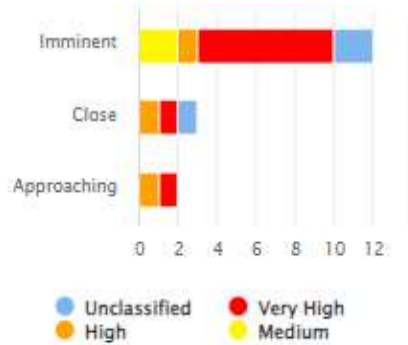
Risks by Residual



Risks by Target Score



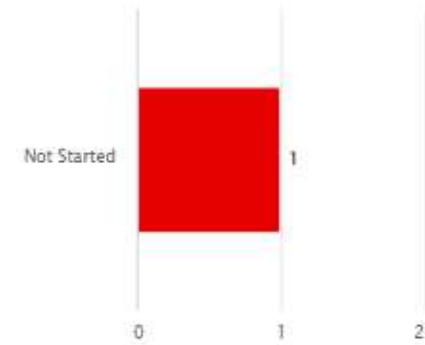
Risks by Proximity



Open and Closed Risks



Overdue Actions





< INHERENT **RESIDUAL** TARGET >

Matrix Id	Reference	Title	Inherent	Residual	Target	
1	1026	Strategy Gap	Very High	Very High	Low	↗
2	1047	Future viability of the CA	Very High	Very High	Medium	↗
3	1088	Governance - VfM risk relating to governance	Very High	Very High	Low	↗
4	1007	Future Funding	Very High	Very High	High	↗
5	1001	Inflation	Very High	Very High	High	↗
6	1093	Culture	Very High	Very High	Medium	↗
7	1126	Data Protection Training/Information Security	Very High	Medium	Low	↗
8	1061	Net Zero Hubs	Very High	Very High	Medium	↗
9	1073	Transforming Cities Fund (TCF)	Very High	High	Medium	↗
10	1096	Subsidiary Companies	Very High	High	Low	↗
11	1052	Climate change	Very High	Medium	Low	↗
12	1083	University of Peterborough project	Very High	Very High	High	↗
13	1068	University of Peterborough project	Very High	Very High	High	↗
14	1117	Financial - Underspend	Very High	Very High	High	↗
15	1015	Workforce/HR	Very High	High	Medium	↗

Risk Title													Cause & Effect		Inherent Score	Risk Control		Residual Score	Financial Risk Implication (€)		Action required	Person responsible	Trend	Assurance	Assurance Action	Date to be implemented by	Date action closed (if applicable)	Cost of risk control (€)	Cost of risk control (€)	Target Score	Risk Level	
Risk Ref	Risk Title	Date of last update	Impact	Severity	Relevance	Impact	Risk Owner	Risk Lead	Last updated	Latest Review Date	Last Reviewed By	Last Review Comments	Cause	Effect	Score (1-25)	Control (mitigation actions)	Control Owner	Residual Score	Financial Risk Implication (€)	Financial Risk Implication (€)	Action required	Person responsible	Trend	Assurance	Assurance Action	Date to be implemented by	Date action closed (if applicable)	Cost of risk control (€)	Cost of risk control (€)	Target Score	Score at last review	Score at next review
1	Inflation	07/03/2022	Financial	Low	Low	Low	RE	CFO	26/05/2022	26/05/2022	AD Finance		Due to inflation of 8-10% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	22	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	20		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	20	→	2nd line	Review in conjunction with PMS	End of Nov 22		50.00	No	12		
2	Future funding	07/03/2022	Financial	Low	Low	Low	RE	CFO	06/05/2022	26/05/2022	CFO		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	21		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	21	→	3rd line	EDUC review	End of Sept 2022		TBC	No	13		
3	Workforce HR	07/03/2022	Financial	Approaching	Low	Low	PL	AD HR	06/11/2022	17/08/2022	PL		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	17	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18	↓	3rd line		End of Dec 2022			No	6		
5	Strategy gap	07/03/2022	Strategic	Low	Low	Low	RE	Director of Resource & Performance	22/11/2022	22/11/2022			Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	Policy Team	18		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Policy Team	18	→	2nd line		End of Sept 2022			No	3		
7	Future viability of the CA	07/03/2022	Strategic	Low	Low	Low	RE	CEO	20/08/2022	20/08/2022	CEO/Director of Corporate Services		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	17		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	17	→	3rd line		End of Sept 2022		4750,000.00	No	6		
8	Climate change	07/03/2022	Strategic	Low	Low	Low	AC	Director of Place & Connectivity	04/04/2022	04/04/2022	Strategic Planning Manager		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	6		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	6	↓	3rd line	Regular progress reporting to Climate Governance and BSC Committee	Summer 2022		No	4			
11	University of Portsmouth project	07/03/2022	Financial	Approaching	Low	Low	RE	Director of Economy and Growth	17/05/2022	17/05/2022			Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	Director of Economy and Growth	16		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Director of Economy and Growth	16	→	2nd line		End of July 2022		TBC	No	13		
12	Transforming Cities Fund (TCF)	04/04/2022	Financial	Low	Low	Low	TS	Director of Place & Connectivity	20/04/2022	20/04/2022	Head of Transport		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	Head of Transport	13		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Head of Transport	13	→	3rd line				No	6			
15	Governance - VFM risk relating to governance	15/06/2022	Strategic	Low	Low	Low	RE	CEO	06/01/2022	16/08/2022	CFO/PMO		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	17		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	17	→	3rd line		End of Sept 2022			No	5		
16	Culture	14/06/2022	Reputation	Low	Low	Low	CEO	CEO	14/06/2022	14/06/2022	CEO		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18	→	3rd line		End of Sept 2022			No			
17	Subsidiary Companies	30/06/2022	Financial	Low	Low	Low	EA	Director of Resource & Performance	06/04/2022	06/04/2022	CFO		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	13		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	13	→	2nd line	Review in conjunction with PMS	End of April 2022		No				
21	Financial - Underpinned	12/01/2023	Financial	Low	Low	Low	RE	Director of Resource & Performance	26/05/2022	26/05/2022	RE		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	20	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	CFO	17		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	CFO	17	→	3rd line	Review in conjunction with PMS	End of June 2022		50.00	No	12		
22	Net Zero Hubs	20/02/2023	Reputation	Low	Low	Low	RE	Executive Director for Resource & Performance	24/05/2022	24/05/2022	CB/RE		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	RE	26		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	RE	26	↓	2nd line		Early June 23			Yes	6		
23	EQIA	02/04/2023	Legal	Low	Low	Low	RE	Director of Resource & Performance	23/05/2022	23/05/2022	RE		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18	→	2nd line	Review in conjunction with PMS	End of Sept 2022			No			
24	Data Protection Training/Information Security	03/04/2023	Legal	Low	Low	Low	RE	Director of Resource & Performance	26/05/2022	26/05/2022	CB/RE		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	9		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	9	→	3rd line	EDUC feedback to review progress	End of June 2022		45,000.00	No	4		
26	Cyber Security	27/04/2023	Financial	Low	Low	Low	RE	Director of Resource & Performance	12/05/2022	12/05/2022	SOC/ITM		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	ED Resource and Performance	18	→	3rd line		End of Sept 2022			No			
27	HR Operations	17/05/2023	Legal	Low	Low	Low	PL	Director of Resource & Performance	17/05/2022	17/05/2022	CB/PL		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	AD HR	9		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	AD HR	9	→	2nd line	Implementation to be reviewed at the Performance and Risk Committee	End of June 2022		2300,000.00	No	3		
28	Net Zero Hubs	24/05/2023	Reputation	Low	Low	Low	RE	Executive Director for Resource & Performance	24/05/2022	24/05/2022	CB/RE		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	Effect: 1-2% in the short term, inflation rate will rise to 3% since 2022	21	Control (mitigation actions): 1-2% in the short term, inflation rate will rise to 3% since 2022	RE	21		Impact: 1-2% in the short term, inflation rate will rise to 3% since 2022	RE	21	↑	2nd line		Early June 2023			Yes	7		



Audit & Governance Committee		Agenda Item
9th June 2023		11
Title:	Outcome & Recommendations from Procurement Review and High-Level Action Plan	
Report of:	Nick Bell	
Lead Member:		
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/A	

Recommendations:

A	Recommend to the CA Board the Implementation of the high level action plan as set out in Appendix 2 – Action Plan
B	Recommend that the CA Board approve the recruitment of the additional posts noted in the high level action plan (2 procurement and contracts officers and 1 contract manager) and that the costs of these posts will need to be built into the Medium Term Financial Plan for 2024-25 onwards.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

	Achieving Best Value and High Performance
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1. Purpose

1.1	A&G committee is asked to consider and comment on the attached report in light of the Best Value Notice. (Note PWC will be present at the meeting to answer any questions on the report)
1.2	A&G are also requested to recommend to the CA Board approval of the recommendations contained in the PwC report and approval of the high level action plan attached at Appendix 2 (including costs of new posts)

2. Proposal

2.1	To implement the recommendations as proposed by PWC in a manner that ensures best value for the authority. Initial priority actions are included in the high level action plan attached as Appendix 2 to the report. A more detailed action plan, incorporating relatively lower priority actions, will be brought back to the next meeting of the Audit & Governance Committee in July 2023.
2.2	The development of a procurement service fully resourced with personnel, policies etc will ensure effective delivery of services and improve the quality of life of residents.

3. Background

3.1	The CPCA received a best value notice dated 24/01/2023 following concerns raised within the Authority in respect of procurement of services by the Authority. The CPCA commissioned PwC to undertake an external review of the procurement service.
3.2	PwC were asked to comment on the Combined Authority's Procurement strategy, policies, operations and compliance and how this reflected best practice and Best Value and to provide recommendations for improvement to the Combined Authority, taking into account the likely requirements of the Procurement Bill currently passing through Parliament.
3.3	Alternative options considered <ol style="list-style-type: none">1. Do nothing – this would not be in the best interest of the CPCA and does not foster good governance and best value.2. Undertake an internal review – resource is not available to undertake this piece of work and may appear as not independent.

4. Appendices

4.1	Appendix 1 - CPCA Procurement Review Appendix 2 – Procurement Action Plan
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5. Implications

Financial Implications

5.1	The implementation of the high level action plan will require additional resources, namely 3 new roles and the provision of training for all staff involved in procurement and contract management. Full year staffing costs are anticipated to be in the region of £140K (including on costs), which will need to be built into the MTFP for 2023-24. For 2022-23 it is anticipated that there will be a part year impact of staffing costs of approximately £70k given the time to recruit to the new posts and this cost will be met from the Improvement Budget in year.
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Legal Implications

6.1	This report needs to be seen in the context of the legal and constitutional nature of the CPCA itself. Under Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007), the CPCA is under a general duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
6.2	Chapter 13 Rule 13.2.1 of the CPCA constitution empowers this committee to review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.

Public Health Implications

7.1	None
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Environmental & Climate Change Implications

8.1	None
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Other Significant Implications

9.1	None
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Background Papers

10.1	None
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Cambridgeshire & Peterborough Combined Authority

Procurement Review

May 2023



Section	Page number
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1

Executive Summary

Executive Summary

Overview

This review has been commissioned by the Authority to review its procurement capability over 5 areas: **Governance, Operating Model, Capability and Capacity, Culture of Compliance** and **Contract Execution**.

The review focuses on 3 key areas in order to assess current capability and identify improvements:

- 1) **A procurement maturity assessment**, a self-assessment against 18 questions;
- 2) **Procurement spend analysis** through a review of spend and contracts; and
- 3) **Procurement processes** review through interviews with officers and review of documentation.

An analysis of publicly available procurement information from other Combined Authorities was conducted in order to highlight areas of good practice that could be considered by the Authority. Alongside a review of the forthcoming **Procurement Bill** to ensure the Authority is aware of the proposed provisions and what changes it needs to implement in order to be compliant with these provisions.

Highlights

Officers were very engaged in the process and were open and honest during their interviews. Many officers have good procurement and contract management experience and understand the need for effective controls and governance around grants and contracts.

All officers highlighted the high level of support, guidance, expertise, impact and value provided by the Authority's Procurement & Contracts Manager.

Executive Summary

Challenges

All officers stated that the corporate procurement function is under-resourced with limited capacity to make the improvements or provide the strategic direction that is expected from the Authority.

For many officers, the lack of centralised and standardised guidance, templates and process flows covering the full end-to-end procurement process was their biggest challenge as they felt this increased risk both to themselves and the Authority in the event that something went wrong. They indicated there was a lack of clarity around roles and responsibilities of procurement and legal colleagues, and that differing advice had been given which had led to confusion around process.

Whilst the review was focused on procurement, many of the challenges raised by officers, particularly around governance, operating model, capability and capacity, were reflective of similar concerns about the Authority in general.

Recommendations

There are 4 key areas of recommendation, with supporting activities, which will drive improvements across the 5 areas.

Executive Summary: Key Findings

Operating model is under-resourced and not fit for purpose:

- The corporate Procurement & Contracts Manager is highly regarded by officers for their impact and value.
- However, the corporate procurement function is under-resourced. Benchmarking by the Chartered Institute of Procurement & Supply (CIPS) indicates that for every £15m procurement spend there should be 1 FTE professionally managing that spend. The Authority currently has budget for a central team of 2-3 FTEs, along with a number of officers undertaking procurement activity as part of their wider role in service areas. Based on CIPS, your spend indicates needing circa 8 FTEs with procurement capability across the corporate function and service areas (this number is a guide and may flex dependent on the Operating Model you determine).
- There is a highly dispersed operating model with a high number of officers (22) involved who are not procurement experts.
- Roles & responsibilities for procurement, legal & officers is unclear leading to uncertainty about who is required to lead certain parts of the process including contract execution stage.
- There is limited technology in place to support end-to-end procurement process or provide robust data to support decision making.

Procurement is focused on tactical rather than strategic activities:

- Self-assessment against 18 questions for the Maturity Assessment shows the Authority scoring **1.82** (tactical) out of 5 (advanced).
- There is limited capacity in the corporate procurement function to build procurement capability or provide leadership and direction on complex, high value procurements.

Data is incomplete in key areas hampering effective decision making:

- Data missing in spend and contract profiles makes it difficult to map relationships and identify opportunities for savings.
- Data missing in relation to key supplier information such as address / postcode makes it difficult to identify use of local suppliers and SMEs.

Executive Summary: Key Findings

Lack of effective governance:

- Processes and procedures are inconsistent and complex to follow with no central repository to find guidance and templates.
- Lack of visibility on procurement plans across the Authority makes it difficult to assess the level of corporate procurement support required.

Lack of centralised guidance for officers:

- There is very little evidence that officers are not following correct processes & procedures or not reaching out to the corporate procurement function for advice and support when required.
- However, there is a lack of standard contract & supplier management guidance, KPIs and SLAs and Terms & Conditions which is leading to duplication across service areas.

No formal coaching or development of procurement capability:

- No procurement or contract management training available (induction or refresher) for those officers involved in the procurement process.

Uncertainty around contract execution processes:

- There is evidence of grants and contracts (across all service areas) commencing without documentation being finalised, but in all cases this was due to circumstances out of the control of officers.
- Reasons include: review of Ts & Cs; Grant Funding Agreements being amended; late allocation of grants from UKG; and time taken to get Board approval.

Recommendations

1. Redesign your Procurement Operating Model (*supporting Governance, Op Model, Capability & Capacity and Compliance*):

- **Develop a whole Authority, end-to-end procurement Operating Model** which shifts activity toward strategic procurement, underpinned by professional procurement capability and capacity and supported by procurement technology to automate the full procurement process and provide robust management information to support effective decision making.
- **Define and clarify roles and responsibilities** for procurement, legal and service area colleagues during the procurement process, contract execution phase and ongoing contract & supplier management activities to reduce confusion, increase impact and value and meet timescales.
- **Implement a scheme of “Delegated Procurement Authority”** across service areas to allow officers to approve grants and contracts (depending on value and risk) to reduce timescales for Board approval and enable teams to meet procurement requirements as a result of additional and/or unexpected grant funding from UKG departments.
- **Improve procurement scrutiny** through visibility of Business Cases and complex projects/programmes in order to provide assurance that commercial risks and issues are captured and mitigated, that optimal routes to market are considered and agreed and that effective contract management processes are implemented.
- **Implement a corporate project management tool** to capture the existing and future pipeline of procurement activity across the Authority in order to assess workload, ensure that support is available to service areas at the right time and identify opportunities to reduce duplication and increase collaboration across the Authority and its constituent councils.

2. Refresh your Contracts Register (*supporting Governance and Capability & Capacity*):

- **Review and regularly update your Contracts Register** to capture all existing contract opportunities and contract awards to increase visibility and oversight of all live tenders, active contracts, total value of contracts placed, expiry dates, potential extension periods and all suppliers delivering contracts. This will support planning, governance and assurance of procurement activity, provide full transparency of all contracts awarded by the Authority and improve reporting capability on number of local suppliers and SMEs involved in the delivery of contracts (**aligned to Procurement Bill: “Visibility & Transparency Notices” and “Fair Treatment of Suppliers”**).

Recommendation

3. Revise your Procurement Strategy, Policy & Procedures (supporting Governance, Capability & Capacity, Compliance and Contract Execution)

- **Develop an Authority wide Procurement Strategy** that includes the vision, values, and principles which underpin procurement, and develop a policy on agreed approach to prioritisation, risk, commodity categorisation and roles and responsibilities (**aligned to Procurement Bill: all provisions**).
- **Establish a 'Procurement Hub' (similar to HR Hub)** where all procurement related documentation, templates, Terms & Conditions etc for the full procurement process (from identification of need through to contract and supplier management) are centrally held (**aligned to Procurement Bill: all provisions**).
- **Revise your Procurement Policy** to make it more user friendly with supporting process flows, step-by-step procedural checklists and decision trees to enable officers to fully understand what they need to do during the procurement process and when they need to seek professional procurement advice and guidance (**aligned to Procurement Bill: all provisions**).
- **Standardise and rationalise contract management processes and procedures** including refining KPIs, SLAs and reporting templates to ensure consistency of practice and provide assurance that contract deliverables are being achieved and supplier performance is being monitored (**aligned to Procurement Bill: "Contract Management"**).
- **Enhance focus on Social Value** by ensuring that all contracts (current and new) identify, capture, monitor and report on Social Value outcomes to demonstrate the impact procurement activities have on your local area (**aligned to Procurement Bill: "Value for Money & Delivery of Strategic National Priorities"**).
- **Develop standard Grant Funding Agreements (GFA)** for different types of grant activity that require little or no change by any party to reduce delays to grants commencing.
- **Develop set of Terms & Conditions for different types of contract activity** (low value, low risk to high value, high risk) that can be selected at tender stage with little or no change required during the process to reduce delays to contracts commencing.

4. Implement procurement & contract management training (supporting Governance, Op Model, Capability & Capacity and Compliance)

- **Implement procurement and contract management training** for all officers (and potentially Elected Members) involved in procurement activities, including induction and refresher training at suitable intervals, to increase understanding and capability of officers, reduce risk to officers and the Authority and increase assurance of effective management of contracts and suppliers (**aligned to Procurement Bill: all provisions**).

2

Introduction

Background & Purpose

Background and context

In January 2023 the Department for Levelling Up, Homes and Communities (DLUHC) wrote to the interim Chief Executive of the Cambridgeshire and Peterborough Combined Authority (CPCA) to inform him that the Parliamentary Under Secretary of State had decided to issue the CPCA with a Best Value Notice.

Amongst issues cited by DLUHC in the letter as causing the issuance of the Best Value Notice was *"concerns raised within the Authority in respect of procurement of services to the Authority"*.

As part of its response to the Best Value Notice, the Authority commissioned a review of its current procurement activities to ensure that they reflected good practice and demonstrated Best Value for the Authority.

Purpose of this document

This document set out the **key findings** from the Procurement Review and presents 4 key areas of **recommendation for improvement** to enable the Authority to harness effective change in its procurement capability based on good practices.



Review Scope

The work was commissioned to review the following **5 areas** to identify good practice, issues and concerns, along with recommendations to strengthen and improve the Authority's approach to procurement so that it is able to demonstrate best value. In addition, the forthcoming **Procurement Bill** will bring changes to how procurement is conducted and this review highlights the proposed provisions and the changes the Authority will need to implement to ensure that it is compliant when the Bill comes into force (expected mid 2024).



Governance of Procurement

Governance of Procurement through the Constitution and financial regulations and whether this reflects current guidance, regulations and good practice.



Operating Model

Whether the current operating model for procurement in the Authority reflects good practice and achieves best value.



Capability & Capacity

Whether the Authority has the right capabilities, including adequacy of resourcing both within the corporate centre and service areas and adequacy of training and understanding of those involved.

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Culture of Compliance

How effective the culture of compliance is with the Authority's procurement regulations, and when instances of non-compliance occur, how effectively these are addressed and reported to the relevant Officer and Member governance structures.



Contract Execution

Whether there is an impact caused by projects/contracts commencing before the execution of the documents.

Areas covered in this review

In order to support a rapid diagnostic review of the Authority's procurement capability, work focused on the following 3 main areas over a 5 week period:



Procurement Maturity Assessment

To assess the **maturity and capability*** of current procurement capability across the procurement cycle.



Procurement Spend Insights

To **profile spend** through analysis of spend with 3rd parties to identify potential savings, highlight any key gaps in coverage and assess any risks to contract compliance.



Procurement Process Review

To assess the key processes in place to manage the **end-to-end procurement process** including strategy development, sourcing, contract management, supplier management, benefits realisation and purchase-to-pay capability.

3

Approach Taken & Methodologies Used

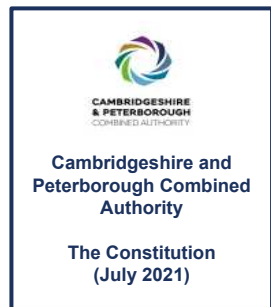
Procurement Process Review: Approach Taken

Review of Documentation

An in-depth review of the following documents was undertaken:

- Procurement and Contract Procedure Rules contained within the Authority's Constitution
- Procurement Policy
- Various procurement templates

Publically available procurement advice and guidance from other Combined Authorities was also reviewed.



Interviews

- Invites were issued to 23 officers across the Authority (Business, Skills, Transport, Corporate Services, PMO and Net Zero Hub).
- 22 officers took part in 1-1 interviews (96% engagement rate).
- Elected Members from the Authority's Board, Chairs of the Committee's, and the Audit and Governance Committee were invited to attend a meeting to discuss their concerns.
- Engaged directly with 3 Elected Members, including the Mayor.

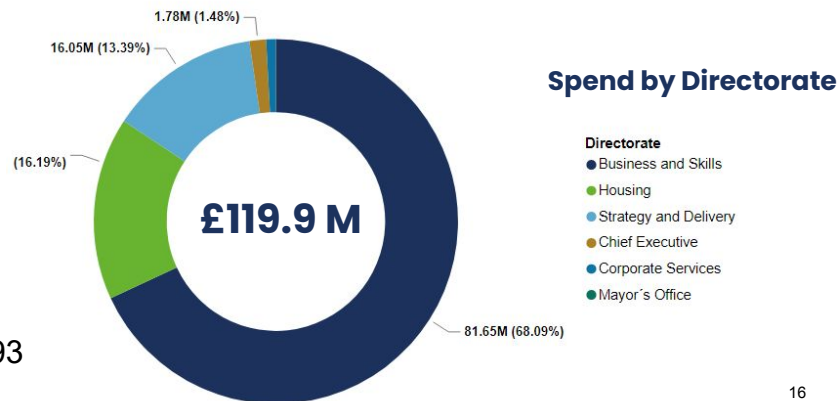
Methodologies Used

Procurement Maturity Assessment

- In addition to the interviews, all staff who had been interviewed were asked to complete an online survey to assess the maturity of the procurement capability.
- 18 questions were asked covering strategy; people & skills; process; governance; and technology.
- From the 22 surveys issued, only 6 completed surveys were returned (26% engagement rate.)
- Many newly employed officers felt unable to answer the survey as their experience of procurement within the Authority was limited.

Procurement Insights

- Accounts Payable (AP) data from April 2022 to March 2023 was analysed.
- Data was cleansed, prepared, categorised and visualised to enable enhanced analysis.
- AP data was compared against data in the Contract Register to explore whether a supplier relationship could be defined between the two datasets and identify how much spend was covered by contract.
- The completed analysis was assessed to identify potential opportunities for savings



Good Practice in Other Combined Authorities

In order to assess good practice, a review of publicly available procurement information by other Combined Authorities was undertaken with the following highlighted as options to be considered further:



Leveraging Technology:

GMCA operates a 'Flexible Procurement System' (similar to Dynamic Purchasing System) for education, work and skills to make it easier and quicker for commissioning, minimise timescales, reduce administration costs, and create opportunities for a wider range of suppliers to bid.



Delegated Authority:

TVCA states in its Constitution that all senior officers can approve regulated contracts for goods, services & supplies up to £100k and for works up to £250k with all Heads of Services able to approve regulated contracts for goods, services and supplies up to £1m and for works up to £1m.



Procurement Information:

WYCA procurement page provides details on the categories of goods and services purchased; its live business opportunities; the procurement procedures used; its Procurement Strategy; an overview of tender assessment process; a number of FAQs; its Social Value Guide; its Terms & Conditions; and a glossary of public procurement terms.

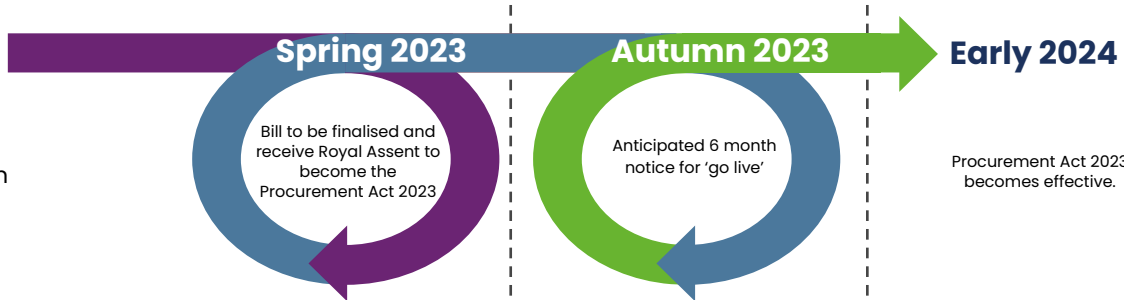
Procurement Bill Considerations

The new Procurement Bill is due to come into effect in early 2024. It proposes major reform to the public procurement regime in the UK.

CPCA Legal colleagues are aware of the Bill and the proposed changes, and are considering its scope and impact. Training will be required to all officers who engage in procurement. The corporate procurement function will need to be adequately resourced to manage the communication of changes and the delivery of training.

Key changes are as follows:

Highlighted in green are actions for the Authority



Visibility & Transparency Notices

Procurement information made publicly available to support effective competition and to ensure public insight into how money is spent. Contracts over £2m published within 90 days of commencement. Notices required for changes made during contract term. Future procurement activity will need to be made public.

Robust and up-to-date publicly available Contracts Register required and Procurement Page detailing opportunities and spend.

Greater Supplier Due Diligence

A more robust process required. Identification and management of conflicts of interest.

Clear due diligence processes in place for tenders; evidence of information and data being collected and assessed prior to contract award; and management of any conflict of interest ie. declaration forms for evaluation panel.

Fair treatment of suppliers

Aims to create a **Level Playing Field** by opening public procurement to new entrants and SMEs and encourages Authorities to have regard to barriers facing SMEs.

Publicly available pipeline of opportunities required; robust market engagement; SME strategy; full transparency of contract opportunities and contract awards; and consider ways to support SMEs to overcome barriers.

Simplified, flexible approaches

Introduces a small number of simpler rules applicable to lower value contracts.

Consolidates rules across the PCR15, Utilities Contracts Regulations 2016, Concession' Regs. and the Defence and Securities Public' Regs 2011.

It proposes 3 streamlined procedures: Open, Competitive Flexible, Limited Tender.

Incorporate simplified rules within Procurement Policy & Constitution.

Procurement Bill Considerations

“The Bill will reform the UK’s public procurement regime, making it quicker, simpler, more transparent and better able to meet the UK’s needs while remaining compliant with our international obligations*”

Key changes are as follows:

Highlighted in green are actions for the Authority

Supplier exclusion

Suppliers can be excluded for **underperformance** on previous contracts, or where there is evidence of **modern slavery**.

Robust Contract & Supplier Management processes to be developed; and KPIs and SLAs to be implemented and effectively monitored and reported.

Contract Management

The Bill sets out steps required to manage a contract, and strengthening of the rules to ensure suppliers are paid on time. New requirement for publication of KPIs and supplier performance against them (reported minimum once annually).

Development of standard KPIs and SLAs; effective monitoring and reporting mechanisms embedded; and reporting processes developed.

Procurement Review Unit

The **PRU** has the power to issue directions to authorities in the case of **systemic breaches**.

Adoption of provisions and key recommendations of the review to avoid external intervention; and capture data on current/pipeline contracts to ensure visibility and transparency.

Value for Money & Delivery of Strategic National Priorities

Most Economically Advantageous Tender (**MEAT**) becoming Most Advantageous Tender (**MAT**) by considering the non-monetary benefits of a bid ie. social value, environmental benefits.

Regard to delivering value for money, maximising public benefit, providing transparency and acting with integrity; development of selection criteria with project specific weightings for quality/price/social value; central government emphasise the importance of good management, and control of procurement activity and inclusion of national priorities within Procurement Strategy.

4

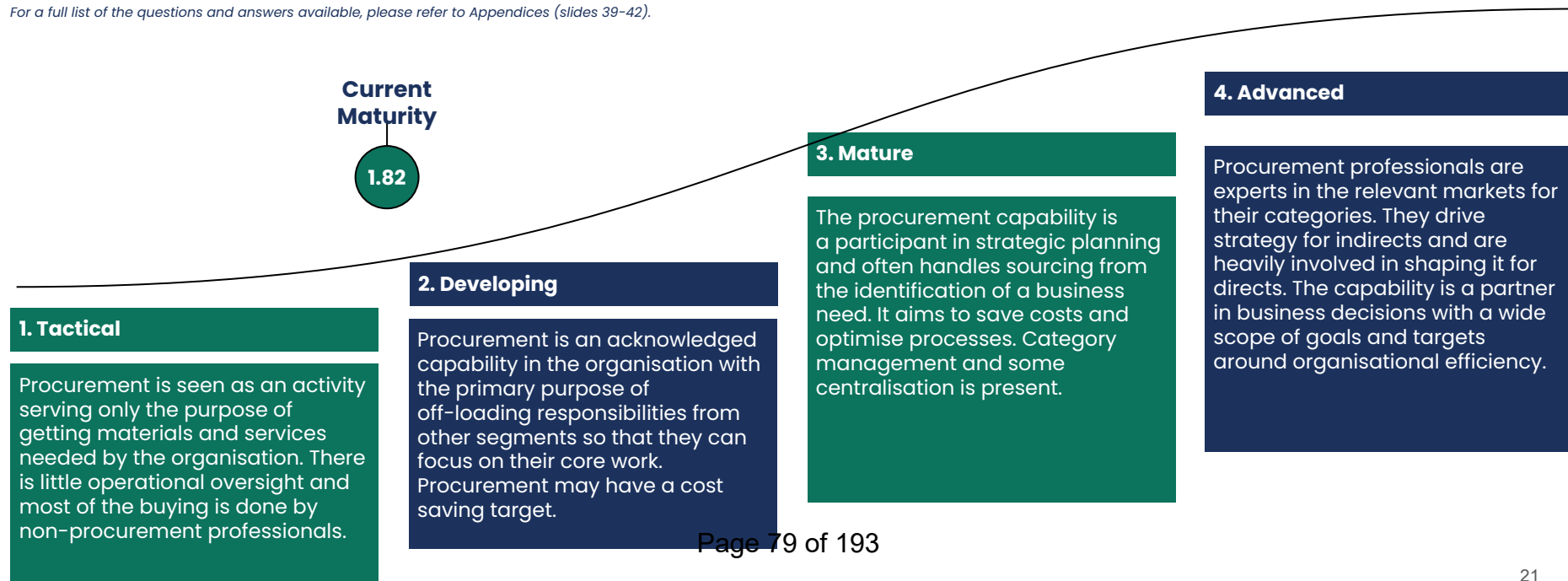
Procurement Maturity Assessment

Results from the Procurement Maturity Assessment

Officers were asked to rate the central procurement function against 18 questions from 1 (tactical) to 5 (advanced).

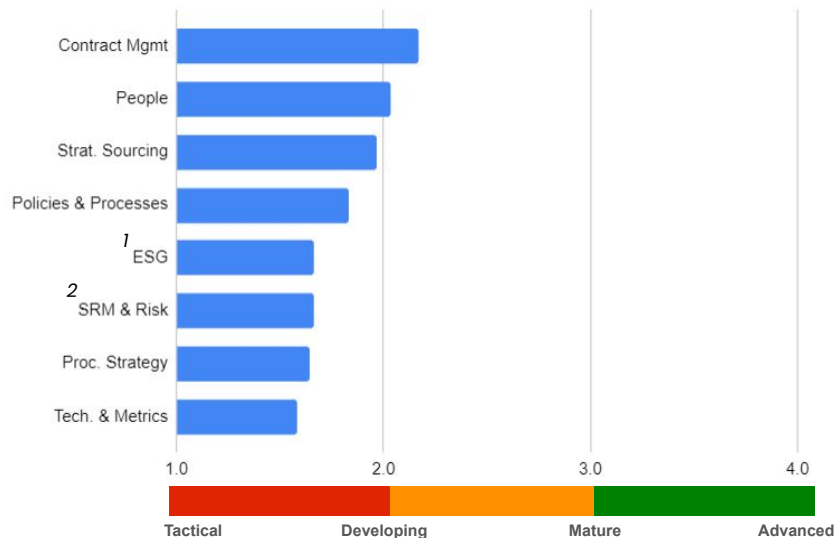
Overall, the Authority is demonstrating a **low level of maturity (1.82)** which the Review team concur with. Much of the procurement activity is focused on tactical procurement rather than strategic procurement which in large part is a consequence of the central procurement function being under-resourced, with limited capacity to build the procurement capability of the Authority or provide leadership and direction on complex, high value procurements.

For a full list of the questions and answers available, please refer to Appendices (slides 39-42).



Procurement Maturity (Self-Assessed)

The central procurement function is operating at a tactical level, providing advice & guidance as and when required rather than setting strategy and direction



- There is not a consistent view amongst officers of the strength of procurement capability.
- 'Contract Management' and 'People' received the highest rating but that is due to some teams implementing contract management processes and some officers with experience of procurement
- 'Procurement Strategy' and 'Tech & Metrics' received the lowest rating as there is no strategy in place and limited technical capability to support the procurement process or capture data.
- Only 6 officers returned a response. Other officers highlighted difficulty in completing the survey as they had only been working at the Authority for a short period of time.

n.b. ¹ Environmental, Sustainability and Governance; ² Supplier Relationship Management

Further analysis can be found in the Appendices (slide 43).

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Procurement Spend Insights

Overview

FY2022/2023 was established as the baseline for the analysis in order to provide the most up-to-date profile of spend with the following metrics assessed: total spend, total number of suppliers, contract register value and spend per Directorate.

Spend

Addressable third party spend is c.£119.9m

This excludes grant payments for the 7 constituent councils during the Financial Year.

The top 3 spend directorates are Business & Skills, Housing and Transport Strategy & Delivery

There may be an opportunity to embed strategic procurement support to provide increased scrutiny, governance and assurance to complex and high risk contracts.

Suppliers

415 unique suppliers used

There are over 6,200 transactions to 415 different suppliers with an average spend per supplier of £288.9k.

The majority of spend is incurred with only a few of these suppliers

80% of third party spend is incurred with just 8% (33) suppliers due to limited supply market for certain categories of spend. There is a long tail of low value suppliers which could result in increased administration costs, duplication of suppliers and lack of visibility on potential contracting opportunities.

Contract Register

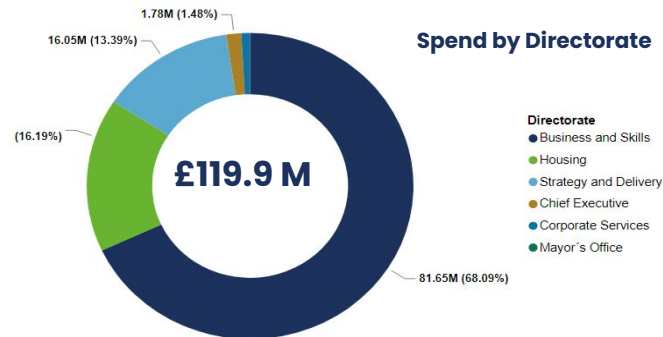
Total awarded value is £171m

Not all contracts placed by the Authority appear on the Register.

Contract coverage across suppliers is difficult to track

There is no linkage between the Contracts Register dataset and the accounts payable dataset, making it difficult to perform a full analysis of spend & contract data, limiting the ability to identify opportunities to rationalise contracts, reduce costs and make savings as well as map local suppliers and SMEs.

Spend by Directorate



- Business & Skills has the largest spend (68.09%) whilst Housing and Transport Strategy & Delivery Directorates are responsible for nearly 30% of spend.
- The Business & Skills and Transport Strategy & Delivery Directorates account for 68% of the supplier base (310 suppliers).

Further analysis for all 3 Directorates is provided in [Appendices](#) (slides 49-51)

Contracts Register

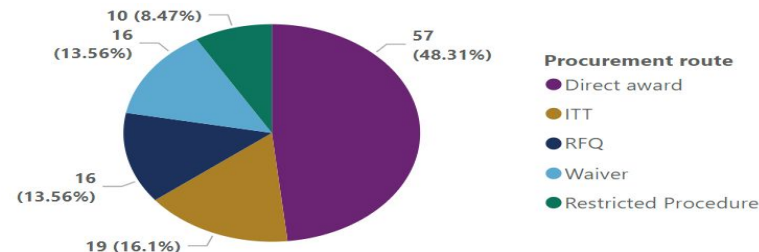
The Contracts Register was exported directly from the eTendering platform used by the Authority. It contained incomplete data (e.g. supplier name, address and value) so only a high level analysis was performed resulting in the following overview:

Recorded location of suppliers awarded contracts



£171.71m
Total value of
contracts placed
2019- 2028

Procurement Process Used



- Nearly 50% of contracts awarded have been through Direct Award. In the interest of transparency and creating a fair level playing field, Direct Awards should be used sparingly, and the forthcoming Procurement Bill will be introducing new measures when dealing with such cases. Interviewees highlighted lack of time and resource as contributing factors.
- Records show that the location of suppliers are geographically diverse, however higher spend (deeper purple on the map) are generally centered near to the Authority's region of operations.
- Not all contracts placed by the Authority are contained within the Contract Register, particularly those that have not been managed through the eTendering platform. There is an incomplete picture of contract activity and contract value.
- Not all supplier records in the Contract Register record supplier size or address, making it difficult to assess locality of suppliers or the number of SMEs providing services to demonstrate local economic impact for the Authority.

6

Procurement Process Review

Governance of Procurement

Highlights

- Officers aware of Procurement Policy and Procurement & Contract Procedure Rules in the Constitution.
- Some service areas track and monitor their own procurement activities but this is not consistent or standard across the Authority.

Challenges

- **Procurement Policy & Contract Procedure Rules:** officers indicated that both were not user friendly and complex to follow.
- **Guidance:** no central 'Procurement Hub' where officers can go to find simple, easy to follow process flows and standard documentation and templates covering the full end-to-end procurement process from identification of need through to contract exit.
- **Approval delegation:** officers highlighted they had no delegated authority, leading to disproportionate effort to provide papers to the Board for all types of procurement from low value, low risk to complex, high risk.
- **Procurement Assurance:** no procurement scrutiny of business cases and complex projects/programmes which have a commercial element which could leave the Authority at risk and exposed from an assurance perspective.
- **Contracts Register:** is incomplete leading to lack of awareness of active contracts and their expiry dates. Where the eTendering portal is being used the Register is updated but many contracts are awarded outwith the system.
- **Reporting:** limited reporting on the benefits, savings and outcomes delivered from contracts so the Authority is unable to demonstrate the impact of its procurement activities at a local level.
- **Planning:** no corporate project management tool to capture the existing or future pipeline of procurement activity so difficult to assess workload, ensure that support is available to service areas at the right time and identify opportunities to reduce duplication or increase collaboration across the Authority and its constituent council's.

Operating Model

Highlights

- The corporate Procurement & Contracts Manager provides central guidance and support to service areas working closely with legal colleagues on the development of tender & contract documentation.

Challenges

- **Control:** highly dispersed operating model across the Authority with 22 officers involved in all or part of the procurement process.
- **Procurement Expertise:** officers are experts in their service area, not procurement so there is a risk of exposure to them and the Authority if they are not following due process or correct procedures. Some officers indicated a preference for a dedicated procurement officer or business partner with expertise in their service area.
- **Duplication:** service areas are creating or duplicating processes and procedures due to lack of central, standard guidance and documentation (for example, contract management; contract pipelines; and templates).
- **Roles & Responsibilities:** there is some uncertainty around the role and responsibilities of procurement and legal colleagues in the procurement process with some officers highlighting different advice being given, causing confusion.
- **Process:** service areas have different procurement requirements (some areas place low value, low risk contracts whilst others place complex, high value, high risk contracts) with officers highlighting difficulties in understanding at what point they need to bring in procurement and legal colleagues to add most value.
- **Technology:** limited procurement technology in place to support procurement activities which means minimal data available on live procurement exercises, contract and supplier performance, benefits & savings, contract extensions and contract expiry dates.

Capability & Capacity

Highlights

- **Engagement:** officers highlighted very positive engagement with the corporate procurement function. The Procurement & Contracts Manager is well respected for their knowledge and skills, delivering high impact and trusted by their colleagues.
- **Experience:** many officers have well developed procurement knowledge & skills with many having good experience of managing procurement exercises, contracts and suppliers either in their current role or in previous roles at other organisations.
- **Assurance:** officers are providing oversight and challenge to procurement exercises led by other constituent councils under Grant Funding Agreements.
- **Procurement Bill:** Legal colleagues already discussing scope and impact of forthcoming Procurement Bill.

Challenges

- **Resource Constraints:** corporate procurement function is under-resourced. CIPS benchmark indicates that for every £15m procurement spend there should be 1 FTE. Based on CIPS, your spend indicates needing circa 8 FTEs with procurement capability across the corporate function and service areas (this number is a guide and may flex dependent on the Operating Model you determine).
- **Capacity:** all officers acknowledged that the central procurement team is “severely” under-resourced. They raised concerns regarding resilience and well-being for the Procurement & Contracts Manager as well as the risk to officers and the Authority of non-compliance due to lack of capacity and professional procurement support.
- **Training:** no procurement or contract management training offered to officers (new and existing) so requirement to seek regular support from Procurement & Contracts Manager.
- **Capability:** due to lack of professional procurement capacity, there have been limited improvements and enhancements to documentation, processes, reporting & benefits realisation. Strategic procurement outcomes such as innovation and delivery of Social Value through contracts have been on the back burner.

Culture of Compliance

Highlights

- There is little evidence of officers and teams not following the correct procurement process. If they are unsure they contact the Procurement & Contracts Manager for guidance.
- Officers understand the importance of effective contract governance and controls. Many recognise the need for KPIs and SLAs and some highlighted they held contract meetings with their suppliers to discuss progress, performance, risks and issues.
- Officers are aware of need to use the eTendering Portal to advertise contract opportunities to ensure visibility and transparency.

Challenges

- **Direct Awards:** there is some evidence of contracts expiring without continuity arrangement in place. This has necessitated the need to place 'Direct Awards' with incumbent suppliers to ensure stability of service delivery whilst a re-tender exercise takes place.
- **Contract & Supplier Management:** there are no standardised processes or procedures in place to track supplier performance or manage contracts. As such, there is a risk that performance issues are not being addressed or that contract obligations are not being monitored.
- **KPIs and SLAs:** there are no standard metrics in place so officers have to either create new ones or adapt existing ones to meet the requirements of each contract.
- **Terms & Conditions:** there are no standard Terms & Conditions in place with legal colleagues having to review and amend each tender and contract that they are involved in (some low value tenders are being issued without legal input).
- **Due Diligence:** evidence that some contracts are commencing without the necessary due diligence checks carried out prior to award (e.g. insurance requirements).
- **Supplier Poor Performance:** evidence of a supplier awarded a contract even though performance issues during the delivery of a previous contract had been highlighted (there was uncertainty around ability to deselect the supplier from the tender exercise).

Contract Execution

Highlights

- Some service areas have embedded additional controls to ensure that work commences once grants and contracts have been signed.

Challenges

- There is some evidence of grants and contracts (across all service areas) commencing prior to the completion of documentation. This often happens for reasons outwith the control of officers, for example:
 - A review of Terms & Conditions during a live procurement exercise delayed the signature of the contract;
 - A Grant Funding Agreement going through a series of amendments by both legal parties beyond the date of the grant being awarded;
 - Additional funding provided by DLUHC and BEIS but procurement process taking longer than the funding timeframe;
 - 'Surrendered' bus contracts with only 70 days to put in place a replacement service but procurement process taking longer; and
 - Time taken to get Board approval as there are no delegation limits for officers to award contracts up to a certain value.
- In these cases, it was agreed by both parties that grants and contract would commence "at risk" whilst documentation was being finalised. Whilst this allowed services to commence or continue there is a risk to both parties that any issues remain unresolved or escalate.
- Roles & Responsibilities:** Lack of clarity on who is responsible for drafting, issuing, ensuring execution (signature) and storing contract documentation (procurement, legal or officers).

7

Recommendations for Improvement

Recommendations

1. Redesign your Procurement Operating Model (*supporting Governance, Op Model, Capability & Capacity and Compliance*):

- **Develop a whole Authority, end-to-end procurement Operating Model** which shifts activity toward strategic procurement, underpinned by professional procurement capability and capacity and supported by procurement technology to automate the full procurement process and provide robust management information to support effective decision making.
- **Define and clarify roles and responsibilities** for procurement, legal and service area colleagues during the procurement process, contract execution phase and ongoing contract & supplier management activities to reduce confusion, increase impact and value and meet timescales.
- **Implement a scheme of “Delegated Procurement Authority”** across service areas to allow officers to approve grants and contracts (depending on value and risk) to reduce timescales for Board approval and enable teams to meet procurement requirements as a result of additional and/or unexpected grant funding from UKG departments.
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- **Review and regularly update your Contracts Register** to capture all existing contract opportunities and contract awards to increase visibility and oversight of all live tenders, active contracts, total value of contracts placed, expiry dates, potential extension periods and all suppliers delivering contracts. This will support planning, governance and assurance of procurement activity, provide full transparency of all contracts awarded by the Authority and improve reporting capability on number of local suppliers and SMEs involved in the delivery of contracts (**aligned to Procurement Bill: “Visibility & Transparency Notices” and “Fair Treatment of Suppliers”**).

Recommendations

3. Revise your Procurement Strategy, Policy & Procedures (supporting Governance, Capability & Capacity, Compliance and Contract Execution)

- **Develop an Authority wide Procurement Strategy** that includes the vision, values, and principles which underpin procurement, and develop a policy on agreed approach to prioritisation, risk, commodity categorisation and roles and responsibilities (**aligned to Procurement Bill: all provisions**).
- **Establish a 'Procurement Hub' (similar to HR Hub)** where all procurement related documentation, templates, Terms & Conditions etc for the full procurement process (from identification of need through to contract and supplier management) are centrally held (**aligned to Procurement Bill: all provisions**).
- **Revise your Procurement Policy** to make it more user friendly with supporting process flows, step-by-step procedural checklists and decision trees to enable officers to fully understand what they need to do during the procurement process and when they need to seek professional procurement advice and guidance (**aligned to Procurement Bill: all provisions**).
- **Standardise and rationalise contract management processes and procedures** including refining KPIs, SLAs and reporting templates to ensure consistency of practice and provide assurance that contract deliverables are being achieved and supplier performance is being monitored (**aligned to Procurement Bill: "Contract Management"**).
- **Enhance focus on Social Value** by ensuring that all contracts (current and new) identify, capture, monitor and report on Social Value outcomes to demonstrate the impact procurement activities have on your local area (**aligned to Procurement Bill: "Value for Money & Delivery of Strategic National Priorities"**).
- **Develop standard Grant Funding Agreements (GFA)** for different types of grant activity that require little or no change by any party to reduce delays to grants commencing.
- **Develop set of Terms & Conditions for different types of contract activity** (low value, low risk to high value, high risk) that can be selected at tender stage with little or no change required during the process to reduce delays to contracts commencing.

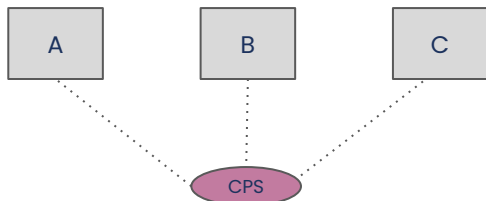
4. Implement procurement & contract management training (supporting Governance, Op Model, Capability & Capacity and Compliance)

- **Implement procurement and contract management training** for all officers (and potentially Elected Members) involved in procurement activities, including induction and refresher training at suitable intervals, to increase understanding and capability of officers, reduce risk to officers and the Authority and increase assurance of effective management of contracts and suppliers (**aligned to Procurement Bill: all provisions**).

Recommendations: Example Operating Models

The current procurement operating model for the Authority is partially devolved but there are other models to consider that may deliver procurement good practice; however, they will require a re-design of the corporate procurement service (CPS) and additional resource.

1. Devolved



CPS decentralises most operational activities to directorates with each directorate conducting their own procurement exercises with direction from CPS.

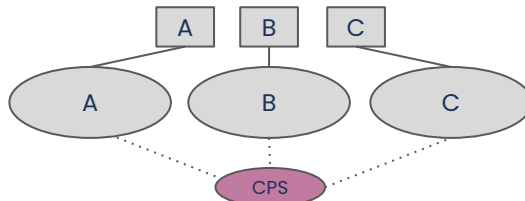
Strengths

- + Allows Directorates direct control over their sourcing decisions.
- + CPS would be elevated to strategic role.

Weaknesses

- Level of self serve far greater and therefore risk higher.
- Model does not break down silo ways of working and likely to be different approaches across the Authority.

2. Hub and Spoke



CPS aligns procurement officers per directorate to manage all procurement activities and provides strategic oversight, advice and guidance as well as day-to-day line management for the procurement officers.

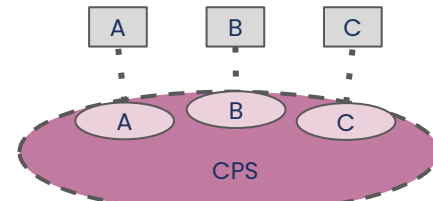
Strengths

- + Enables the organisation to set up centres of excellence.
- + Directorate 'hubs' are better aligned with services enabling closer working and therefore self servers may be more likely to seek support.

Weaknesses

- Risk of confusion around roles, responsibilities and accountability of CPS & directorate 'hubs'.
- Requires strong direction from the CPS to ensure consistency of practice across the Hubs.

3. Consolidated Matrix



CPS responsible for all strategic and operational procurement activity. Procurement officers are not assigned to specific directorates, and instead are assigned to manage a procurement as and when they are initiated.

Strengths

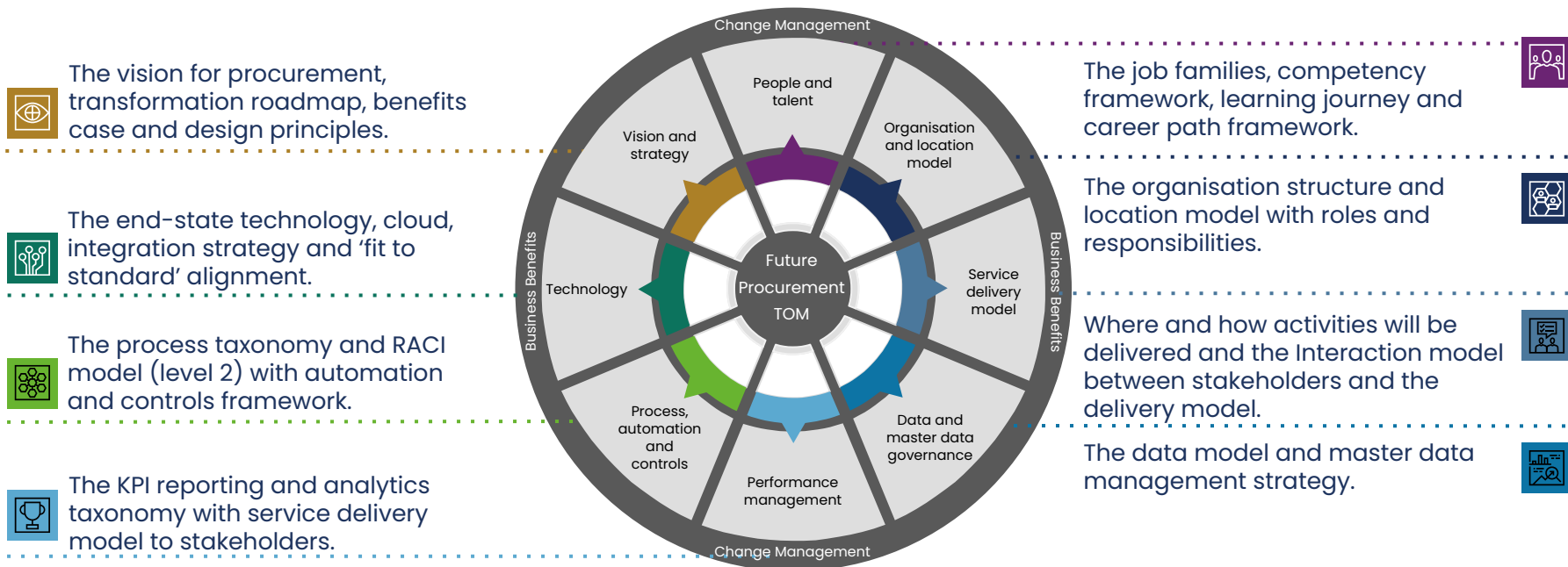
- + Better central visibility and control/ ability to influence spend.
- + Upskilling and ability to share good practice, tools and templates.
- + Commercial career paths to help attract /retain talent.

Weaknesses

- Significant recruitment / upskilling depending on current maturity and capability.
- Largest amount of change increasing likelihood of resistance and perceived loss of control.
- Time to implement.

Recommendations: High Level Operating Model Design

When designing the operating model for procurement the following design elements need to be included:



8

Appendices

Procurement Maturity Assessment: Survey Structure

	How would you describe your current Procurement strategy and its alignment with your organisational strategy?	Across your third-party spend to what extent are Category Strategies in place and aligned to the requirements of the business?	How proactive is procurement in identifying future business requirements and collaboratively working with stakeholders to develop a long-term sourcing pipeline?	What visibility do you have over your third-party spend and how is this used by your organisation?	What level of risk management do you have in place across your third-party spend?
1	There is no documented Procurement Strategy.	Procurement support the organisation sporadically but often have no input on defining requirements and sourcing decisions.	There is little or no engagement of Procurement across the organisation. Clear documented process for engagement does not exist.	Invoice and payment data isn't easily available from Finance systems and where it is, lacks the required detail for procurement to perform any meaningful spend analysis.	There is no formal process for risk management. No supplier monitoring in place. Contingency plans are not in place even for critical requirements.
2	A Procurement Strategy has been developed but is largely based around cost reduction and makes no reference to supporting the broader Corporate strategy goals. Procurement are seen as a supporting capability to the organisation.	Key spend categories are identified with some initiatives defined, but Procurement is typically led by the needs of the business and unable to influence sourcing decisions.	Procurement is engaged on a reactive basis, based on where demand is and upcoming contract renewals.	Spend data is available from finance systems but is difficult to extract or process. There may also be a reliance on suppliers to provide spend data and there is no ability to separate revenue and capital expenditure.	Risk management guidelines are in place for Procurement but the approach is not consistent. Procurement are actively involved in qualification of new suppliers but there is limited evidence of proactive or regular risk assessment & monitoring of existing suppliers. Contingency plans to cover supply shortages on critical requirements are available.
3	An organisation-wide Procurement Strategy has been developed which goes beyond pure cost reduction (e.g. supply chain resilience, sustainability, strategic partnerships etc). There are references to the Corporate strategy but limited evidence that Procurement objectives align with organisational goals.	Strategies are in place for most areas of major direct and indirect spend with a focus on achieving the lowest cost. Category strategies tend to be owned and understood by the Procurement Team with little alignment to the wider-organisation.	Stakeholders collaborate with Procurement across key categories to proactively identify upcoming strategic sourcing requirements. However, there is little evidence of a fixed approach to engagement across all third-party spend.	Spend data is available from a data warehouse covering the corporate ERP systems and is easy to extract. There may be reliance on supplier data for granularity. Revenue and capital spend can be analysed with manual data manipulation. Data is manipulated to provide insights and drive decisions.	A risk management approach has been defined which lays out Procurement responsibilities. Risk monitoring & ongoing assessment in place for critical suppliers only. Contingency plans in case of supply shortage are in place for most critical requirements but not all.
4	Procurement strategy has been developed with the participation of key business stakeholders, and is fully aligned to the Corporate strategy and key objectives. Procurement is seen as a value-add capability across the organisation.	Advanced strategies are in place for all categories of spend and all sourcing factors are considered e.g. supplier base consolidation, demand aggregation, ESG. Procurement are seen as specialists and are able to challenge category stakeholders to drive innovation and change across the business	Procurement actively collaborates across all categories to proactively identify upcoming strategic sourcing requirements.	Spend data can be immediately extracted from a data warehouse providing full coverage and at a granular level for contract suppliers. Revenue and capital spend can be analysed separately. Data is manipulated to provide insights which drive decision at all levels of the business.	Detailed risk management processes have been rolled out across Procurement, supported by good practice templates, training & tools. Risk monitoring requirements are defined by category & supplier according to exposure. Complete contingency plans exist in case of supply shortage for critical requirements.

Procurement Maturity Assessment: Survey Structure (continued)

	What contract management processes and policies do you have in place?	How embedded are ESG (environmental, sustainability and governance) considerations across your S2C value chain?	Across your organisation, how well-defined and adhered to is your Procurement policy?	How well-defined and executed is your approach to managing third party supplier relationships?	To what level are digital tools and technology integrated across all core S2C activities?
1	Contracts are not consistently in place with suppliers. Where contracts do exist there are no standard terms and conditions. Supplier terms are widely accepted with minimal adaption.	ESG is a regulatory requirement and has been incorporated in corporate strategy and vision. No documents detailing the role of procurement in ESG strategy exist.	There is no policy covering procurement and as a consequence the Procurement Team has no central visibility of procurement activity taking place across the organisation.	All suppliers are treated on a purely transactional basis with no partnerships or alliances in place.	There is currently no eSourcing system in place.
2	Contracts are in place for major spend areas. Contract models vary across the business with standard terms and conditions defined but not consistently used.	There are ESG ambitions but they are not regularly actioned. ESG criteria are covered to some extent in policies and KPIs used within procurement. Adjustments have started in some procurement processes such as awarding.	Policy is in place but it is followed inconsistently, particularly in indirect category areas. There is some visibility of procurement activity happening across the business.	Strategic suppliers have been identified, though the management of supplier relationships by Procurement is on a reactive basis focusing on performance.	An eSourcing system but is used to limited effectiveness across the business or multiple categories. Team members may lack the required training to fully utilise the software.
3	Contract good practice and guidance is owned and driven by the procurement team with some standardised terms and conditions to deliver efficiency. They are stored within a central digital repository.	There is a clear procurement ESG strategy which is embedded within procurement policy. KPIs cover relevant ESG criteria and roles and responsibilities are clearly defined. ESG criteria are included across most of the procurement process.	Policies and delegations of authority are in place governing all procurement activity. There is good visibility of procurement activity with high compliance.	Across major spend categories there is a supplier management strategy in place led by procurement and business stakeholders but the approach is inconsistent.	An end to end Source to Contract system is used by all of procurement for all categories and some wider business stakeholders. Team members are fully trained on its application
4	There is a contract management framework in place with standard terms and conditions that is integrated with the wider Procurement Strategy.	ESG vision and targets are embedded in procurement strategy. Clear and documented ESG monitoring and reporting structures have been implemented with roles and responsibilities clearly defined. Procurement policy and suppliers embrace all relevant ESG criteria.	Clear policies and delegations of authority are in place governing all procurement activity with high compliance Procurement is involved in all major Source-to-Contract activities.	There is a supplier management strategy in place with executive sponsorship of strategic relationships and defined processes with Procurement as a joint owner. Individuals have dedicated time and objectives linked to management of key suppliers.	An end to end Source to Contract system allows Business Stakeholders to run their own sourcing activities using standardised templates, AI, auctions, and other tools with Procurement providing strategic support and direction

Procurement Maturity Assessment: Survey Structure (continued)

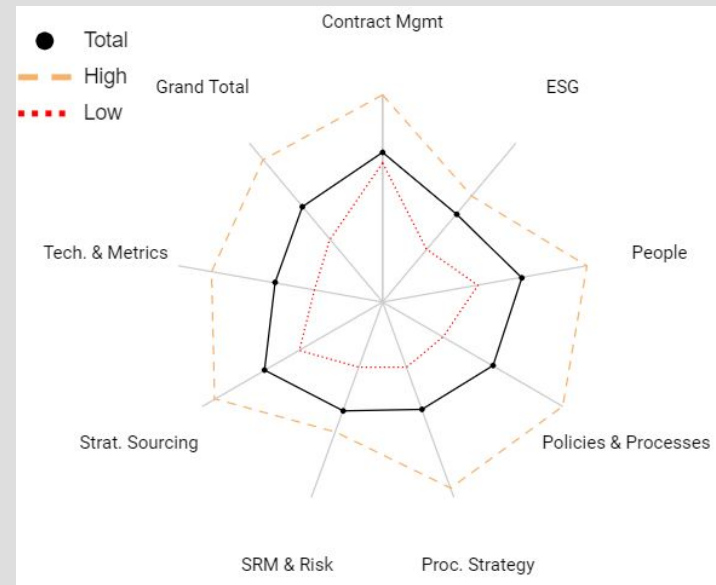
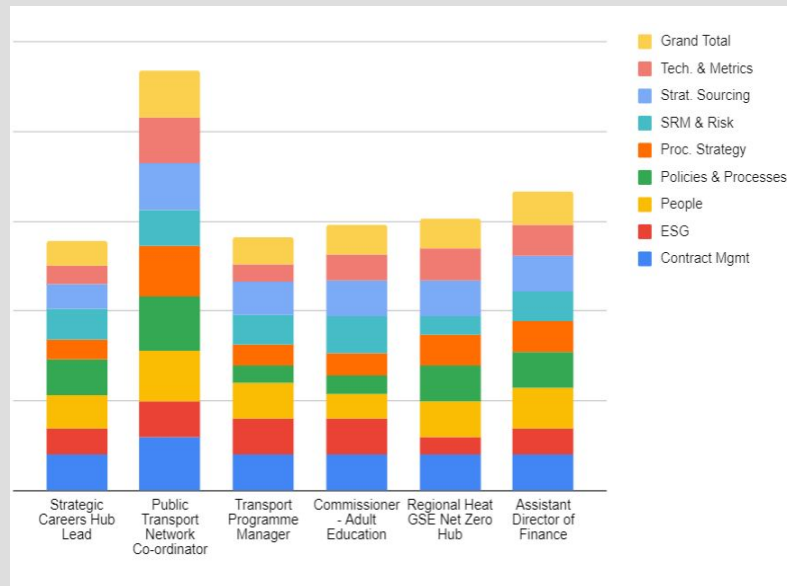
	Is the role of the Procurement capability clear?	What role does procurement play in corporate, strategic and operational planning?	To what extent does your organisation have a defined strategy and approach for managing supplier?	How is compliance to the the contract management process monitored and managed?	To what extent is training used to develop skills of employees engaged in the procurement process?
1	Procurement responsibilities are unclear	Procurement has no involvement in business planning.	All suppliers are treated on a purely transactional basis with no partnerships or alliances in place.	There is no monitoring of compliance.	No formal training or methodology. Diverse skill sets. No formal plan to build a broad capability to fulfil defined roles.
2	Responsibility and accountability defined for some areas of Procurement, with moderate adherence.	Procurement has some limited involvement in providing cost data to some business capabilities, but no involvement in decision-making.	The management of supplier relationships is inconsistent and is down to business stakeholders. Procurement's focus is on supplier performance management.	Monitoring of compliance is inconsistent with high levels of non-compliance evident. While periodic attempts to identify off-contract spend are made, there is no mandate to support effective action.	Inconsistent guidelines for training and methodologies. Skills and capabilities loosely defined. Unstructured capability model.
3	Responsibility and accountability defined for all areas of Procurement, with moderate adherence.	Procurement provides cost data to business units to support planning but is not involved in decision making.	There is a supplier management strategy in place with Procurement Team relationship leads, but business stakeholder involvement has not been formalised. There is limited business recognition of Procurement responsibilities.	Compliance is controlled through internal monitoring, however there is no recourse for non-compliance. While periodic attempts to identify off-contract spend are made there is limited evidence of successful remedy.	Group wide guidelines for training and methodologies, adjusted locally. Local definition of skills and capabilities based on group wide guidelines. Structured but immature capability model.
4	Responsibility and accountability defined for all areas of Procurement, with high levels of adherence.	Procurement works with the Leadership Teams in business units, providing cost analysis and helping to shape operational plans.	There is a supplier management strategy in place but the application of processes is inconsistent and the commitment of resources is an issue. Procurement is seen as the owner of process and is involved in the majority of key relationships.	Compliance control is exercised through internal and external controls e.g. no PO, no pay policies. Non-compliance is limited with monthly reports used to identify and remedy off-contract spend.	Consistent guidelines for training and methodologies, group wide implemented. group wide definition of skills, developed and consistent capability model.
5	All influencers of non-pay spend identified with roles, responsibilities and accountability agreed and adhered to across the organisation.	Procurement is an integral member of the Executive Management Team, and is actively involved in strategic and operational planning.	There is a supplier management strategy in place with executive sponsorship of strategic relationships and defined processes operational. Procurement is seen as an owner of the process and is fully involved in all key relationships.	Exceptional process compliance is being achieved through internal and external controls. Monthly reports are used to identify off-contract spend and the effectiveness of actions are monitored by Procurement and the business.	Rigorous training and methodology. Mature capability model with clear and structured development strategy. Training covers technical and business partnering/change management skills.

Procurement Maturity Assessment: Survey Structure (continued)

	To what level are digital tools and technology integrated across all core P2P activities?	How does the organisation measure the effectiveness of procurement?	How unified is Procurement across the organisation; what is the level of centralisation?
1	There is currently no electronic ordering system in place	The Procurement team are not tracked against any performance metrics.	Procurement is not recognised as a capability and there is no central Procurement Team. There is a lack of clear visibility of who 'does' procurement across the organisation.
2	An electronic ordering system is in place but is used to limited effectiveness across the business	A limited, static set of KPIs measuring internal performance exists, but is infrequently used or reported on and mainly tracks the delivery of savings vs. targets	Procurement Teams and resources are decentralised and fragmented across business units. Procurement resources are tactical and reactive to stakeholder needs.
3	eProcurement solution operating effectively and transacting 90% or more of the addressable transaction volume	A set of internal KPIs is regularly used and reported on, these are focused on cost reduction and spend under management and are tracked by the organisation	A centralised/centre led Procurement Team is in place for major spend categories and providing overall Procurement vision, strategy & policy for the business. Transactional Procurement may be outsourced or part of an alternative delivery model. There are some areas where Procurement has been unable to challenge established buying models.
4	Fully integrated P2P solution embedded across the organisation and used to drive all transactional procurement activity	The organisation track the delivery of spend reduction through to its bottom line. Procurement are tracked against non-cost strategic goals such as strategic supplier relationships and wider ESG metrics. Business stakeholders are also held to account for the delivery of targets.	A centralised/centre led Procurement structure is in place for all spend areas and sets the Procurement vision, strategy & policy for the business. Category teams are in place for all major spend categories. There is flexibility and ability to move resources between teams and allocate resources to support projects based on risk and value and specialisms within the process (e.g. SRM) are recognised.

Procurement Maturity Assessment: Survey Results (Self-Assessment)

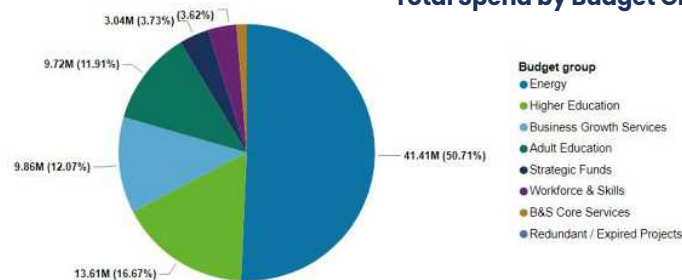
There is not a consistent view across the Authority



Procurement Insights: Business and Skills Directorate

This slide shows the spend profile for Business and Skills Directorate. If using the CIPS recommendation of 1 FTE for £15 m of spend, this Directorate would necessitate at least 6 FTE with professional procurement expertise.

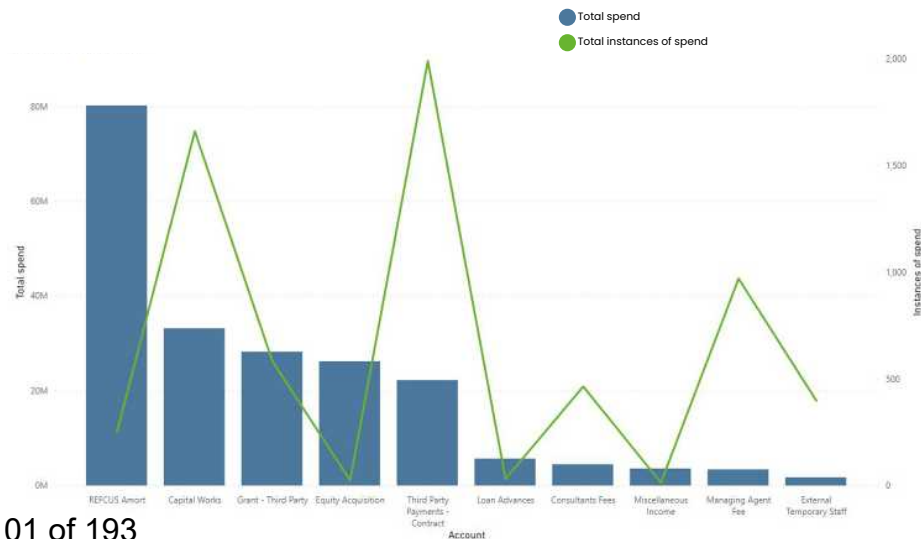
Total Spend by Budget Group



£81.65m

Total spend FY-22/23

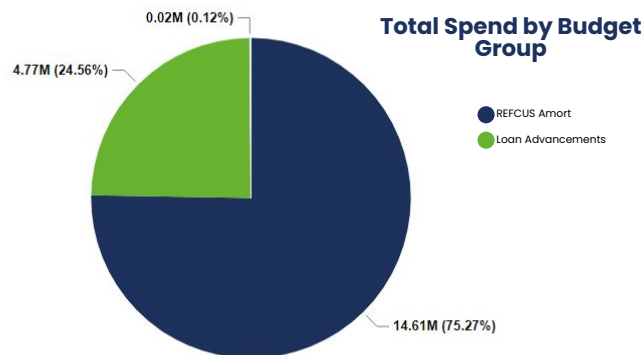
Total and instances of spend with top 10 accounts



- Energy accounts for 50% of the total spend and approx. 60% (121 suppliers) of the supplier base for the Directorate. As such, this Directorate may warrant greater scrutiny and strategic planning.
- Little funding is spent on redundant/expired projects, showing strong contract management oversight and governance.
- Comparing total spend against instances of spend tracks what is to be expected for each account regarding infrequent high value spend (REFCUS Amort, equity acquisition) and common low value spend (consultants, managing agents).
- Grant - Third Party spend is the second largest spend account, which shows Councils outside the CPCA area being paid

Procurement Insights: Housing Directorate

This slide shows the spend profile for Housing Directorate. If using CIPS as a guide on the recommended number of FTEs, this Directorate should have at least 1 FTE with professional procurement expertise.

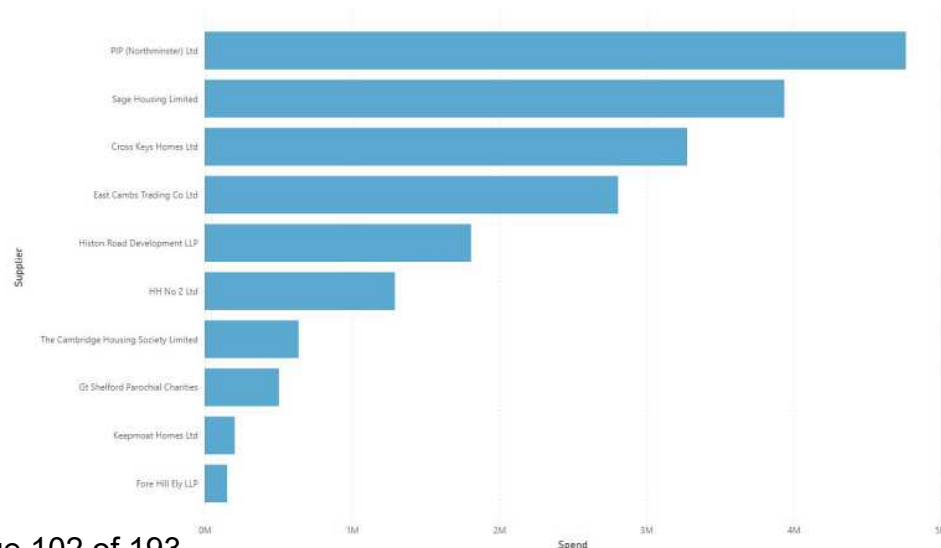


£19.41m

Total spend FY-22/23

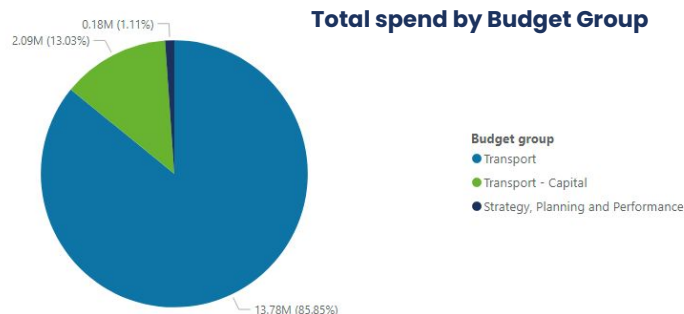
- An in-depth analysis of housing proved difficult, due to a lack of sub-categorisation.
- Over 75% of housing spend relates to the REFUS Amort account, with the remaining 25% falling under Loan Advances. There is negligible spend that falls under contractors, training, consultants, postage, salaries, subscriptions, and licenses, which implies that the Housing Directorate is performing efficiently.
- No one supplier has market dominance, with 6 suppliers all receiving at least £1m of spend in the last fiscal year. This market diversification suggests procurement performed effectively when engaging with suppliers.

Total spend per supplier



Procurement Insights: Transport Strategy & Delivery Directorate

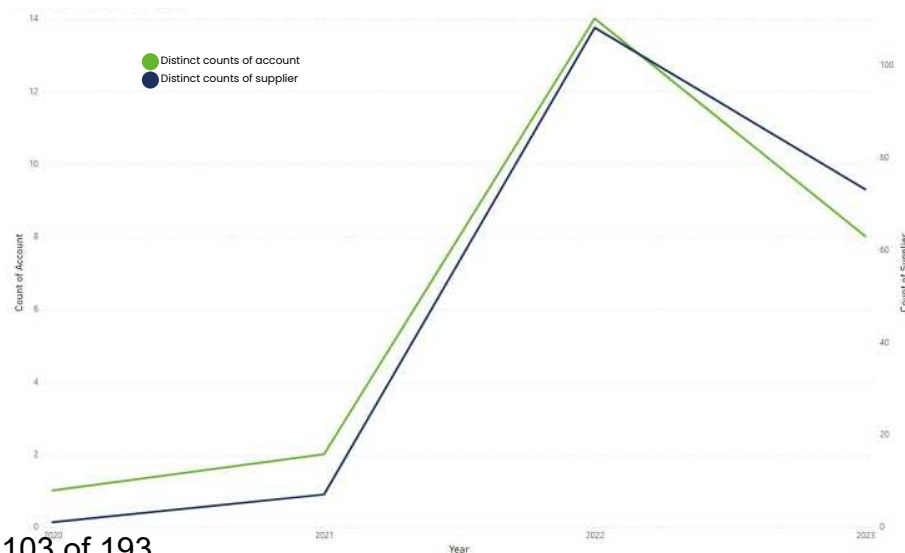
This slide shows the spend profile for Transport Strategy & Delivery Directorate. As with the Housing directorate, this Directorate should have at least 1 FTE with professional procurement expertise.



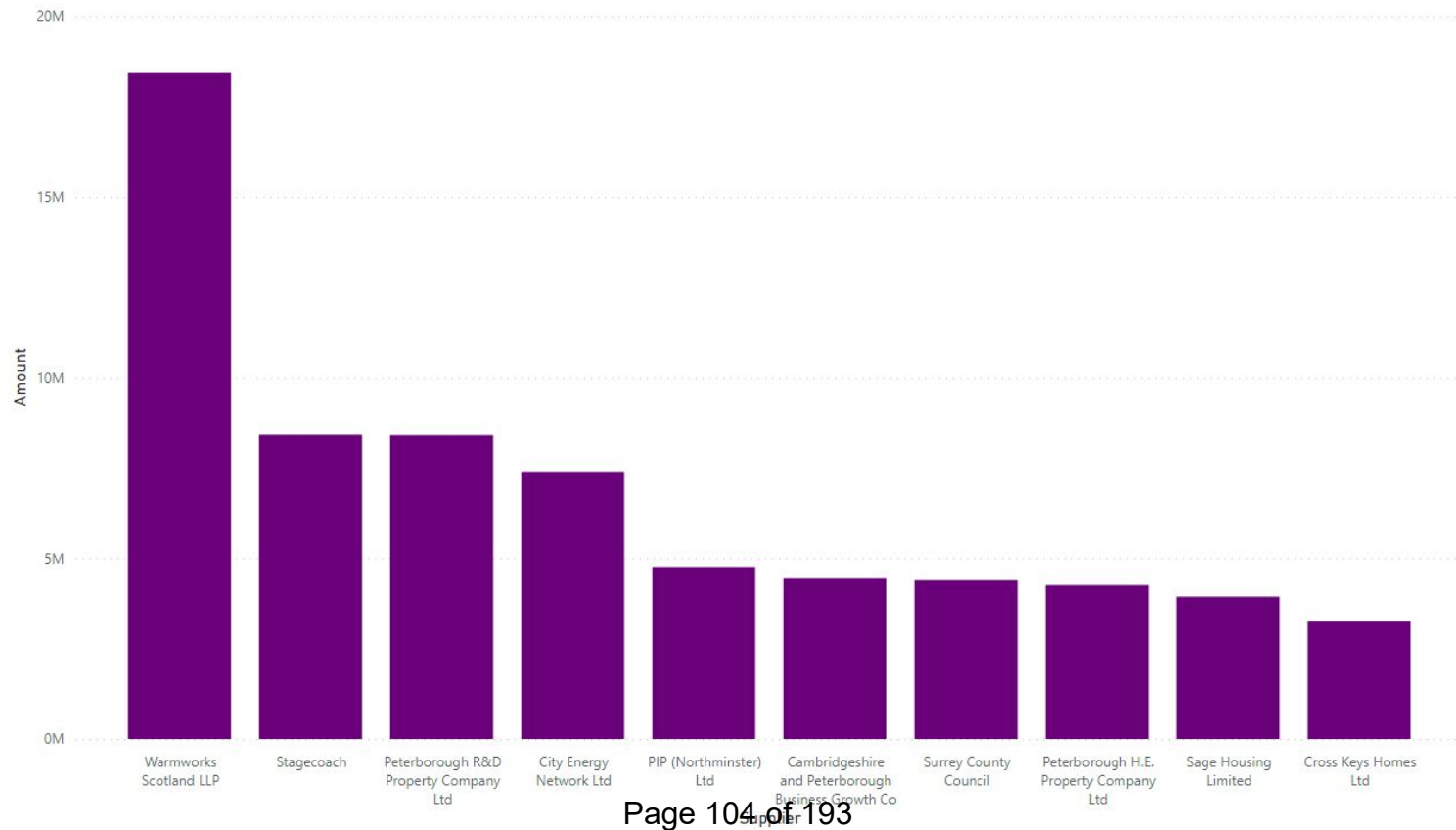
- There are a high number of suppliers covered by the Transport budget group with this budget group making up the majority of where the Directorate's spend is channelled.
- 2022 saw a rapid increase in the distinct number of suppliers with new bus operator contracts being awarded. However, during the first quarter of 2023, 4 of these contracts have been surrendered due to the financial crisis.
- There are 200 suppliers responsible for £16m spend (averaging £80k/supplier).

£16.05m
Total spend FY-22/23

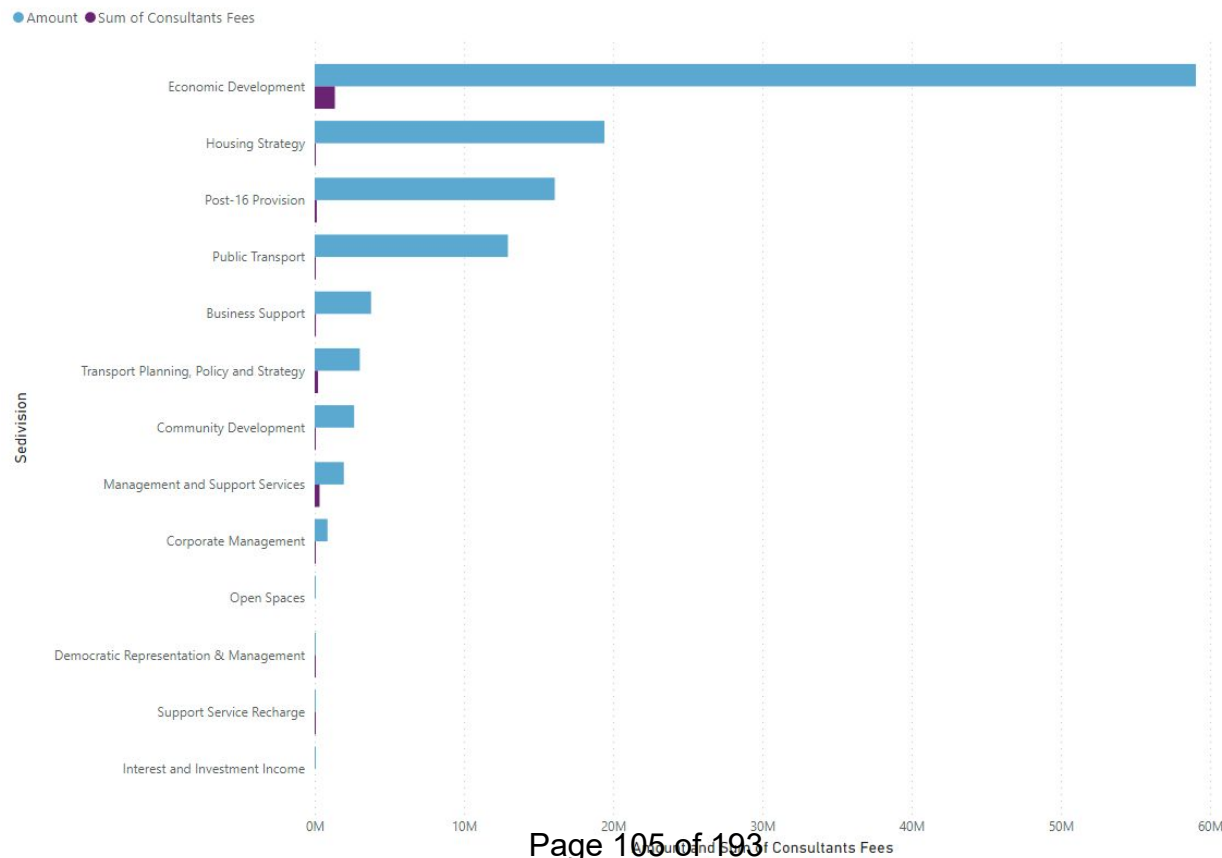
Number of distinct accounts and suppliers in Strategy and Delivery directorate



Top 10 Suppliers by amount spent FY 22 – 23



Spend per Division, including amount spent on consultants FY 22 – 23



This document has been prepared only for the Cambridgeshire and Peterborough Combined Authority and solely for the purpose and on the terms agreed with the Cambridgeshire and Peterborough Combined Authority. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

If you receive a request under freedom of information legislation to disclose any information we provided to you, you will consult with us promptly before any disclosure.

This is a draft prepared for discussion purposes only and should not be relied upon; the contents are subject to amendment or withdrawal and our final conclusions and findings will be set out in our final deliverable.

APPENDIX 2

High Level Action Plan

As set out within the PwC report on pages 33 and 34, Recommendations 1 – 4

- **Recommendation 1 - Redesign your Procurement Operating Model (supporting Governance, Op Model, Capability & Capacity and Compliance)**

A more detailed description of the operating model will be presented to Audit & Governance Committee at its July meeting. This will be based on a 'business partnering' model with 3 Procurement Business Partners reporting to the Head of Procurement. Each Procurement Business Partner would service and support a specific Directorate (Transport and Connectivity; Economy & Skills; Resources & Performance) and recruitment will be required to the additional posts. Budget for one of the posts already exists within the approved Medium Term Financial Plan, and approximate costs for the further 2 additional Procurement and Contracts Officer posts will be in the region of £30-35k each plus on costs.

- **Recommendation 2 - Refresh your Contracts Register (Supporting Governance and Capability & Capacity)**

This requires the recruitment of a Contracts Manager to maintain an up to date contracts register. Approximate costs for a Contracts Manager post will be in the region of £40k-£43k plus on costs.

This will be brought back to the committee with an update at the appropriate time

- **Recommendation 3 - Revise your Procurement Strategy, Policy & Procedures (supporting Governance, Capability & Capacity, Compliance and Contract Execution)**

Work is currently being undertaken to update the Contract Procedure rules within the constitution, along with the creation of a new Procurement Strategy and Policy document which will include guidance for officers undertaking a procurement. An update on this will be brought back to the next A&G Committee meeting

- **Recommendation 4 - Implement procurement & contract management training (supporting Governance, Op Model, Capability & Capacity and Compliance)**

The PMO team are obtaining quotes from providers of Contract Management and Procurement training to roll out to the organisation. An update on progress regarding the training will be brought back to the next A&G Committee meeting.



Audit & Governance Committee		Agenda Item
09 June 2023		12
Title:	Establishment of a sub-committee	
Report of:	Edwina Adefehinti	
Lead Member:	Cllr Edna Murphy - Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	Majority	

Recommendations:

A	The Audit & Governance Sub-committee be established to discharge any of the functions of the parent Audit & Governance committee including forming a hearings panel.
B	The Audit & Governance Sub-committee hearing panel be established consisting of at least four members of the Audit and Governance committee to include an independent person who may be best suited to chair the meetings to ensure neutrality and remove any appearance of bias or predetermination.
C	The Monitoring Officer be authorised as proper officer to accept changes to membership of the sub-committees, such change to be notified before the start of a meeting. Those Members will be appointed with effect from the date at which the Monitoring officer is advised of the names of such Members.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

	The establishment of a standing sub-committee and hearings panel will enable improvements to the Combined Authority's governance as observed in DLUHC's the best value notice.
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1. Purpose

1.1	The Constitution as approved by the Combined Authority Board enables this committee to establish subcommittees to discharge of any of its functions by any such sub-committee and a hearings panel to hear any complaints where a Member is alleged to have breached the Code of Conduct.
1.2	The committee is asked to establish a subcommittee and a hearings panel, to enable the subcommittee to carry out any functions of this committee and to schedule a code of conduct hearing, if required within reasonable time

2. Proposal

2.1	A standing subcommittee is established with members appointed for a municipal year or until they are no longer members of the parent Audit & Governance committee or until they resign or are removed or can no longer act for any reason.
2.2	A standing sub-committee and hearings panel will ensure that the combined authority is able to discharge its functions effectively. The subcommittee can develop recommendations and/or investigate issues of interest or concern.

3. Background

3.1	The Combined Authority received a best value notice dated 24/01/2023 following concerns raised within the Authority in respect of code of conduct investigations.
3.2	<p>It is good practice for a local authority, which the CPCA is, to establish sub-committees to deal with specific issues on behalf of its parent committee. This allows flexibility and effectiveness, promoting good governance. The subcommittee consisting of some members of the parent committee are able to meet in a more flexible manner and are able to look into more depth at issues.</p> <p>In addition, the constitution of the combined authority permits the establishment of a sub-committee which this committee has so far not done.</p> <p>Finally, a hearing panel is required in light of government's interest and the EY letter regarding the Combined authority's need to improve its governance. A hearing panel signals to stakeholders that governance is being strengthened and that this committee is capable and available to deal with matters within reasonable time avoiding any delays.</p>
3.3	<p>Alternative options considered:</p> <ol style="list-style-type: none">1. Do nothing – this would not be in the best interest of the Combined Authority and does not foster good governance and best value.2. Wait – this would not be in the best interest of the Combined Authority as the Best Value notice expects the Combined Authority to <i>“Continue in its efforts to conduct investigations at pace and to implement cultural change.”</i>

4. Appendices

4.1	Appendix 1 – Best Value Notice
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5. Implications

Financial Implications

5.1	There are no direct financial implications from this proposal.
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Legal Implications

6.1	<p>Chapter 13 of the Combined Authority's constitution enables this committee to approve the recommendations:</p> <p>13.6 Sub-Committees</p> <p>13.6.1 The Committee may appoint one or more sub-committees and arrange for the discharge of any of its functions by any such sub-committee.</p>
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	<p>13.6.2 The Committee shall appoint a hearings panel to hear any complaints where the Member is alleged to have breached the Code of Conduct.</p> <p>13.7 Hearing Panel (Sub-Committee to the Audit & Governance Committee)</p> <p>13.7.1 The Hearings Panel is a Sub-Committee of the Audit and Governance Committee.</p> <p>13.7.2 The Panel has the following functions:</p> <ul style="list-style-type: none"> a) When matters are referred by the Monitoring Officer granting dispensations to Members and Co-opted Members allowing them to: <ul style="list-style-type: none"> i. participate in the debate; and/or ii. vote on any matter in which they have a disclosable pecuniary interest; b) On matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated; c) Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints procedure; d) The agreement of relevant procedures for the undertaking of its functions, when appropriate to be included within the Constitution.
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	None



**Department for Levelling Up,
Housing & Communities**

Gordon Mitchell
Interim Chief Executive
Cambridgeshire and Peterborough Combined
Authority

Max Soule
*Deputy Director, Local
Government Stewardship*

Department for Levelling Up,
Housing and Communities
4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF
www.gov.uk/dluhc

24 January 2023

**The Cambridgeshire and Peterborough Combined Authority (CPCA) Best Value
Notice issued on 24 January 2023**

The Department expects authorities to identify and implement arrangements to secure continuous improvement and acknowledges the steps you have taken to identify the serious issues at CPCA and the action plan that you have put in place to address these. However, ministers remain concerned as to CPCA's capacity to comply with its Best Value Duty under the Local Government Act 1999. The Parliamentary Under Secretary of State has therefore made the decision to issue CPCA with this Best Value Notice.

This Best Value Notice ("Notice") is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the Department to provide assurance of improvement. This Notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using these powers as appropriate.

This Notice is issued to CPCA ('the Authority') following:

- Significant concerns highlighted by the external auditor, published on 1 June 2022, in relation to the 2021/22 audit year confirming significant weakness in the Authority's governance arrangements that they believe to be pervasive.
- The Department writing, on 30 June 2022, to Paul Raynes, the then Interim Chief Executive, in response to the Authority's formal approach to the Department for assistance in driving improvement. The letter further set out that, in the first instance, the Department will be taking a precautionary approach to the transfer of funding to CPCA until we have assurance that there are appropriate plans in place to reach a resolution.
- Significant delivery concerns in some of the programmes delivered by the Authority.
- Concerns around partnership working, as outlined in the Minister for Local Government's letter to the then Mayor, James Palmer, on 13 July 2020, which remains an area that requires work.
- Concerns raised within the Authority in respect of procurement of services to the Authority.

Given the seriousness of the issues identified, a failure to deliver the level of change required at sufficient pace would be very concerning. I am therefore setting out the Department's expectations of the Authority in providing assurance of progress.

We expect the Authority to:

- Fully engage with the Independent Improvement Board and its recommendations.
- Continue in your efforts to deliver at pace against the improvement framework and the action plan, meeting the set milestones.
- Continue in its efforts to conduct investigations at pace and to implement cultural change, particularly in relation to the relationships between officers and members and with the Mayor's office.
- Endeavour to achieve strong partnership working, built on consensus and shared vision.
- Ensure a robust, open, and transparent recruitment campaign to make permanent appointments to the senior team in a timely manner.
- Commit to regular official level engagement on progress against this Notice, on a quarterly basis initially, recognising that this may change according to need over time. We expect any requests for information to be fully and promptly met. The Department will also look to the Independent Improvement Panel for regular updates and assurance on the Authority's plan and its delivery as part of our engagement on this matter.

Whilst the Authority may continue to receive and be awarded government funding whilst under this Notice, we would emphasise that receipt of funding does not indicate the Department's broader view of the performance of the Authority, nor would it indicate any change in the status of this Notice, with individual funding programmes being managed and assured independently by their respective departments.

This Notice will remain in place for 12 months, after which time, should the Department deem it necessary to continue to seek assurance through such a Notice, the Notice will be reissued. The Notice may be withdrawn or escalated at any point based on the available evidence.

It is important to ensure transparency in relation to the challenges faced by local authorities and the Department's engagement on these. A copy of this Notice will therefore be published on gov.uk. I encourage you to make a copy of this Notice available on the Authority's website, and to share it with the Improvement Board and the Authority's Board and Audit Committee. In line with this, we will notify your external auditor of this action.

Separately to this Notice, I would encourage you to continue your engagement with the Local Government Association, making use of the full range of support they have to offer.

A member of my team will be in touch with you to arrange further engagement. I look forward to receiving updates on your progress.

Yours Sincerely,

Max Soule
Deputy Director, Local Government Stewardship



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

[DRAFT Annual internal audit report 2022/23](#)

Presented at the Audit and Governance Committee 9 June 2023

This report is solely for the use of the persons to whom it is addressed.

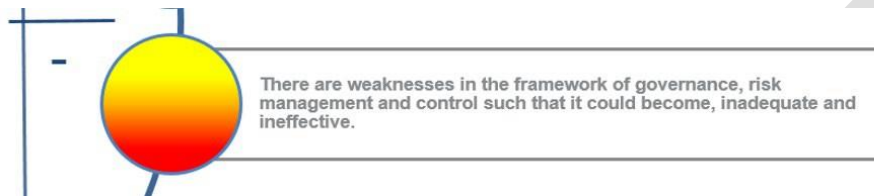
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

THE ANNUAL INTERNAL AUDIT OPINION

This report provides our annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

The opinion

For the 12 months ended 31 March 2023, the DRAFT head of internal audit opinion for Cambridgeshire and Peterborough Combined Authority is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit and governance committee, our opinion is subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention; and
- it remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be seen as a substitute for management's responsibilities around the design and effective operation of these systems.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Risk Management

We have undertaken a Risk Management review in 2022/23 which has resulted in a Partial Assurance (negative) opinion. This follows on from a previous negative opinion (partial assurance) in 2020/21. Our review found that the necessary updates to strengthen the risk management processes were still work in progress with areas such as the provision of training and the development of the risk appetite. The control framework still required further strengthening to ensure that all areas of risk could be consistently identified, managed, reviewed, and reported.

We noted that the updated Risk Management Strategy was yet to be approved, inconsistencies in the completeness of a sample of two Programme and two Portfolio risk registers that we reviewed including details about action owners and risk scores, improvements were required to ensure robust and regular review of Programme and Portfolio risks and identifying the absence of the use of assurances within the risk registers.

Whilst we note some improvements and progress has been made since our last review in 2020/21, it is evident that further work was still required to ensure a fully robust and effective risk management framework is in place.

We also agreed a high priority action in relation to risk management within the Net Zero Hub Governance review.

We note that the Combined Authority have requested additional support in this area, and RSM colleagues are in the process of providing some support and have delivered some risk management training.

Governance

Our governance coverage in 2022/23 was focussed on Subsidiary Companies Governance and Net Zero Hub (NZH) Governance. Our Subsidiary Companies Governance review resulted in reasonable assurance (positive opinion) (DRAFT). The NZH Governance resulted in partial assurance (negative opinion). We noted a governance structure, whilst in deliberation, had not been defined for Greater South East Net Zero Hub (GSENZH). Furthermore, we identified a number of control weaknesses, including reviewing and updating the Constitution, the Accountable Body Agreement, and the GSENZH Board Terms of Reference.

In terms of risk management, we noted the escalation process for NZH-related risks had not been defined in the Accountable Body Agreement. We also noted both the GSENZH Risk Register had 147 omitted entries and varying information headers. We further noted the 12/20 open risks had not been reviewed in the last 12 months and did not record a risk review frequency.

Please also see the section below 'Additional factors and findings informing our opinion' which documents some of the Governance challenges facing the Authority, the Best Value notice and the Authorities response and ongoing improvement plan.

Internal Control

We have undertaken six assurance assignments (four DRAFT) that resulted in opinions during the year. Of these five were negative opinions, where only Partial Assurance could be taken:

- Risk Management,
- Affordable Housing Grant Programme,
- Net Zero Hub – Governance,
- IT General Controls; and

- Core Control Framework – Treasury Management and Accounts Payable).

The key findings from those reviews are detailed below:

Affordable Housing Grant Programme (**Partial Assurance**) (DRAFT)

We found that the controls in place in relation to the receipt of formal applications, assessment of eligibility, submission of business cases, authorisation of the grants and Governance reporting of the grants were found to be well designed and complied with. However, we found control weaknesses regarding compliance with the control framework.

Specifically, these weaknesses were in regard to an absence of evidence for the recording and retention of due diligence checks on developers, conflicts of interests not being captured for all decision making staff involved in the grant process, an absence of recorded approval for claim forms and an inconsistency in the receipt of progress reports from developers as well as documentation of site visits retained.

IT General Controls (**Partial Assurance**) (DRAFT)

During our review, we noted that robust processes were in place in relation to information security training, endpoint security systems and the management of new starters. A significant issue was however noted with respect to the management of user accounts relating to movers and leavers with respect to timeliness of requests and subsequent updating/disabling of accounts, respectively. This can lead to users having unauthorised access to the organisation's systems and data, which also has GDPR implications. Several gaps were also noted with respect to web-filtering, review of firewall rules, review of user access levels, and periodic testing of backups. Further areas for improvement were identified with regards to IT related policies and job descriptions of IT staff.

Core Control Framework – Treasury Management and Accounts Payable (**Partial Assurance**) (DRAFT)

Treasury Management - Although the Authority had a Treasury Management Strategy, there were no formal policies or procedures to support or guide staff in complying with the Strategy. We identified issues with ex-employees having access to two systems (Agresso and Treasury Live), a need to ensure all required documentation is held on the Treasury Live system, completion and monitoring of cashflow forecasts, regularly and timely completion of bank account reconciliations (a reconciliation was conducted in December 2022 for the period of April to October 2022) which was had not been subject to any scrutiny or approval. In addition, the summary of the report found that £6.6million receipts were 'unmatched' within the reconciliation and the monthly bank reconciliation process had not occurred since the end of April 2022.

Accounts Payable - Goods Receipt Notices (GRNs) were not always being appropriately checked and reconciled before processing the invoice for payment. We also identified cases where the S.73 Officer and Monitoring / CEO approvals for grant funding agreements were not recorded within the grant form, or within Agresso. We were informed by the Chief Accountant that the Monitoring Officer/ CEO authorisation was not required at the time of the grant agreement, although the S.73 Officer approval was still required. Furthermore, we found issues with regards to processing supplier information changes. We also followed up action agreed in the previous accounts payable review and of the seven management actions agreed previously, we identified that two actions had been implemented, one was partly implemented and four had not been implemented.

For the other assurance review, we provided a positive opinion (Reasonable Assurance) on the **Subsidiary Companies Deep Dive** - GrowthCo and Propco2 audit.

We have also undertaken an advisory review on **Data Protection - Deep Dive** which identified a number of significant issues and where we agreed one high, nine medium and two low priority management actions. The high priority action related to a recommendation that key CPCA staff undertake a session aimed at understanding potential consequences for data subjects as a result of the data breach which occurred in November 2021. This was requested by the Information Commissioner's Office and had not been implemented. Other issues identified related to Officer and Member training, inductions, accuracy of training records, raising awareness of data protection and data breach notifications.

Follow Up

The implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinions on control. Our Follow Up review resulted in a positive outcome where we have provided an assessment that **Reasonable Progress** had been made in implementing the actions agreed.

Additional factors and findings informing our opinion

Whilst outside our direct internal audit coverage in 2022/23, we are aware that the Authority (CPCA) were issued a Best Value Notice on 24 January 2023 by the Department for Levelling Up, Housing and Communities.

The notice outlined that the Department expects authorities to identify and implement arrangements to secure continuous improvement and acknowledges the steps the authority had taken to identify the serious issues at CPCA and the action plan that has been put in place to address these. However, ministers remained concerned as to CPCA's capacity to comply with its Best Value Duty under the Local Government Act 1999. The Parliamentary Under Secretary of State therefore made the decision to issue CPCA with this Best Value Notice.

This Best Value Notice ("Notice") was a formal notification that the Department has concerns regarding the authority and is a request that the authority engages with the Department to provide assurance of improvement. This Notice was issued to CPCA ('the Authority') following:

- Significant concerns highlighted by the external auditor, published on 1 June 2022, in relation to the 2021/22 audit year confirming significant weakness in the Authority's governance arrangements that they believe to be pervasive.
- The Department will be taking a precautionary approach to the transfer of funding to CPCA until we have assurance that there are appropriate plans in place to reach a resolution.
- Significant delivery concerns in some of the programmes delivered by the Authority.
- Concerns around partnership working, as outlined in the Minister for Local Government's letter to the then Mayor, James Palmer, on 13 July 2020, which remains an area that requires work, and
- Concerns raised within the Authority in respect of procurement of services to the Authority.

The CPCA have put an Improvement Board in place and agreed an Improvement Plan that is regularly reported on, including to the A&GC. We have not specifically reviewed the work undertaken but note that progress is being reported. However, we recognise that further work is required to address some of the originally identified governance issues. We would be happy to assist the authority in 2023/24 as required to provide some assurance or advice in relation to the Improvement Plan and key themes.

Topics judged relevant for consideration as part of the annual governance statement (AGS)

The Combined Authority should consider including the findings from the following internal audit reviews which concluded with negative opinions or the advisory review which identified some significant issues, in the AGS, together with the actions taken and/or planned to address the control weaknesses identified from the following reviews:

- Data Protection Deep Dive
- Risk Management)
- Affordable Housing Grant Programme
- Net Zero Hub Governance
- IT General Controls 7.22/23
- Core Control Framework – Treasury Management and Accounts Payable

In forming our annual opinion we have also taken into account some of the significant wider governance issues that we refer to above that we understand are being addressed via the Improvement Plan and Improvement Board. The Combined Authority should therefore also include the receipt of the Best Value Notice issued in January 2023 by the Department for Levelling Up, Housing and Communities, the Authorities response to that notice and the progress made in the form of the Combined Authority's Improvement Plan and any other actions taken to address the issues contained within the notice.

THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings within the finalised reports produced by the internal audit service during 2022/23. Please note action plans need to be agreed for the remaining reports currently in draft.

Implementation of internal audit management actions

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **reasonable progress** in implementing the agreed actions. Full details are included in the section above.

Working with other assurance providers

In forming our opinion, we have not placed any direct reliance on other assurance providers. However, in forming our annual opinion we have also taken into account the significant wider governance issues which have come to our attention following the issue of the Best Value Notice by the Department for Levelling Up, Housing and Communities in January 2023.

OUR PERFORMANCE

Wider value adding delivery

Area of work	How has this added value?
Sector Briefings	Issued briefings relating to the sector within our progress reports presented to the Audit and Governance Committee (AGC) to assist officers and committee members in being informed on the latest developments within the sector.
Webinar invitations	Various invitations have been sent to management to attend webinars to inform of any sector and wider sector updates.
Audit and Governance Committee attendance	We have attended all AGC's and where appropriate contributed to the wider agenda.
Communication	We have held scheduled monthly calls with the Deputy Chief Finance Officer, and numerous ad hoc calls as required with the CFO and Monitoring Officer.
Best practice	Shared best practice across the sector through the management actions we have agreed as part of our work.
Specialist expertise	We have provided specialist support through the audit plan as required including the Data Protection - Deep Dive and IT General Controls reviews.
Sector experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the local government sector to provide areas for consideration.
Ad hoc reviews	We have responded to requests to undertake additional ad hoc reviews and allocated the appropriate level of skill or expertise to each assignment.

Conflicts of interest

During 2022/23 we have completed several reviews of grant funding received by the Combined Authority as part of the requirements of the Authority to confirm to funding providers that expenditure has been appropriate in line with the terms of the grants. We were also requested to undertake some risk management support and training, work in regard to the administration of devolved Adult Education Budget funding, a review in regard to procurement and contract management and an engagement from our **specialist investigations team**.

All this work was undertaken via separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met. When asked to undertake any additional roles / responsibilities outside of the internal audit programme, the Head of Internal Audit has discussed these areas with the Chief Finance Officer and highlighted any potential or perceived impairment to our independence and objectivity. We have also reminded the CFO of the safeguards we have put in place to limit impairments to independence and objectivity and how these continue to be managed.

RSM has not therefore undertaken any work or activity during 2022/2023 that would lead us to declare any conflict of interest.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the International Standards for the Professional Practice of Internal Auditing, the wider International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

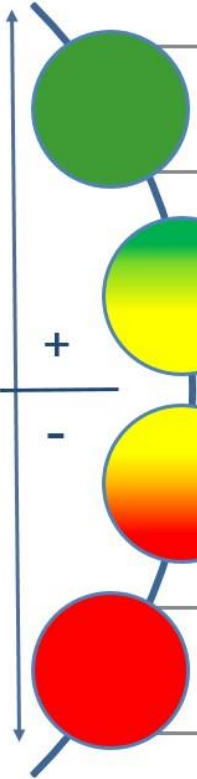
To ensure that RSM remains compliant with the International Standards for the Professional Practice of Internal Auditing and the International Professional Practices Framework (IPPF) we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

Resulting from the programme in 2022/23, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <div data-bbox="392 459 1173 587"> <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> </div> <div data-bbox="392 635 1173 778"> <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> </div> <div data-bbox="392 826 1173 970"> <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p> </div> <div data-bbox="392 1018 1173 1161"> <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p> </div>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.

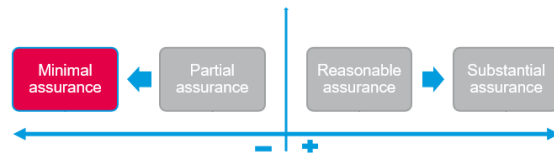
APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2022/23

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Assurance level	Actions agreed		
		L	M	H
Data Protection - Deep Dive	Advisory – significant weaknesses [●]	2	9	1
Affordable Housing Grant Programme (DRAFT)	Partial Assurance [●]	0	4	0
IT General Controls (DRAFT)	Partial Assurance [●]	6	5	1
Core Control Framework – Treasury Management and Accounts Payable (DRAFT)	Partial Assurance [●]	5	8	2
Risk Management	Partial Assurance [●]	0	6	0
Net Zero Hub – Governance	Partial Assurance [●]	1	3	1
Subsidiary Companies Governance (DRAFT)	Reasonable Assurance [●]	3	3	0
Follow Up	Reasonable Progress [●]	0	6	0

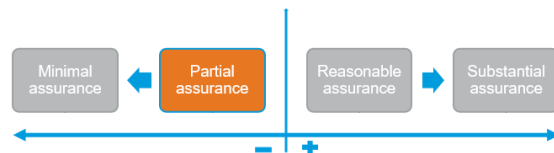
APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



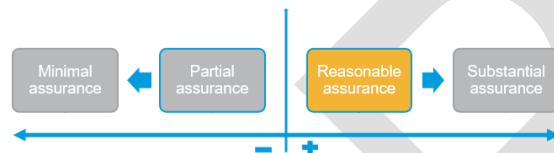
Taking account of the issues identified, the board can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

Daniel Harris, Head of Internal Audit

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire and Peterborough Combined Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.



Audit & Governance Committee		Agenda Item
9 June 2023		14
Title:	Internal Audit Progress Report June 2023	
Report of:	Internal Audit	
Lead Member:	Daniel Harris, RSM	
Public Report:	Yes	
Key Decision:	No	

Recommendations:

A To receive the progress report and comment as applicable

1. Purpose

- | | |
|-----|---|
| 1.1 | The report is presented to outline progress made in regard to the 2022/23 Internal Audit Plan |
| 1.2 | To also provide information on the 2023/24 Internal Audit programme as agreed with Management |

2. Background

- | | |
|-----|---|
| 3.1 | In line with our continual reporting to the Committee on progress on the Internal Audit Programme |
|-----|---|

3. Implications

Financial Implications

- | | |
|-----|-----|
| 5.1 | n/a |
|-----|-----|

Legal Implications

- | | |
|-----|-----|
| 6.1 | n/a |
|-----|-----|

Public Health Implications

- | | |
|-----|-----|
| 7.1 | n/a |
|-----|-----|

Environmental & Climate Change Implications

- | | |
|-----|-----|
| 8.1 | n/a |
|-----|-----|

Other Significant Implications

- | | |
|-----|--|
| 9.1 | <i>Impact of the outcomes of the audit work to date in regard the Draft Head of Internal Audit Opinion for 2022/23</i> |
|-----|--|

Background Papers

- | | |
|------|-----|
| 10.1 | n/a |
|------|-----|



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Internal Audit Progress Report

9 June 2023

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.



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- 2 Reports4
- Appendix A – Progress against the internal audit plan 2022/235
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- Appendix C – Other matters7
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1 Key messages

The internal audit plan for 2022/23 was approved at the July 2022 meeting. This report provides an update on progress against that plan, the changes to the plan and summarises the results of our work to date.

We have also agreed the 2023/24 internal audit areas for coverage with management following discussions held to prioritise the long list of areas initially identified for 2023/24 as presented at the previous Committee in March 2023.

Additional 2021/22 internal audit activity



As reported at the previous Committee, we were asked by Officers to undertake an Analysis of Government Procurement Card Expenditure and Expenses. The draft reports have been issued and the final report will be issued once we have had responses from Officers which we understand are imminent. We expect to have issued as a final report ahead of the July 2023 Audit Committee.

[To note]

2022/23 Internal Audit Delivery



Since the last meeting we have issued two further reports in final (**IT General Controls 7.22/23** and **Subsidiary Companies Deep Dive - GrowthCo and Propco2 8.22/23**) and the two remaining reports in draft which concludes the 2022/23 internal audit plan. We are working with management to finalise these draft reports and agree the action plans. Full details are shown in **Appendix A** below.

[To note]

2022/23 Head of Internal Audit Opinion



We have issued our Head of Audit Opinion which is also on the agenda. As previously stated, this has resulted in a negative (qualified) opinion for 2022/23.

[To note]

2023/24 Planning




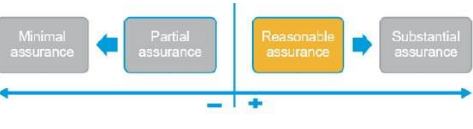
We have also agreed the 2023/24 internal audit areas with management following discussions held in regard to prioritising the initial long list of areas identified for 2023/24 as presented at the previous Committee in March 2023. These reviews are included in our schedule below in **Appendix B**.

[To note and approve]

2 Reports

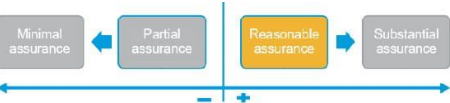
Summary of final reports being presented to this committee

We have issued one final report since the last meeting from the 2022/23 Internal Audit Plan.

Assignment	Debrief Date	Opinion issued	Actions agreed		
			L	M	H
IT General Controls (7.22/23) During our review, we noted that robust processes were in place in relation to information security training, endpoint security systems and the management of new starters. A significant issue was however noted with respect to the management of user accounts relating to movers and leavers with respect to timeliness of requests and subsequent updating/disabling of accounts, respectively. This can lead to users having unauthorised access to the organisation's systems and data, which also has GDPR implications. Several gaps were also noted with respect to web-filtering, review of firewall rules, review of user access levels, and periodic testing of backups. Further areas for improvement were identified with regards to IT related policies and job descriptions of IT staff.	6 April 2023		6	5	1
Subsidiary Companies Deep Dive - GrowthCo and Propco2 (8.22/23) From our review we confirmed the GrowthCo Shareholder Agreement had been signed by the required signatories and the GrowthCo Business Plan was in date and that the GrowthCo Programme Management Committee had been established and was discharging its duties in line with the Terms of Reference, since the last internal audit in September 2022 and GrowthCo had a complete and approved Business Plan in place for the period April 2022 to December 2023 detailing the subsidiary company's strategic objectives and fit with CPCA and annual financial projections up to 2023/24.	26 April 2023		3	3	0

Assignment	Debrief Date	Opinion issued	Actions agreed		
			L	M	H
<p>We found that Subsidiary Company Boards were in place for both subsidiaries and review of papers and minutes identified robust discussion and challenge in regard to the subsidiary company's programme, financial performance and risk registers.</p> <p>Furthermore, we noted that a CPCA Shareholder Board had also been set up to centrally oversee subsidiary companies' operations with an inaugural meeting expected in April 2023, testing noted an opportunity had been given to company board members to declare any interest at the beginning of each meeting and matters reserved for CPCA's decisions had been handled properly and finally we noted the CPCA Board had been reviewing and discussing subsidiary company matters consistently.</p> <p>We have, however, identified control weaknesses and agreed management actions. Specifically, we noted the PropCo2 Shareholder Agreement had not been finalised and signed as the legal processes of Anglia Ruskin University joining the company as a shareholder takeover was still in progress, we were unable to confirm the Company Board Terms of Reference had been developed and approved for GrowthCo and PropCo2 due to the absence of available evidence. The Senior Responsible Officer for Higher Education advised the PropCo2 Business Plan, whilst under review and expected to be refreshed in June 2023, was now out of date.</p> <p>Additionally, we were advised by the Project Manager that there was an absence of formal guidance on risk management for subsidiary companies but did emphasise the CA were working closely with subject matter experts (at RSM) to refresh the risk management framework due for ratification in July 2023.</p> <p>Additionally, we noted the CA were yet to secure continuous secretarial support, with the previous third party provision now expired as of 28 February 2023 and were yet to arrange provision of further company director training sessions for subsidiary companies.</p> <p>We also noted the Audit and Governance Committee had not been provided information for the forum to have oversight of the financial performance of the subsidiary companies (until the CPCA Shareholder Committee inaugural meeting).</p>					

Appendix A – Progress against the internal audit plan 2022/23

Assignment	Timing / Status / Opinion issued	Actions agreed			Target AGC	Actual AGC
		L	M	H		
Data Protection – Deep Dive	FINAL – Advisory (significant issues identified)	2	9	1	January 2023	December 2022
Risk Management		0	6	0	January 2023	January 2023
Net Zero Hub - Governance		1	3	1	March 2023	March 2023
Follow Up	Reasonable Progress	0	6	0	June 2023	March 2023
IT Audit		6	5	1	June 2023	June 2023
Subsidiary Companies Deep Dive - GrowthCo and Propco2		3	3	0	June 2023	June 2023
Affordable Housing Grant Programme	Revised draft report issued 12 May 23				July 2023	-
Core Control Framework	Draft report issued 16 May 23				July 2023	-

Appendix B – Schedule against the Internal Audit Plan 2023/24

We detail below the progress to date and the schedule for the 2023/24 Internal Audit Programme.

Assignment	Status	Commencement Date
Budget Setting and Budgetary Control	Commenced 26 May 2023	-
Business Continuity Planning	Date shared and scope issued	5 July 2023
Key Financial Controls	Scope to be agreed	30 August 2023
HR Digital Processes	Scope to be agreed	5 September 2023
Risk Management	Scope to be agreed	11 September 2023
Improvement Plan - Project Planning and Delivery	Scope to be agreed	23 October 2023
Improvement Plan - Governance	Scope to be agreed	30 October 2023
Strategic Planning	Draft scope issued	22 November 2023
Subsidiary Companies	Scope to be agreed	15 January 2024
IT Audit	Scope to be agreed	5 February 2024

Appendix C – Other matters

Changes to the audit plan

Since the last meeting there have been no further changes to the 2022/23 Internal Audit Plan.

RSM External reviews of quality

One of the key measures of quality is an independent third-party assessment and, as a firm we are required to conform to the requirements of the International Professional Practices Framework (IPPF) published by the Global IIA. Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'. The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

FOR MORE INFORMATION CONTACT

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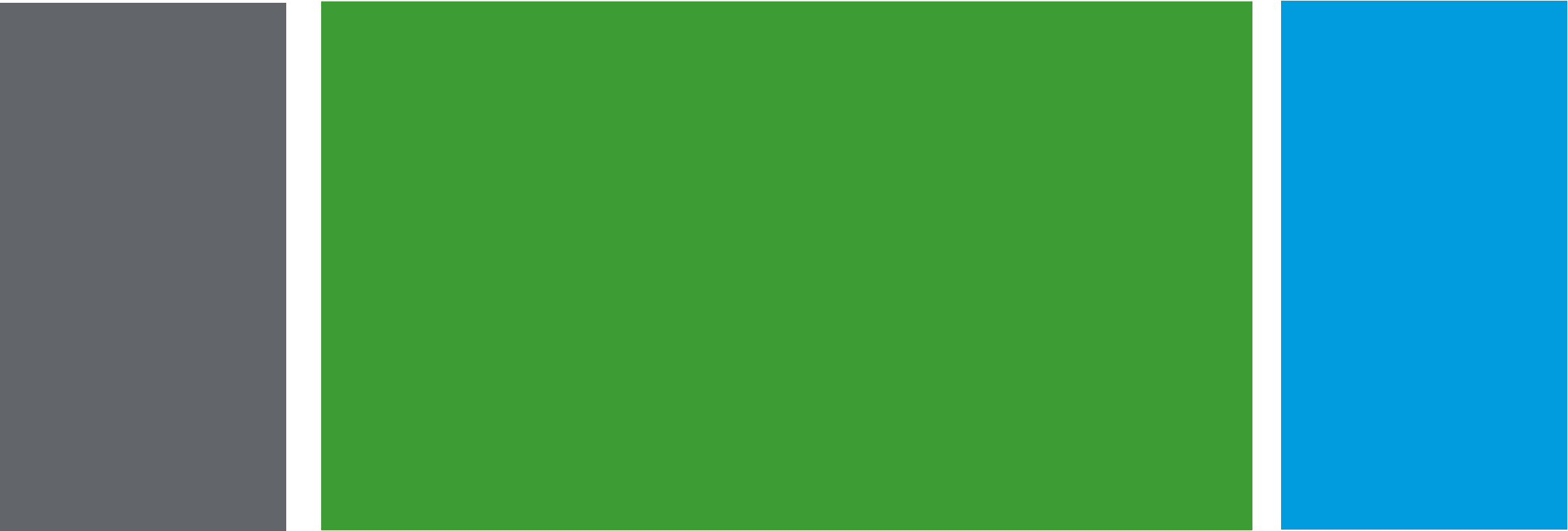
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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire and Peterborough Combined Authority and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Internal Audit Strategy 2023/24

Presented at the Audit and Governance Committee meeting of: 9 June 2023

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

EXECUTIVE SUMMARY

In preparing our Internal Audit Plan for 2023/24 we have worked closely with management to produce the audit programme which remains mindful of the continuing developments and challenges to the organisation. We will continue to hold regular meetings with management, during the year, to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in these ever changing circumstances.

The key points to note from our plan are:



2023/24 Internal Audit priorities: Internal audit activity for 2023/24 is based on analysing your risk profile as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2023/24 is included at Section 1. We note we have partially relied upon the latest Corporate Risk Register and have linked risks against the audit areas as applicable, but we have also relied on our understanding of the organisation and input from senior management in defining the areas of coverage to prioritise for 2023/24.



Level of Resource: The level of resource required to deliver the plan for 2023/24 plan has been discussed and agreed with the Executive Director for Resource & Performance and Section 73 Officer for the Combined Authority, and is in line with our contract with you. In delivering your internal audit services we continue to embrace technology when undertaking operational audits. Through tools such as 4questionnaires, MS Teams meetings, secure web portals for audit data sharing (Huddle) and data analytics, our approach consists of a combination of both on-site client presence and remote auditing. RSM UK has in place policies designed to protect both its staff and clients, which is supported through our flexible working approach. This will strengthen our sampling and focus our audit testing (see Appendix A).



Core Assurance: Following discussions with key members of the executive management team, the core areas of coverage for 2023/24 include **Strategic Planning, Business Continuity Planning, HR Digital Processes, IT Audit** coverage, and **Budget Setting and Budgetary Control**. We will build on the **Subsidiary Companies** reviews undertaken in 2021/22 and 2022/23 by undertaking a further review in 2023/24.

We have also been asked to undertake a **Key Financial Controls** review and our annual **Follow Up** review. Given the qualified Head of Internal Audit opinion in 2023/24 and negative opinions and in regard to Risk Management and internal and external concerns in regard to Governance, we have included further coverage in 2023/24 to ensure that improvements are being made in these areas. Specifically, we have a **Risk Management** review and two reviews linking into the Authority's Improvement plan in regard to the **Governance – Improvement Plan** and **Project Planning and Delivery – Improvement Plan** reviews.



'Agile' approach: Our approach to working with you has always been one where we will respond to your changing assurance needs. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to Audit and Governance Committee (AGC) during the year.

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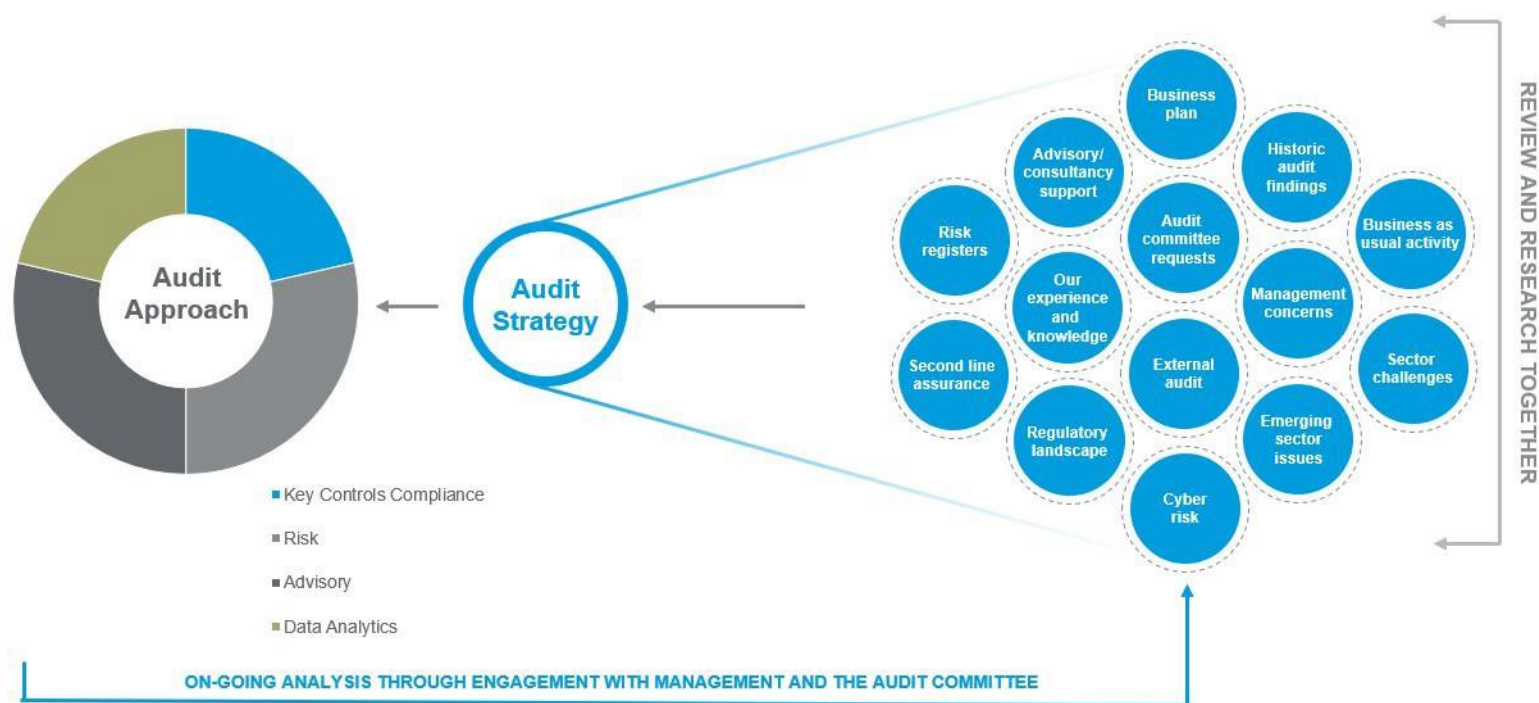
1. YOUR INTERNAL AUDIT PLAN 2023/24

Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Cambridgeshire & Peterborough Combined Authority in the year ahead, including changes within the sector.

Risk management processes

We have evaluated your risk management processes, however, noting the negative opinions in regard to Risk Management we have referenced the latest corporate risk register, although have not been able to place full reliance on your risk framework to inform the internal audit strategy. As such we have utilised various sources of information (see Figure A below) and discussed priorities for internal audit coverage with senior management in devising our 2023/24 Internal Audit Plan

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.



Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high level strategic plan (see Section 2 and Appendix B for full details).

2. INTERNAL AUDIT PLAN 2023/24

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2023/24. The table details the corporate risks as applicable, which support the areas of defined internal audit coverage. As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes time for tracking the implementation of actions and an audit management allocation.

	Audit approach	Proposed timing	Proposed AGC
Risk driven coverage			
Budget Setting and Budgetary Control To assess the robustness of the Authorities Budget Setting arrangements and approach and a review of the mechanisms in place in regard to Budgetary Control. Risk 21 - Financial Underspend Risk 7 - Future viability of the CA	Risk based	May 2023	September 2023
IT Audit This is a key area for the Authority and coverage will be included within each year of the internal audit strategy. The RSM IT Technology Risk Team will discuss the detailed scope with management each year. Reviews may include the treatment of cyber-crime, network security, business continuity, data security or the IT projects. As part of our scoping, we will consider the accreditations in place and other 3rd party assurance providers to avoid any potential duplication of work. Risk: Risk 26 - Cyber Security Risk: Risk 7 - Future viability of the CA	Risk based	February 2024	May 2024
Subsidiary Company Governance The specific coverage for this review is to be scoped and determined with management but will look to build off and provide independent assessment in supporting the authority through the weaknesses identified in this area in 2021/22 and to take into account outcomes of the 2022/23 review. Risk 17 - Subsidiary Companies	Risk based	January 2024	March 2024
Risk Management	Risk based	September 2023	November 2023

	Audit approach	Proposed timing	Proposed AGC
<p>A review of the risk management arrangements in place at the Combined Authority, with a specific focus on the revised risk management framework and updated Corporate Risk Register. Risk management coverage in 2023/24 is appropriate noting the negative assurance ratings provided in 2021/22 and 2022/23.</p> <p>Risk 7 - Future viability of the CA</p>			
<p>HR Digital Processes</p> <p>HR are reviewing how they are currently operating including utilisation of the Citrus HR system. It has been suggested an Internal Audit review late in 2023/24 would be beneficial to assess how the system and supporting HR processes are operating.</p> <p>Risk 3 - Workforce / HR</p>	Risk based	October 2023	January 2024
<p>Governance – Improvement Plan</p> <p>The specific coverage for this review is to be scoped and determined with management but will look to build off and provide independent assessment in supporting the authority through the Governance weaknesses identified at the Authority in 2021/22 and 2022/23. Governance coverage in 2023/24 is appropriate to ensure improvements are being made in a timely manner.</p> <p>Risk 15 - Governance - VfM risk relating to governance</p> <p>Risk 16 - Culture</p>	Risk based	October 2023	January 2024
<p>Project Planning and Delivery – Improvement Plan</p> <p>The specific coverage for this review is to be scoped and determined with management but will assess the design, management and oversight of projects within the Authority.</p> <p>Risk 21 - Financial Underspend</p> <p>Risk 16 - Culture</p>	Risk based	December 2023	March 2024
<p>Strategic Planning</p> <p>Clear strategic plans need to be documented to ensure that the authority can articulate the longer-term strategic direction of the organisation. We will specifically assess the strategic plan development, including stakeholder engagement and internal governance mechanisms and how the Authority is approaching implementing this strategy in support of delivering its objectives.</p>	Risk based	December 2023	March 2024

	Audit approach	Proposed timing	Proposed AGC
Risk 5 - Strategy Gap			
Other Coverage			
Business Continuity Planning We will review the robustness of the Authority's Business Continuity arrangements in place to minimise disruption and maintain services continuity in the event of a major incident occurring.	Risk based	July 2023	September 2023
Key Financial Controls To review the key controls in place for key financial control areas. This will include key controls testing, focus on any specific management concerns and follow up the implementation of previously agreed actions. The scope of the review will be agreed nearer the time but we will cover the following areas over a cyclical period: <ul style="list-style-type: none"> • General ledger; • Creditors payments; • Income and Debtors; • Cash and treasury management; • Capital Expenditure • Expenses and Credit Cards; • Asset register; We will use data analytics to undertake some analysis and inform our testing.	Key Controls	August 2023	November 2023
Grants - <i>Following the completion of a number of grant returns in 2022/23 which required the sign off of both the Chief Executive and the Chief Internal Auditor we have included a note within the internal audit plan to undertake reviews in our capacity of the CPCA Chief Internal Auditor on the use of grant funding received, which will include review of evidence to substantiate compliance against grant terms. Fees will be agreed separately. Some of these Grants also require the involvement of our grant specialists and authorised individual to sign off grant claims.</i> <i>We will liase directly with the CFO and Deputy CFO with regards to this work.</i>	Grant audit	Ongoing	Ongoing
Other Internal Audit Activity			

	Audit approach	Proposed timing	Proposed AGC
Follow Up To meet internal auditing standards, and to provide assurance on action taken to address recommendations previously agreed by management.	Follow Up	December 2023	March 2024
Advice and Consultancy To provide advice on an ongoing basis on all aspects of governance, risk management and internal control.	n/a	Throughout the year	n/a
Management This will include: <ul style="list-style-type: none"> • Annual planning • Preparation for and attendance at AGC • AGC training • Regular liaison and progress updates • Liaison with external audit and other assurance providers • Preparation of the annual opinion. 	n/a	Throughout the year	n/a

A detailed planning process will be completed for each review, and the final scope will be documented in an Assignment Planning Sheet. This will be issued to the key stakeholders for each review.

2.1 Working with other assurance providers

The AGC is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised, and a suitable breadth of assurance obtained.

APPENDIX A - YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM UK Risk Assurance Services LLP. The team will be led by Dan Harris as your Head of Internal Audit, supported by Nick Fanning as your client manager.

Core team

The delivery of the 2023/24 audit plan will be based around a core team and complemented with additional specialist skills where required.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

*The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Conflicts of interest

During 2022/23 we have completed several reviews of grant funding received by the Combined Authority as part of the requirements of the Authority to confirm to funding providers that expenditure has been appropriate in line with the terms of the grants. We were also requested to undertake some risk management support and training, work in regard to the administration of devolved Adult Education Budget funding, a review in regard to procurement and contract management and an engagement from our specialist investigations team.

All this work was undertaken via separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We also consider as part of any additional engagements the safeguards required to be in place and are satisfied that these have been met. When asked to undertake any additional roles / responsibilities outside of the internal audit programme, the Head of Internal Audit has discussed these areas with the Chief Finance Officer and highlighted any potential or perceived impairment to our independence and objectivity. We have also reminded the CFO of the safeguards we have put in place to limit impairments to independence and objectivity and how these continue to be managed.

RSM has not therefore undertaken any work or activity during 2022/23 that would lead us to declare any conflict of interest. We will apply the same methodology as mentioned above if we are asked to provide further support in 2023/24. Please note that a number of the above engagements are ongoing into 2023/24.

Corporate responsibility

At RSM we believe it is our responsibility to positively impact on our society and the environment. We have three pillars of corporate responsibility: environment, charity and community. For more details on RSM's commitment visit our website: [Corporate responsibility | RSM UK](#).

APPENDIX B: INTERNAL AUDIT STRATEGY 2023/24 - 2025/26

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		Internal Audit – Third Line of Assurance (Independent review / assurance)					
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Red - Minimal Assurance / Poor Progress							
Amber/red - Partial Assurance / Little Progress							
Amber/green - Reasonable Assurance / Reasonable Progress							
Green - Substantial Assurance / Good Progress							
Advisory / AUP							
IDEA							
Audit Area	Risk Ref						
Energy Hub				✓			
Climate Change Strategy							✓
Environment, Social and Governance (ESG Maturity)						✓	
Strategic Planning	CR 5				✓		
HR Digital Processes	CR 3				✓		
Project Planning and Delivery – Governance	CR 15 & 16				✓		
Project Planning and Delivery – Improvement Plan	CR 16 & 21				✓		
Local Industry Strategy							✓
Local Transport Plan							✓
Skills Strategy							✓
Adult Education Budget			✓				
COVID 19 – Capital Grants		✓					

Affordable Housing Programme			✓			
IT Controls / Cyber	CR 7 & 26	✓	✓	✓		
Data Protection			✓		✓	
Declarations of Interest						✓
Governance, Transparency and Decision Making		✓				
CAM Project – Governance and Decision Making			✓			
Cross Charging of Corporate Services						✓
Subsidiary Company Governance	CR 17		✓	✓	✓	✓
Project Planning and Delivery		✓				
Business Continuity and Disaster Recovery				✓		✓
Procurement and Contract Management					✓	
Fraud Risk Assessment			✓		✓	
Capital Programme		✓				
Budget Setting and Budgetary Control	CR 7 & 21			✓		
Succession Planning						✓
Staff Mental Health and Wellbeing					✓	
Equality Diversity and Inclusion					✓	
Recruitment and Retention					✓	
Data Quality and Performance Management					✓	
Workforce Planning and Development					✓	
Risk Management		✓	✓	✓	✓	✓

Key Financial Controls / Core Control Framework	✓	✓	✓	✓	✓	✓
Payroll		✓				✓
Follow Up	✓	✓	✓	✓	✓	✓

APPENDX C - INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Cambridgeshire & Peterborough Combined Authority. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS), and approval of the charter is the responsibility of the AGC.

The internal audit service is provided by RSM UK Risk Assurance Services LLP ("RSM").

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The internal audit function is required to comply with the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

"To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight".

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner Daniel Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the chief executive, with further reporting lines to the Chief Finance Officer

The head of internal audit has unrestricted access to the chair of AGC to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Cambridgeshire & Peterborough Combined Authority. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the AGC. The nature of the disclosure will depend upon the potential impairment, and it is important that our role does not appear to be compromised in reporting the matter to the AGC. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the AGC for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the AGC.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the AGC to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Executive management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.
- Board - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an AGC).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.

- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the AGC.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.
- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the AGC. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the AGC and management summarising outcomes of audit activities, including follow up reviews. As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service, we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM UK Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Board to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the AGC.

Fraud

The AGC recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the AGC recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the AGC is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire & Peterborough Combined Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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Audit & Governance Committee		Agenda Item
09 June 2023		16
Title:	Revisions to the Cambridgeshire and Peterborough Combined Authority Constitution – Scheme of Delegation	
Report of:	Nick Bell	
Lead Member:	Cllr Edna Murphy- Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	Majority	

Recommendations:

A	Review the suggested update to the Scheme of Delegation of the Combined Authority and to provide recommendations to the Board to adopt changes as revisions to the Constitution.
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

	The revisions to the Scheme of Delegation will enable improvements to the Combined Authority's governance as observed in DLUHC's the best value notice .
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1. Purpose

1.1	Delegations contained within the CPCA Constitution are an important mechanism to ensure that timely decisions on items can be taken whilst maintaining strong oversight and political accountability from Members of the CPCA on its activities and the actions of its Officers.
1.2	As part of the CPCA Improvement Programme the CPCA Constitution, and its constituent parts, are being reviewed. A number of recent pieces of work, including the Governance workstream of the Improvement Programme, the Procurement Review, the development of the Single Assurance Framework and comments from the Independent Improvement Board have all suggested that it is timely to review the Scheme of Delegation contained in the Constitution.

2. Proposal

2.1	The following revisions to the Scheme of Delegation are proposed:
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2.2	Increase the Key Decision financial threshold (for which items are included on the Forward Plan and for which 28 days notice need to be given prior to decision) from £500,000 to £1,000,000. This is consistent with the Key Decision financial threshold in other Combined Authorities and will ensure that both the decision making process is relatively faster for decisions of less than £1m and that the Forward Plan is an easier document to use by Members, residents and other stakeholders as it will include fewer decisions to be taken and therefore highlight the importance of those decisions it does contain.
2.3	General Delegations to all Chief Officers
2.4	Provide that any Chief Officer may procure or re-procure, award and agree contracts for goods and services not above £1 million without the need to seek authorisation from Members unless the Board has expressly requested that authorisation is sought from them or the funds are not approved in the Medium Term Financial Plan. This is consistent with practice in other Combined Authorities and will ensure that where, for instance, a bus contract needs to be retendered with no change of route then the decision can be taken rapidly by Officers to ensure minimal disruption in service.
2.5	Provide that any Chief Officer can agree Grant funding Agreements up to £1m in consultation with the Chief Finance Officer and the Monitoring Officer who is authorised to sign Grant Funding Agreements up to £1m. This is a common delegation in Combined Authorities and enables relatively smaller Grant Funding Agreements to be agreed and executed in a timely manner rather than waiting for approvals through the Board and Committee cycle.
2.6	Delegations to the Chief Executive Officer
2.7	Provide that the Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, may take decisions related to the approval of a detailed business case and the acceptance of a tender or quotation for the supply of goods, materials, or services provided that the spend is within the Combined Authority's approved budget. Prior to exercising this delegation the Chief Executive Officer must consult the mayor, the lead member and the chair of the relevant Thematic Committee and, following the decision, must publish an Officer Decision Notice.
2.8	<p>In order to exercise the above delegation, the business case or procurement must be approved by the Board within the MTFP and, in the case of a tender or quotation, must be approved in accordance with the Authority's Contracts Procedure Rules, i.e.:</p> <ul style="list-style-type: none"> • the decision relates to the delivery of the agreed business plan for that business area; • the decision accords with any officer decision making guidance issued to Officers; • once the decision has been made the Officer complies with the transparency requirements of The Openness of Local Government Bodies Regulations 2014. <p>Decisions taken will be reported to the next available Combined Authority Board as part of a Delegated Authority report. Additionally it should be noted that Officer Decision Notices are published externally and retrospectively reported to the Board.</p>
2.9	The delegation contained in paragraphs 3.6 and 3.7 above is one that exists (in slightly varied forms) in other Combined Authorities. The aim of it is to ensure that, where a decision to proceed with a project has already been approved by the Board as part of the Medium Term Financial Plan, then the actual tender acceptance does not need to come back to the Board for decision as long as the lead member, chair of relevant Thematic Committee and the Mayor are in agreement. This speeds up execution of projects and procurements that have already been approved whilst retaining strong Member oversight.
2.10	Provide that the Chief Executive may, in consultation with the Mayor, exercise any function of the Authority which is not expressly reserved to the Board; which does not lie within the terms of reference of any committee of the Authority; or which is otherwise delegated to another specific Officer under this Scheme. This delegation is common to many Combined Authorities

	and enables the Chief Executive to act on issues which may fall between the remits of Board, other committees and specified Officers to ensure that the Authority is not hindered by a delay in decision making in such circumstances.
2.11	Provide that the Chief Executive is able to make final decisions in redundancy matters in accordance with all government guidance and statute. This is a usual delegation to a Chief Executive in Combined Authorities and the wider public sector and its insertion in the scheme of delegation fills a gap within the Constitution.
2.12	Provide that the Chief Executive is able to commit expenditure from earmarked funds and reserves in accordance with the purpose for which those earmarked funds and reserves have been approved by the Board, save for those earmarked funds and reserves which the Board specifically reserves the right to itself or another Committee to approve and subject to reporting the use of those earmarked funds and reserves through the budget monitoring report at the next Board meeting after the commitment is made. This delegation, or similar variants of it, is common in Combined Authorities to enable the CEO to commit funds from earmarked reserves and funds where the Board has already approved what the fund/reserve is for. This speeds up execution of key projects and activities rather than waiting for the next Board cycle.
2.13	The Monitoring Officer
2.14	To make any changes to the standing orders, committees' terms of reference, policies, or officer delegation scheme of the Authority which are required as a result of legislative change or decisions of the Authority.
2.15	To make any changes to the Assurance Framework which are required as a result of legislative change or decisions of the Authority.
2.16	To administer the Members' Allowances Scheme.
2.17	To be authorised to take all necessary steps to manage and safeguard any shareholding the Combined Authority owns in a company including but not limited to granting permissions, giving consents, amending and signing shareholder agreements and compliance with Company Act 2016 requirements and any associated requirements;
2.18	To be authorised to sign Grant Funding Agreements up to £1m in consultation with the Chief Finance Officer
2.19	All of the above proposed delegations to the Monitoring Officer are usual within Combined Authority Constitutions and speed up the process of changes to the Constitution in the case of new legislation or the Authority's decisions.

3. Background

3.1	The Authority approves strategies and policies which determine the framework in which operational decisions are made. Strategic overarching decisions are reserved to the Board for decision (such as approving the budget and the capital programme).
3.2	Officers implement decisions made by the Authority (or any decision-making committee of the Authority). Officers also take measures to carry out these policies and decide day-to-day operational matters, within the framework of these decisions. In doing so, decision making by officers is subject to other control measures. These include: - <ul style="list-style-type: none"> • The Constitution, including Procurement and Contract Rules and Financial Regulations, • an Officers' Code of Conduct, a Gifts and Hospitality Policy and the Conflicts of Interest

	<p>Policy,</p> <ul style="list-style-type: none"> • organisational values, • an Anti-fraud, Bribery and Corruption Policy, and • internal audit and risk management arrangements.
3.3	When taking an officer decision under the Scheme of Delegation the Officer must determine, having regard to the implications of the decision, whether further consultation with other officers and/or Members is appropriate, and should have regard to any guidance issued.
3.4	Recent improvement related work from the Procurement Review undertaken by PWC and the development of the Single Assurance Framework (which is being developed to come to the Board for approval in September and which will incorporate the proposals contained within this report, if approved) has identified a need to review existing levels of delegation to ensure that governance works as effectively as possible in CPCA – i.e. that it provides strong decision making and oversight powers for Members on all important decisions and performance whilst not burdening the Member governance structure with relatively straightforward and uncontentious decisions which slows down decision making and hinders Best Value.
3.5	When making the proposals for changes to delegations outlined in this report, consideration has been given to the processes and delegated levels operated by other Combined Authorities across England.

4. Appendices

4.1	Appendix 1 - Marked up copy of Scheme of delegation with proposed changes
4.2	Appendix 2 - Clean copy of Scheme of delegation with proposed changes

5. Implications

Financial Implications

5.1	Outlined in the report
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Legal Implications

6.1	<p>The Combined Authority is obliged to adopt and maintain a Constitution and Standing Orders. Section 101 of the Local Government Act 1972 allows the adoption of a scheme of officer delegations to ensure that it is clear that identified Chief Officers have the power to take decisions that are not reserved to elected members.</p> <p>An effective Scheme of Delegation supports Value for Money by ensuring that decisions can be taken on a timely basis whilst ensuring strong member oversight and political accountability.</p>
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Public Health Implications

7.1	None specifically
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Environmental & Climate Change Implications

8.1	None specifically
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Other Significant Implications

9.1	There are no other significant implications
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Background Papers

10.1	None
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CHAPTER 18: OFFICER SCHEMES OF DELEGATION

18.1 PART 1: Officer Scheme of Delegations

18.1.2 Introduction

18.1.2.1 The Combined Authority has a Scheme of Delegation to Chief Officers and a Schedule of Proper Officers for its functions in accordance with section 101 of the Local Government Act 1972.

18.1.2.2 A Chief Officer in the context of this Constitution means

- Chief Executive of Combined Authority and Business Board, and Head of Paid Service
- Chief Finance Officer, and
- Monitoring Officer
- Corporate Directors
- any other posts defined as Chief Officer in the Employment Procedure rules

18.1.2.3 Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority or constituent councils if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced.

18.1.2.4 Any decisions or actions taken by a Chief Officer or other person on behalf of a Chief Officer, must be in accordance with:

- (a) the provisions of the Openness of Local Government Bodies Regulations 2014;
- (b) statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and codes of practice;
- (c) the Constitution, including the Combined Authority [Chapter 9: Contract Procedure Rules](#), assurance framework, monitoring and evaluation framework, [Chapter 9: Contract Procedure Rules](#) and [Chapter 8: Financial Management Procedure Rules](#), and [Chapter 6: Decision Making](#);
- (d) the revenue and capital budgets of the Combined Authority,

subject to any variation which is permitted by the Financial Regulations; and

- (e) any policy or direction of the Combined Authority or any Committee acting in exercise of powers delegated to that Committee by the Combined Authority.

18.1.2.5 Officers may exercise delegated powers to take any decision in relation to the functions of the Combined Authority including Mayoral functions except where:

- (a) the matter is reserved to the Combined Authority or the Mayor by law or by the Constitution;
- (b) the matter is a function which cannot by law be discharged by an Officer;
- (c) the Combined Authority or a Committee, Sub-Committee or Joint Committee to which the Combined Authority is a party, or in the case of a mayoral function, the Mayor has agreed that the matter should be discharged otherwise than by an Officer;
- (d) the Head of Paid Service has directed that the Officer concerned should not exercise a delegated function;
- (e) any other limitation of the exercise of delegated authority is set out in this Constitution or is specifically restricted in any decision of the Combined Authority.

18.1.2.6 Lead Officers are not obliged to exercise delegated powers if they believe circumstances are such that the powers should more appropriately be exercised by the Authority or one of its Committees.

18.1.3 General Delegations to all Chief Officers

18.1.3.1 Chief Officers will be responsible for the following within their areas of responsibility:

- (a) the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits;
- (b) day to day management of staff in accordance agreed human resource policies and procedures;

- (c) acting on behalf of and in the name of the Combined Authority, where necessary in consultation with the Mayor, relevant **Lead Member** or Chief Executive and/or other appropriate Officers;
- (d) dealing with press enquiries and issuing press releases;
- (e) investigative contraventions of legislation applicable to the functions under their control, and also in respect of these functions to exercise the powers and conferred by the Regulation of Investigatory Powers Act 2000, the European Communities Act 1974 (and associated regulations) and the Police and Criminal Evidence Act 1984.
- (f) procure or re-procure, award and agree contracts for goods and services not above £1 million without the need to seek authorisation from Members unless the Combined Authority Board has expressly requested that authorisation is sought from them or the funds are not within the Combined Authority's approved budget.
- ~~(e)~~(g) agree Grant Funding Agreements up to £1m in consultation with the Chief Finance Officer and the Monitoring Officer who is authorised to sign Grant Funding Agreements up to £1m on behalf of the Combined Authority.

18.2 Contracts and Accounts

- 18.2.1 All contracts shall be dealt in accordance with Contract Procedure Rules and Financial Regulations as may be agreed from time to time by the Combined Authority.
- 18.2.2 Contracts below £5,000: The decision to award the contract and any written terms must be agreed in writing by a Chief Officer unless they have delegated that authority.
- 18.2.3 Contracts between £5,000 and £50,000: The Chief Officer can ~~award a~~award a contract up to £50,000 in value.
- 18.2.4 Contracts between £50,000 and EU thresholds: A report to authorise the award of the contract must be sent to Legal Services, and the Finance Officer for approval by the Chief Finance Officer or Monitoring Officer.
- 18.2.5 Contracts within EU thresholds up to £~~1m~~500,000: The Chief Finance Officer or Monitoring Officer can award a contract up to £~~1m~~500,000 in value upon receipt of a contract award report. An award report to authorise the award of the contract must be sent to Legal Services and the Finance Officer for approval by the Chief Finance

Officer.

- 18.2.6 Contracts above £~~1m500,000~~: Requires a Combined Authority Board decision or the Mayor for mayoral functions before award of the contract.
- 18.2.7 Contract rule exemptions: Granted entirely at the discretion of the Chief Finance Officer or Monitoring Officer.
- 18.2.8 Assigning and novating contracts: Needs approval of the relevant Chief Officer and the Monitoring Officer. If over £~~1m500,000~~ it will also need a Combined Authority Decision.
- 18.2.9 Terminating Contracts: Needs approval of the Chief Finance Officer and the Monitoring Officer. If over £~~1m500,000~~ it will also need a Combined Authority Decision.

18.3 Delegations to the Chief Executive

- 18.3.1 To exercise the functions of the Head of Paid Service as set out in Section 4 of the Local Government and Housing Act 1989.
- 18.3.2 To be responsible for the coordination of the Combined Authority's functions including mayoral functions.
- 18.3.3 To provide a comprehensive policy advice service and in particular to advise on the Combined Authority's plans and strategies.
- 18.3.4 To be responsible for the appointment, and grading, and dismissal of staff up to and including Deputy Chief Officer level.
- 18.3.5 To be responsible for the organisation and proper management of the Combined Authority's staff including proposing changes to the management structure and the number and grades of staff required.
- ~~18.3.6~~ To authorise a Chief Officer to act in his/her absence on any matter within his/her authority.

~~18.3.6~~ 18.3.7 To discharge any function of the Combined Authority which:

- (a) has not been specifically delegated to another Officer, Committee or reserved to the Mayor or the Combined Authority Board;
- (b) has been delegated to another Officer where that Officer is absent or otherwise unable to act (excluding the statutory functions of the Monitoring Officer and Chief Finance Officer).
- (c) To take any action which is required as a matter of urgency in consultation (where practicable) with the Mayor, the Monitoring Officer

and the Chief Finance Officer, and in accordance with the Transparency Rules, Forward Plan and Key Decisions ([Chapter 6: Decision Making](#)).

- (d) To provide any response to any Government consultation, subject to consultation with the Mayor of the Combined Authority and the relevant Lead Member.

(e) To co-ordinate public relations for the Authority, including the approval of press releases on behalf of the Authority having consulted where appropriate the Mayor or relevant Lead Member as necessary.

(f) Nominate, appoint and remove, in consultation with the Mayor (as Chair) and the Vice-Chair of the Combined Authority Board, representatives on the board of companies, trusts and other bodies, of which the Combined Authority is a member, and to agree Constitutional arrangements for such companies, trusts and other bodies and give any necessary consent required within their Constitutions.

(g) In consultation with the Chief Finance Officer and Monitoring Officer, may take decisions related to the approval of a detailed business case and the acceptance of a tender or quotation for the supply of goods, materials, or services provided that the spend is within the Combined Authority's approved budget. Prior to exercising this delegation the Chief Executive must consult the Mayor, the lead member and the Chair of the relevant Thematic Committee and, following the decision, must publish an Officer Decision Notice.

(h) In order to exercise (g) above, the business case or procurement must be approved by the Combined Authority Board within the MTFP and, in the case of a tender or quotation, must be approved in accordance with the Authority's Contracts Procedure Rules, ie:

- the decision relates to the delivery of the agreed business plan for that business area;
- the decision accords with any officer decision making guidance issued to officers;
- once the decision has been made the officer complies with the transparency requirements of The Openness of Local Government Bodies Regulations 2014.
- decisions taken will be reported to the next available Combined Authority Board as part of a Delegated Authority report.

(i) In consultation with the Mayor, exercise any function of the Authority which is not expressly reserved to the Board; which does not lie within the terms of reference of any committee of the Authority; or which is otherwise delegated to another specific Officer under this Scheme.

~~(f)~~(i) To make final decisions in redundancy matters in accordance with all government guidance and statute.

~~(g)~~(k) To exercise the general power of competence on behalf of the Combined Authority in the absence of any specific delegation acting in

the best interests of the Combined Authority, subject to:

- i. consultation with the Monitoring Officer and the Chief Finance Officer; and
- ii. reporting to the next meeting of the Combined Authority Board on the exercise of that power.

(l) To take decisions up to £~~1m500k~~, subject to any decisions being reported to the next Board meeting of the Combined Authority.

~~(h)~~(m) To commit expenditure from earmarked funds and reserves in accordance with the purpose for which those earmarked funds and reserves have been approved by the Combined Authority Board, save for those earmarked funds and reserves which the Combined Authority Board specifically reserves the right to itself or another Committee to approve, and subject to reporting the use of those earmarked funds and reserves through the budget monitoring report at the next meeting of the Combined Authority Board after the commitment is made.

18.4 Delegations to the Chief Finance Officer

- 18.4.1 The Chief Finance Officer shall be the designated the Proper Officer under section 73 of the Local Government Act 1985.
- 18.4.2 To effect the proper administration of the Authority's financial affairs, particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control.
- 18.4.3 To take all actions required on borrowing, investment and financing subject to the submission to the Audit and Governance Committee and Combined Authority of an annual report of the Chief Finance Officer on treasury management activities and at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management & Prudential Codes.
- 18.4.4 To effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.

- 18.4.5 To accept grant offers on behalf of the Combined Authority, subject to all the terms and conditions set out by the grant awarding body.
- 18.4.6 To submit all claims for grant to the UK Government or the European Community (EC).
- 18.4.7 To set up and operate such bank accounts as are considered appropriate and make all necessary banking arrangements on behalf of the Combined Authority.
- 18.4.8 To consider reports of Officers on any likely overspending in relation to revenue expenditure, and to approve transfers between expenditure heads up to a maximum of £100,000.
- 18.4.9 To send out all accounts for income due to the Combined Authority.
- 18.4.10 To authorise electronic payments.
- 18.4.11 To collect all money due to the Authority and write-off bad debts in accordance with the Financial Procedure Rules. Legal action should be undertaken in consultation with the Monitoring Officer.
- 18.4.12 To supervise procedures for the invitation, receipt and acceptance of tenders.
- 18.4.13 To administer the scheme of Members' allowances.
- 18.4.14 To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2011.
- 18.4.15 To sign certificates under the Local Government (Contracts) Act 1997.
- 18.4.16 To be the Officer nominated, or to nominate in writing another Officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made under that Act.
- 18.4.17 To exercise the responsibilities assigned to the Chief Finance Officer in this Constitution, including Financial Regulations and the Contract Procedure Rules.
- 18.4.18 To incur expenditure, within the revenue budget, in accordance with the approved budget limits and Financial Regulations.
- 18.4.19 To incur expenditure on capital schemes, in accordance with the Capital Programme and Financial Regulations, provided that expenditure has been authorised in accordance with the Assurance Framework.
- 18.4.20 Approve applications to bid for external funding where there are no wider budgetary implications or the bid relates to a matter within the strategic framework.
- 18.4.21 To arrange internal audit in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance.
- 18.4.22 Internal Audit Officers on producing appropriate identification shall have authority to:

- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;

- (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
- (c) require and receive such explanations as are necessary concerning any matters under examination;
- (d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control.

18.5 Delegations to the Monitoring Officer

- 18.5.1 Under section 5 of the Local Government and Housing Act 1989, the Combined Authority shall appoint a Monitoring Officer.
- 18.5.2 To provide advice on the scope of powers and authority to take decisions.
- 18.5.3 If it appears to the Monitoring Officer that any proposal, decision or omission by the Combined Authority has given rise to or is likely to give rise to unlawfulness or maladministration, he/she will prepare a report to the Combined Authority with respect to that proposal, decision or omission.
- 18.5.4 To monitor and review the operation of the Constitution on an annual basis, and to make changes to the Constitution in the circumstances set out below:

- (a) a legislative requirement;
- (b) a minor variation which is of a non-substantive nature to enable them to be kept up to date and in order;
- (c) required to be made to remove any inconsistency or ambiguity; or
- (d) required to be made so as to put into effect any decision of the Combined Authority or its committees or any organisational changes.

- 18.5.5 Any such change made by the Monitoring Officer to this Constitution shall come into force with immediate effect. The Monitoring Officer will report any changes made to the Combined Authority Board as soon as is reasonably possible.

18.5.6 To make any changes to the standing orders, committees' terms of reference, policies, or officer delegation scheme of the Authority which are required as a result of legislative change or decisions of the Authority.



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18.5.7 To make any changes to the Assurance Framework which are required as a result of legislative change or decisions of the Authority.

18.5.8 To administer the Members' Allowances Scheme.

18.5.9 To be authorised to take all necessary steps to manage and safeguard any shareholding the Combined Authority owns in a company including but not limited to granting permissions, giving consents, amending and signing shareholder agreements and compliance with Company Act 2016 requirements and any associated requirements;

18.5.10 To be authorised to sign Grant Funding Agreements, outside of Combined Authority Board approval, up to £1m in consultation with the Chief Finance Officer

Member Code of Conduct

~~48.5.6~~18.5.11 To deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011.

~~48.5.7~~18.5.12 To support the Audit and Governance Committee in promoting high standards of conduct.

~~48.5.8~~18.5.13 To receive complaints that any Member has failed to comply with the Code of Conduct for Members.

~~48.5.9~~18.5.14 To determine, after consultation with the Independent Person, whether to reject, informally resolve or investigate any complaint received, and to take such action as is necessary to implement that determination in accordance with the complaints procedure.

~~48.5.10~~18.5.15 To arrange for the appointment of an Investigating Officer to investigate a complaint where the Monitoring Officer (in consultation with an Independent Person) determines that a complaint merits formal investigation.

~~48.5.11~~18.5.16 To prepare and maintain the Authority's Register of Members' Interests and ensure it is available for inspection and published on the Combined Authority's website as required by the Localism Act 2011.

~~48.5.12~~18.5.17 To grant dispensations from section 31(4) of the Localism Act 2011 in consultation with the Independent Person if, having had regard to all relevant circumstances, the Monitoring Officer considers that:

~~48.5.13~~18.5.18 without the dispensation the number of persons prohibited by section 31(4) of the Localism Act 2011 from participating in any particular business would be so great a



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proportion of the body transacting the business as to
impede the transaction of the business; or

~~18.5.14~~18.5.19 without the dispensation the representation of
different political groups on the body transacting any particular
business would be so upset as to alter the likely outcome of
any vote relating to the business; or

~~18.5.15~~18.5.20 granting the dispensation is in the interests of
persons living in the Combined Authority's area; or

~~18.5.16~~18.5.21 it is otherwise appropriate to grant a dispensation.

~~18.5.17~~18.5.22 To keep a register of gifts and hospitality in accordance
with the Protocol on Gifts and Hospitality and to arrange for its
publication on the Authority's website.

Legal Matters

~~18.5.18~~18.5.23 To institute, conduct, prosecute and defend any legal
proceedings on behalf of the Combined Authority, as may be necessary
to protect and promote the Combined Authority's interests.

~~18.5.19~~18.5.24 To settle, if appropriate, and in the interests of the
Combined Authority, any actual or threatened legal proceedings.

~~18.5.20~~18.5.25 To instruct Counsel and professional advisers, where
appropriate.

~~18.5.21~~18.5.26 To supervise the preparation of legal documents.

~~18.5.22~~18.5.27 To execute documents whether by hand or under seal,
and to authorise other Officers to execute documents whether by hand
or under seal.

~~18.5.23~~18.5.28 To complete all property transactions and contractual
arrangements where terms have been agreed by the Combined
Authority, a Committee or Chief Officer acting under delegated
authority.

~~18.5.24~~18.5.29 To exercise the responsibilities assigned to the
Monitoring Officer in this Constitution, including the Contract
Procedure Rules.

~~18.5.25~~18.5.30 To deal with and determine exemptions under Section 36
of the Freedom of Information Act 2000.

~~18.5.26~~18.5.31 To accept on behalf of the Combined Authority the service of
notices, orders and legal procedures.

~~18.5.27~~18.5.32 Under Section 223 of the Local Government Act 1972 to
authorise Officers who are not admitted solicitors to appear in
Magistrates' Court on behalf of the Combined Authority.

~~18.5.28~~18.5.33 To agree the terms for placing an officer at the



disposal of another local authority.
~~18.5.29~~ 18.5.34 To be responsible for determinations in relation to and maintenance of the list of politically restricted posts.

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18.6 PART 2: Schedules of Proper Officers

18.6.1 Introduction

18.6.1.1 There are a number of specific references in the 1972 and 1985 Local Government Acts, which call for functions to be undertaken by what is termed the “Proper Officer”. The following Schedules list such references and identify the Chief Officers responsible for their discharge:

18.6.2 Head of Paid Service

18.6.2.1 The Head of Paid Service is appointed the Proper Officer for the purpose of any enactment unless this Constitution has designed another Officer as Proper Officer.

18.6.3 Chief Finance Officer

18.6.3.1 The Chief Finance Officer is appointed the Proper Officer in relation to the following:

To take decisions up to £~~1m~~500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

Local Government Act 1972

Receipt of money due from Officers	Section 115 (2)
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Local Government Act 1985

Proper Administration of the financial affairs of the Combined Authority	Section 73
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Local Government Finance Act 1988

To report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.	Section 114
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18.6.4 Monitoring Officer

18.6.4.1 The Monitoring Officer is appointed the Proper Officer in relation to the following:

Local Government Act 1972

Declaration and Certificates with regard to securities	Section 146 (1) (a) and (b)
Deposit of Documents	Section 225 (1)
Certifications of photographic copies of documents	Section 229 (5)
Issuing and signing of formal notices	Section 234 (1) and (2)
Determination of those reports which should be available for public inspection prior to a meeting of the Combined Authority, and its Committees and those which are likely to be heard in private and consequently which should not be released to the public.	Section 100B (2)
Provision of documents to the press, additional to Committee reports	Section 100B (7)
Preparing written summaries of proceedings	Section 100C (2)
Making arrangements for list of, and background papers to reports, to be made available for public inspection	Section 100D (1)
Determination of documents disclosing exempt information which may not be inspected by Members	Section 100F (2)
Signature of Summonses to Combined Authority meetings	Schedule 12 para 4 (2) (b)
Receipt of notices regarding address to which Summons to meetings of the Combined Authority is to be sent	Schedule 12 para 4 (3)

18.6.5 General

18.6.5.1 All Officers in whose name reports are submitted to the Combined Authority are appointed the Proper Officers in relation to the following:

Local Government Act 1972

Compilation and retention of lists of background papers and copies of the	Section 100D (1) (a)
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relevant documents and reports; and	
Identifying and determining what are background papers	Section 100

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COMBINED AUTHORITY

CHAPTER 18: OFFICER SCHEMES OF DELEGATION

18.1 PART 1: Officer Scheme of Delegations

18.1.2 Introduction

18.1.2.1 The Combined Authority has a Scheme of Delegation to Chief Officers and a Schedule of Proper Officers for its functions in accordance with section 101 of the Local Government Act 1972.

18.1.2.2 A Chief Officer in the context of this Constitution means

- Chief Executive of Combined Authority and Business Board, and Head of Paid Service
- Chief Finance Officer, and
- Monitoring Officer
- Corporate Directors
- any other posts defined as Chief Officer in the Employment Procedure rules

18.1.2.3 Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority or constituent councils if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced.

18.1.2.4 Any decisions or actions taken by a Chief Officer or other person on behalf of a Chief Officer, must be in accordance with:

- (a) the provisions of the Openness of Local Government Bodies Regulations 2014;
- (b) statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and codes of practice;
- (c) the Constitution, including the Combined Authority [Chapter 9: Contract Procedure Rules](#), assurance framework, monitoring and evaluation framework, [Chapter 9: Contract Procedure Rules](#) and [Chapter 8: Financial Management Procedure Rules](#), and [Chapter 6: Decision Making](#);
- (d) the revenue and capital budgets of the Combined Authority,

subject to any variation which is permitted by the Financial Regulations; and

- (e) any policy or direction of the Combined Authority or any Committee acting in exercise of powers delegated to that Committee by the Combined Authority.

18.1.2.5 Officers may exercise delegated powers to take any decision in relation to the functions of the Combined Authority including Mayoral functions except where:

- (a) the matter is reserved to the Combined Authority or the Mayor by law or by the Constitution;
- (b) the matter is a function which cannot by law be discharged by an Officer;
- (c) the Combined Authority or a Committee, Sub-Committee or Joint Committee to which the Combined Authority is a party, or in the case of a mayoral function, the Mayor has agreed that the matter should be discharged otherwise than by an Officer;
- (d) the Head of Paid Service has directed that the Officer concerned should not exercise a delegated function;
- (e) any other limitation of the exercise of delegated authority is set out in this Constitution or is specifically restricted in any decision of the Combined Authority.

18.1.2.6 Lead Officers are not obliged to exercise delegated powers if they believe circumstances are such that the powers should more appropriately be exercised by the Authority or one of its Committees.

18.1.3 General Delegations to all Chief Officers

18.1.3.1 Chief Officers will be responsible for the following within their areas of responsibility:

- (a) the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits;
- (b) day to day management of staff in accordance agreed human resource policies and procedures;

- (c) acting on behalf of and in the name of the Combined Authority, where necessary in consultation with the Mayor, relevant **Lead Member** or Chief Executive and/or other appropriate Officers;
- (d) dealing with press enquiries and issuing press releases;
- (e) investigative contraventions of legislation applicable to the functions under their control, and also in respect of these functions to exercise the powers and conferred by the Regulation of Investigatory Powers Act 2000, the European Communities Act 1974 (and associated regulations) and the Police and Criminal Evidence Act 1984.
- (f) procure or re-procure, award and agree contracts for goods and services not above £1 million without the need to seek authorisation from Members unless the Combined Authority Board has expressly requested that authorisation is sought from them or the funds are not within the Combined Authority's approved budget.
- (g) agree Grant Funding Agreements up to £1m in consultation with the Chief Finance Officer and the Monitoring Officer who is authorised to sign Grant Funding Agreements up to £1m on behalf of the Combined Authority.

18.2 Contracts and Accounts

- 18.2.1 All contracts shall be dealt in accordance with Contract Procedure Rules and Financial Regulations as may be agreed from time to time by the Combined Authority.
- 18.2.2 Contracts below £5,000: The decision to award the contract and any written terms must be agreed in writing by a Chief Officer unless they have delegated that authority.
- 18.2.3 Contracts between £5,000 and £50,000: The Chief Officer can award a contract up to £50,000 in value.
- 18.2.4 Contracts between £50,000 and EU thresholds: A report to authorise the award of the contract must be sent to Legal Services, and the Finance Officer for approval by the Chief Finance Officer or Monitoring Officer.
- 18.2.5 Contracts within EU thresholds up to £1m: The Chief Finance Officer or Monitoring Officer can award a contract up to £1m in value upon receipt of a contract award report. An award report to authorise the award of the contract must be sent to Legal

Services and the Finance Officer for approval by the Chief Finance Officer.

- 18.2.6 Contracts above £1m: Requires a Combined Authority Board decision or the Mayor for mayoral functions before award of the contract.
- 18.2.7 Contract rule exemptions: Granted entirely at the discretion of the Chief Finance Officer or Monitoring Officer.
- 18.2.8 Assigning and novating contracts: Needs approval of the relevant Chief Officer and the Monitoring Officer. If over £1m it will also need a Combined Authority Decision.
- 18.2.9 Terminating Contracts: Needs approval of the Chief Finance Officer and the Monitoring Officer. If over £1m it will also need a Combined Authority Decision.

18.3 Delegations to the Chief Executive

- 18.3.1 To exercise the functions of the Head of Paid Service as set out in Section 4 of the Local Government and Housing Act 1989.
- 18.3.2 To be responsible for the coordination of the Combined Authority's functions including mayoral functions.
- 18.3.3 To provide a comprehensive policy advice service and in particular to advise on the Combined Authority's plans and strategies.
- 18.3.4 To be responsible for the appointment, and grading, and dismissal of staff up to and including Deputy Chief Officer level.
- 18.3.5 To be responsible for the organisation and proper management of the Combined Authority's staff including proposing changes to the management structure and the number and grades of staff required.
- 18.3.6 To authorise a Chief Officer to act in his/her absence on any matter within his/her authority.
- 18.3.7 To discharge any function of the Combined Authority which:
 - (a) has not been specifically delegated to another Officer, Committee or reserved to the Mayor or the Combined Authority Board;
 - (b) has been delegated to another Officer where that Officer is absent or otherwise unable to act (excluding the statutory functions of the Monitoring Officer and Chief Finance Officer).
 - (c) To take any action which is required as a matter of urgency in consultation (where practicable) with the Mayor, the Monitoring Officer and the Chief Finance Officer, and in accordance with the Transparency Rules, Forward Plan and Key Decisions ([Chapter 6: Decision Making](#)).

- (d) To provide any response to any Government consultation, subject to consultation with the Mayor of the Combined Authority and the relevant Lead Member.
- (e) To co-ordinate public relations for the Authority, including the approval of press releases on behalf of the Authority having consulted where appropriate the Mayor or relevant Lead Member as necessary.
- (f) Nominate, appoint and remove, in consultation with the Mayor (as Chair) and the Vice-Chair of the Combined Authority Board, representatives on the board of companies, trusts and other bodies, of which the Combined Authority is a member, and to agree Constitutional arrangements for such companies, trusts and other bodies and give any necessary consent required within their Constitutions.
- (g) In consultation with the Chief Finance Officer and Monitoring Officer, may take decisions related to the approval of a detailed business case and the acceptance of a tender or quotation for the supply of goods, materials, or services provided that the spend is within the Combined Authority's approved budget. Prior to exercising this delegation the Chief Executive must consult the Mayor, the lead member and the Chair of the relevant Thematic Committee and, following the decision, must publish an Officer Decision Notice.
- (h) In order to exercise (g) above, the business case or procurement must be approved by the Combined Authority Board within the MTFP and, in the case of a tender or quotation, must be approved in accordance with the Authority's Contracts Procedure Rules, ie:
 - the decision relates to the delivery of the agreed business plan for that business area;
 - the decision accords with any officer decision making guidance issued to officers;
 - once the decision has been made the officer complies with the transparency requirements of The Openness of Local Government Bodies Regulations 2014.
 - decisions taken will be reported to the next available Combined Authority Board as part of a Delegated Authority report.
- (i) In consultation with the Mayor, exercise any function of the Authority which is not expressly reserved to the Board; which does not lie within the terms of reference of any committee of the Authority; or which is otherwise delegated to another specific Officer under this Scheme.

- (j) To make final decisions in redundancy matters in accordance with all government guidance and statute.
- (k) To exercise the general power of competence on behalf of the Combined Authority in the absence of any specific delegation acting in the best interests of the Combined Authority, subject to:
 - i. consultation with the Monitoring Officer and the Chief Finance Officer; and
 - ii. reporting to the next meeting of the Combined Authority Board on the exercise of that power.
- (l) To take decisions up to £1m, subject to any decisions being reported to the next Board meeting of the Combined Authority.
- (m) To commit expenditure from earmarked funds and reserves in accordance with the purpose for which those earmarked funds and reserves have been approved by the Combined Authority Board, save for those earmarked funds and reserves which the Combined Authority Board specifically reserves the right to itself or another Committee to approve, and subject to reporting the use of those earmarked funds and reserves through the budget monitoring report at the next meeting of the Combined Authority Board after the commitment is made.

18.4 Delegations to the Chief Finance Officer

- 18.4.1 The Chief Finance Officer shall be the designated the Proper Officer under section 73 of the Local Government Act 1985.
- 18.4.2 To effect the proper administration of the Authority's financial affairs, particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control.
- 18.4.3 To take all actions required on borrowing, investment and financing subject to the submission to the Audit and Governance Committee and Combined Authority of an annual report of the Chief Finance Officer on treasury management activities and at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management & Prudential Codes.
- 18.4.4 To effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the

Combined Authority's benefit.

- 18.4.5 To accept grant offers on behalf of the Combined Authority, subject to all the terms and conditions set out by the grant awarding body.
- 18.4.6 To submit all claims for grant to the UK Government or the European Community (EC).
- 18.4.7 To set up and operate such bank accounts as are considered appropriate and make all necessary banking arrangements on behalf of the Combined Authority.
- 18.4.8 To consider reports of Officers on any likely overspending in relation to revenue expenditure, and to approve transfers between expenditure heads up to a maximum of £100,000.
- 18.4.9 To send out all accounts for income due to the Combined Authority.
- 18.4.10 To authorise electronic payments.
- 18.4.11 To collect all money due to the Authority and write-off bad debts in accordance with the Financial Procedure Rules. Legal action should be undertaken in consultation with the Monitoring Officer.
- 18.4.12 To supervise procedures for the invitation, receipt and acceptance of tenders.
- 18.4.13 To administer the scheme of Members' allowances.
- 18.4.14 To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2011.
- 18.4.15 To sign certificates under the Local Government (Contracts) Act 1997.
- 18.4.16 To be the Officer nominated, or to nominate in writing another Officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made under that Act.
- 18.4.17 To exercise the responsibilities assigned to the Chief Finance Officer in this Constitution, including Financial Regulations and the Contract Procedure Rules.
- 18.4.18 To incur expenditure, within the revenue budget, in accordance with the approved budget limits and Financial Regulations.
- 18.4.19 To incur expenditure on capital schemes, in accordance with the Capital Programme and Financial Regulations, provided that expenditure has been authorised in accordance with the Assurance Framework.
- 18.4.20 Approve applications to bid for external funding where there are no wider budgetary implications or the bid relates to a matter within the strategic framework.
- 18.4.21 To arrange internal audit in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance.
- 18.4.22 Internal Audit Officers on producing appropriate identification shall have authority to:

- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;

- (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
- (c) require and receive such explanations as are necessary concerning any matters under examination;
- (d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control.

18.5 Delegations to the Monitoring Officer

- 18.5.1 Under section 5 of the Local Government and Housing Act 1989, the Combined Authority shall appoint a Monitoring Officer.
- 18.5.2 To provide advice on the scope of powers and authority to take decisions.
- 18.5.3 If it appears to the Monitoring Officer that any proposal, decision or omission by the Combined Authority has given rise to or is likely to give rise to unlawfulness or maladministration, he/she will prepare a report to the Combined Authority with respect to that proposal, decision or omission.
- 18.5.4 To monitor and review the operation of the Constitution on an annual basis, and to make changes to the Constitution in the circumstances set out below:
 - (a) a legislative requirement;
 - (b) a minor variation which is of a non-substantive nature to enable them to be kept up to date and in order;
 - (c) required to be made to remove any inconsistency or ambiguity; or
 - (d) required to be made so as to put into effect any decision of the Combined Authority or its committees or any organisational changes.
- 18.5.5 Any such change made by the Monitoring Officer to this Constitution shall come into force with immediate effect. The Monitoring Officer will report any changes made to the Combined Authority Board as soon as is reasonably possible.
- 18.5.6 To make any changes to the standing orders, committees' terms of reference, policies, or officer delegation scheme of the Authority which are required as a result of legislative change or decisions of the Authority.



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18.5.7 To make any changes to the Assurance Framework which are required as a result of legislative change or decisions of the Authority.

18.5.8 To administer the Members' Allowances Scheme.

18.5.9 To be authorised to take all necessary steps to manage and safeguard any shareholding the Combined Authority owns in a company including but not limited to granting permissions, giving consents, amending and signing shareholder agreements and compliance with Company Act 2016 requirements and any associated requirements;

18.5.10 To be authorised to sign Grant Funding Agreements, outside of Combined Authority Board approval, up to £1m in consultation with the Chief Finance Officer

Member Code of Conduct

18.5.11 To deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011.

18.5.12 To support the Audit and Governance Committee in promoting high standards of conduct.

18.5.13 To receive complaints that any Member has failed to comply with the Code of Conduct for Members.

18.5.14 To determine, after consultation with the Independent Person, whether to reject, informally resolve or investigate any complaint received, and to take such action as is necessary to implement that determination in accordance with the complaints procedure.

18.5.15 To arrange for the appointment of an Investigating Officer to investigate a complaint where the Monitoring Officer (in consultation with an Independent Person) determines that a complaint merits formal investigation.

18.5.16 To prepare and maintain the Authority's Register of Members' Interests and ensure it is available for inspection and published on the Combined Authority's website as required by the Localism Act 2011.

18.5.17 To grant dispensations from section 31(4) of the Localism Act 2011 in consultation with the Independent Person if, having had regard to all relevant circumstances, the Monitoring Officer considers that:

18.5.18 without the dispensation the number of persons prohibited by section 31(4) of the Localism Act 2011 from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business; or

18.5.19 without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business; or

18.5.20 granting the dispensation is in the interests of persons living in the Combined Authority's area; or

18.5.21 it is otherwise appropriate to grant a dispensation.

18.5.22 To keep a register of gifts and hospitality in accordance with the Protocol on Gifts and Hospitality and to arrange for its publication on the Authority's website.

Legal Matters

18.5.23 To institute, conduct, prosecute and defend any legal proceedings on behalf of the Combined Authority, as may be necessary to protect and promote the Combined Authority's interests.

18.5.24 To settle, if appropriate, and in the interests of the Combined Authority, any actual or threatened legal proceedings.

18.5.25 To instruct Counsel and professional advisers, where appropriate.

18.5.26 To supervise the preparation of legal documents.

18.5.27 To execute documents whether by hand or under seal, and to authorise other Officers to execute documents whether by hand or under seal.

18.5.28 To complete all property transactions and contractual arrangements where terms have been agreed by the Combined Authority, a Committee or Chief Officer acting under delegated authority.

18.5.29 To exercise the responsibilities assigned to the Monitoring Officer in this Constitution, including the Contract Procedure Rules.

18.5.30 To deal with and determine exemptions under Section 36 of the Freedom of Information Act 2000.

18.5.31 To accept on behalf of the Combined Authority the service of notices, orders and legal procedures.

18.5.32 Under Section 223 of the Local Government Act 1972 to authorise Officers who are not admitted solicitors to appear in Magistrates' Court on behalf of the Combined Authority.

18.5.33 To agree the terms for placing an officer at the disposal of another local authority.

18.5.34 To be responsible for determinations in relation to and maintenance of the list of politically restricted posts.



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18.6 PART 2: Schedules of Proper Officers

18.6.1 Introduction

- 18.6.1.1 There are a number of specific references in the 1972 and 1985 Local Government Acts, which call for functions to be undertaken by what is termed the “Proper Officer”. The following Schedules list such references and identify the Chief Officers responsible for their discharge:

18.6.2 Head of Paid Service

- 18.6.2.1 The Head of Paid Service is appointed the Proper Officer for the purpose of any enactment unless this Constitution has designed another Officer as Proper Officer.

18.6.3 Chief Finance Officer

- 18.6.3.1 The Chief Finance Officer is appointed the Proper Officer in relation to the following:

To take decisions up to £1m, subject to any decisions being reported to the next Board meeting of the Combined Authority.

Local Government Act 1972

Receipt of money due from Officers	Section 115 (2)
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Local Government Act 1985

Proper Administration of the financial affairs of the Combined Authority	Section 73
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Local Government Finance Act 1988

To report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.	Section 114
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18.6.4 Monitoring Officer

- 18.6.4.1 The Monitoring Officer is appointed the Proper Officer in

relation to the following:



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Local Government Act 1972

Declaration and Certificates with regard to securities	Section 146 (1) (a) and (b)
Deposit of Documents	Section 225 (1)
Certifications of photographic copies of documents	Section 229 (5)
Issuing and signing of formal notices	Section 234 (1) and (2)
Determination of those reports which should be available for public inspection prior to a meeting of the Combined Authority, and its Committees and those which are likely to be heard in private and consequently which should not be released to the public.	Section 100B (2)
Provision of documents to the press, additional to Committee reports	Section 100B (7)
Preparing written summaries of proceedings	Section 100C (2)
Making arrangements for list of, and background papers to reports, to be made available for public inspection	Section 100D (1)
Determination of documents disclosing exempt information which may not be inspected by Members	Section 100F (2)
Signature of Summonses to Combined Authority meetings	Schedule 12 para 4 (2) (b)
Receipt of notices regarding address to which Summons to meetings of the Combined Authority is to be sent	Schedule 12 para 4 (3)

18.6.5 General

- 18.6.5.1 All Officers in whose name reports are submitted to the Combined Authority are appointed the Proper Officers in relation to the following:

Local Government Act 1972

Compilation and retention of lists of background papers and copies of the relevant documents and reports; and	Section 100D (1) (a)
Identifying and determining what are background papers	Section 100



Audit & Governance Committee		Agenda Item
9th June 2023		17
Title:	Audit and Governance Work Programme	
Report of:	Anne Gardiner, Governance Manager	
Lead Member:	John Pye	
Public Report:	Yes	
Key Decision:	NA	
Voting Arrangements:	Majority	

Recommendations:

A	Note the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year attached at Appendix 1
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1. Purpose

1.1	To provide the Committee with the draft work programme for Audit and Governance Committee, for the 23/24 municipal year.
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2. Proposal

2.1	The Committee to review the proposed work programme at Appendix 1 and provide any comments including suggestions of items for future meetings.
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3. Background

3.1	In accordance with the Constitution, the Audit and Governance Committee must perform certain statutory duties including the approval of accounts, governance arrangements, financial reporting and code of conduct.
3.2	A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.

4. Appendices

4.1	Appendix 1 – Draft Work Programme 2023/24
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5. Implications

Financial Implications	
5.1	None
Legal Implications	
6.1	None
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	None

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

9th June @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
	Improvement Plan Highlight Report	Review and challenge to seek assurance of improvement progress	Angela Probert
Internal Control Items:			
	Corporate Risk Register	Review of Register	Chris Bolton
	Corporate performance report		Jules Lent
	Single Assurance Framework	Receive an update on the new Assurance Framework designed to deliver requirements set out in Improvement Plan	Jodie Townsend
Audit Items:			
	Internal Audit – Progress Report		
	Internal Audit – Annual Opinion		
Standards and Conduct Items:			
Other:			
	Election Vice Chair		
	Co-option of Independent Member		Edwina
	Formation of Standing Sub Committee		Edwina Adefehinti
	Update on Shareholder Board	Committee invited the Chair (Mayor) to attend the meeting to provide an update and how they intend to manage the existing issues.	Edwina Adefehinti
	Constitution – Changes to Scheme of Delegation		Nick Bell
	Outcome of procurement Review		Nick Bell
	Update on Constitution	Committee requested that an update on whether all changes to the constitution recommended by the Committee have been accepted by the Board.	Edwina Adefehinti/Robert Fox

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

7th July @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
	Improvement Plan Highlight Report	Review and challenge to seek assurance of improvement progress	Angela Probert
Internal Control Items:			
	Internal Audit Action Tracker	To be brought to the Committee quarterley	Chris Bolton
	2022-23 Treasury Management Outturn Report		Ian Pantling
	Drafts Accounts 22/23		Robert Emery
Audit Items:			
	Internal Audit – Progress Report		
	AEB Audit & Assurance Update	Update on the annual findings of the AEB audit/assurance plan	Janet Warren
Standards and Conduct Items:			
	Member Officer Protocol Review		Head of Governance
	Whistleblowing Arrangements	Review of lessons learned from 2021/22 & 22/23 events and examination of current process to see if it is fit for purpose	Edwina Adefehinti
Other:			
	Finance Team Resilience	ED for Performance and Resources to provide an update	Nick Bell

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

8th September @ Huntingdonshire District Council Page 189 of 193

Item:	Title:	Purpose:	Lead:
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Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
	Improvement Plan Highlight Report	Review and challenge to seek assurance of improvement progress	Angela Probert
Internal Control Items:			
	Risk Register	Review of register	
Audit Items:			
	Internal Audit – Progress Report		
	2021/22 Audit Results Report, Audit Opinion		EY – Mark Hodgson
	21-22 Annual Governance Statement		Nick Bell/Edwina Adefehinti
	Final 21-22 statement of accounts		Nick Bell/Robert Emery
Standards and Conduct Items:			
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

17th November @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
Internal Control Items:			
	Internal Audit Action Tracker		Chris Bolton

	2023-24 Treasury Management mid-year update		Ian Pantling
Audit Items:			
	Internal Audit – Progress Report		Dan Harris
	External Audit – Initial Audit Plan for 2022/23		EY – Mark Hodgson
	2021/22 Audit - Auditor’s Annual Report		EY- Mark Hodgson
Standards and Conduct Items:			
Other:			
	Treasury Management Strategies		

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

12th January @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
Internal Control Items:			
	Corporate Risk Register		Chris Bolton
	Draft 2024-25 Financial Strategies to the January Committee		Ian Pantling
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
	Code of Conduct Annual Report	Committee requested they receive an annual report on complaints received.	
Other:			

	Information Governance Update	Reported to Committee Annually	Susan Hall

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

9th February @ Huntingdonshire District Council (RESERVE)

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
Internal Control Items:			
Audit Items:			
Standards and Conduct Items:			
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

8th March @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair's Announcements</div> <div><input type="checkbox"/> Work Programme</div>	Page 192 of 193	
Improvement Items:			

Internal Control Items:			
	Internal Audit Action Tracker		Chris Bolton
	Assurance Framework		
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
Other:			
	Treasury Management Summary		
	Audit Committee Draft Annual Report		

AUDIT & GOVERNANCE COMMITTEE DEVELOPMENT PROGRAMME 2022/23 – 23/24

Date:	Item:	Provider:	Purpose:	Lead:
24 th March 2023	Risk Appetite Training	Internal Audit		Adam Lickorish, RSM
8 th June	A&G Committee Induction	Governance Team	Provide induction to the CA for new members	Anne Gardiner
9 th June PM	Financial Management and Role of the Committee	Arling Close (CPCA's treasury advisors)	To set out the role of the Committee in regard to financial management and provide training on key elements of role	Nick Bell/Robert Emery
TBC – W/C 3rd July	Project Management Training	Chris Bolton		Chris Bolton
9 th October	Development Session – Topic TBC			
4 th December	Development Session Topic TBC			
9 th February	Development Session – Topic TBC			
8 th September at close of meeting.	Private Meeting of Committee & Internal and External Auditors			Anne Gardiner