



**CAMBRIDGESHIRE & PETERBOROUGH COMBINED
AUTHORITY –
DRAFT MINUTES**

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 6th April 2021

Time: 10:00am

Location: Virtual Zoom Meeting

Present:

Mr John Pye
Cllr Ian Benney
Cllr Tony Mason
Cllr Nick Sandford
Cllr Graham Bull
Cllr David Brown
Cllr Mike Davey
Cllr Mark Goldsack

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

Officers:

Kim Sawyer
Robert Parkin
Anne Gardiner
Jon Alsop
Daniel Harris
Janet Warren
Francesca Houston

Interim Chief Executive Officer
Monitoring Officer
Scrutiny Officer
Chief Finance Officer (S73 Officer)
Internal Auditors (RSM)
Adult Education Budget Coordinator
Programme Coordinator

1. Apologies for Absence and Declarations of Interest

- 1.1 No apologies were received.
- 1.2 No declarations of interest were made.

2. Chair's Announcements

- 2.1 The Chair made the following announcements:

1) The accounts deadlines have been moved for this year and next. Instead of the 31st of May publication deadline for draft accounts, and 31st July for final, the agreed update is 31st July (draft) and 30th Sept (final).

2) The recommendation from this Committee to the CA Board on the Assurance Framework had been accepted and the recommendation would be put to the Business Board for them to consider at their next meeting.

3) The Committee members met privately with External Auditors and the Internal Auditors prior to committee meeting and advised that there was nothing material to report.

3. Minutes of the last Meeting

3.1 The minutes from the meeting held on the 5th of March 2021 were agreed as a correct record subject to the word 'discussed' being replaced by 'decided' at paragraph 4.8.

3.2 The Actions from the previous meeting were noted.

4. Combined Authority Board Update

4.1 The Interim Chief Executive Officer provided an update for the Committee on the recent activity of the Combined Authority Board.

The last meeting of the Combined Authority had a very busy agenda, and it had been necessary to adjourn the meeting and for members to meet a second time to cover all the business. The officers would be looking to carry out a governance review after the election to consider options for how best to manage the business workload of the Combined Authority going forward.

4.2 MHCLG had advised that the legislation that allowed for remote meetings ceased on the 6th of May. The Combined Authority are looking at what the options were for holding physical meetings. The Monitoring Officer advised there was a legal challenge in place from the Local Government Association (LGA), Association Democratic Service Officers (ADSO) and Hertfordshire County Council that would be heard on the 21st of April 2021 which may result in further legislation being brought forward to allow virtual and hybrid meetings to continue. Members would be kept informed.

4.3 The Combined Authority had accepted the recommendation from the Audit and Governance Committee regarding the Business Board holding meetings in public and had invited the Business Board to consider the recommendation at their next meeting; the Interim Chief Executive Officer advised that the Committee may like to invite the Business Board Chair to update the Committee once they had made their decision.

4.4 The Combined Authority Board received a CAM progress report, which advised on the design concept process; the Board agreed to get the business case under way and appointed new staff. The network map had been amended to provide routes to Peterborough and Chatteris. This reflected previous requests by this Committee to discuss extensions to the network with the Mayor

4.5 The Combined Authority received the Climate Change Commission report and had agreed to take the recommendations away to consider in more detail and respond at a later meeting. A Climate Change Working Group had been set up which would bring interested parties together to respond to the report.

The Committee were advised that they would receive a report on this at their next meeting.

- 4.6 The Committee were advised that the passenger transport teams from Cambridgeshire County Council and Peterborough City Council had been brought in house so that the passenger transport would now be delivered directly.

A transport modelling system was being commissioned and the Local Transport Plan would need to be refreshed. In response to a question, the committee were advised that the county council would still be acting as the highway's agency for the area but that the involvement of the CPCA in planning applications is a legal issue under consideration.

- 4.7 In reference to the funding from government for the Housing Programme the CA Board had accepted the proposals put forward by MHCLG and a report would be brought back which would detail those proposals once final discussions had taken place.
- 4.8 The CA Board received the Local Economic Recovery Strategy Refresh which was approved along with the market towns master plan. The decision was also taken to retain the accountable body status for the energy hub.
- 4.9 A review of the O&S Committee arrangements was approved; the Chair requested that he be consulted by the CfGS carrying out the review.
- 4.10 The Committee thanked the Interim Chief Executive Officer for the update.

5. Constitution Update

- 5.1 The Committee received the report which advised of recent changes to the Constitution made by the Monitoring Officer to remove references to "non-constituent authorities". As this was a textual correction to the constitution to remove erroneous references, rather than substantive changes to the way that the constitution arranges for the running or regulation of the Combined Authority, it was felt that this should be reported to the Audit and Governance Committee at this meeting rather than waiting for the Constitution Review which would take place later this year.
- 5.2 The Committee noted the report.

6. Corporate Risk Report

- 6.1 The Committee received the report which provided the Corporate Risk Management Strategy and an update on the Corporate Risk Register.
- 6.2 The Internal Auditor advised that the amendments made to the strategy had addressed a number of issues, and that they would be conducting a formal follow up to their review which would be reported to the committee at the next meeting.
- 6.3 The Committee were advised that the internal audit of the Risk Strategy would be carried out by management's governance team quarterly.
- 6.4 The Committee reviewed the new format of the risk register and requested that the heat map on the dashboard be considered further. The overall improvements to the format, and the continuing development work, were welcomed.
- 6.5 In response to a question about the impact of the Covid 19 pandemic on staff at the Combined Authority, the committee were advised that the ways of working for staff would be considered going forward as would be the identification of new premises for the Combined Authority.
- 6.6 The Committee RESOLVED:
- i) to approve the Risk Management Strategy for approval to the CA Board.
 - ii) that the Corporate Risk Register had been reviewed and noted.

7. Internal Audit Progress Report

- 7.1 The Committee received the report which provided an update to the work that Internal Auditors had conducted against the internal audit plan for 2020/21, and the draft internal audit plan for 2021/22.
- 7.2 The Internal Auditors advised that there were numerous reasons for the delays to the reviews; the timings had meant that all reviews had been carried out in one quarter rather than over the year. This had put pressure on officers and coincided with the end of the annual leave year, which had meant officers weren't as readily available as usual. They expected next year's programme to run more smoothly.
- 7.3 The Internal Auditors advised that the IT review was taking longer than expected. The Chief Finance Officer advised that the circumstances at the Combined Authority had greatly changed since the original IT support team of 3C were engaged as the organisation had grown substantially. The Monitoring Officer advised that this was recognised as an issue – SOCITM (Society for Information, technology and Modernisation) had been commissioned to carry out a needs assessment to enable to authority to develop the required processes.
- 7.4 The Committee requested that as most reports were due to come to the June Committee it would be helpful to share them with members prior to the meeting. Officers agreed that if any of the reports received a partial assurance or less that the reports would be circulated to members before the June meeting.
- 7.5 In regard to the Internal Audit Plan, the Internal Auditors advised that there had been good engagement with the Corporate Management Team . This had resulted in a well subscribed draft programme; this plan would be revisited over the course of the year and could be amended.
- 7.6 The Committee were advised that there were ongoing discussions around the Internal Audit arrangements for the Trading Companies audit arrangements and whether RSM would be providing those services. The Internal Auditors advised that any Service Level Agreements for the subsidiary companies would allow them access to information to allow them to provide assurance on the arrangements.
- 7.7 The Internal Auditors advised that the cost for the Audit of the Adult Education was much higher than other audits as it was a much more complex funding set up which required a separate team to carry out the work.
- 7.8 The Committee **RESOLVED:**
- a) to note the progress report
 - b) approve the Internal Audit Plan.

8. Adult Education Budget Update

- 8.1 The Committee received the report which presented an update for the Committee on the Adult Education Budget Audit and Assurance approach.
- 8.2 In response to a question about identified errors amounting to £4k, the officer advised that these were not considered to be a concern by the auditors and an adjustment would be made to cover this.
- 8.3 The officer agreed to provide Cllr Mason with further information regarding the sample of identified errors once the full report had been received from the external auditors.

8.4 As two of the three audits were incomplete the committee requested that a further update that would include their assurances be brought to the next committee for final sign off. This would include a value for money review on the process and an explanation on how it was measured.

8.5 The Committee noted the report and requested that a further update be brought to the next meeting.

9. Audit and Governance Draft Annual Report

9.1 The Committee received the report which asked the Committee to comment on the draft Annual Report of the Chair of Audit and Governance Committee for 2020/21 before it was submitted Combined Authority Board.

9.2 The Chair introduced the report and stated that he felt that the Committee had benefitted greatly from having a continuation of the same members this year, and that the virtual meetings had also helped to ensure quoracy was met especially for the extra meetings that had been held.

9.3 The Committee requested that the dates throughout the report were checked and that the recent recommendation adopted by the Combined Authority Board on the Business Board holding meetings in public be added to the report.

9.4 The Committee approved the draft report subject to the above changes and agreed for it to be submitted to the Combined Authority Board.

10. Work Programme for the Audit & Governance Committee

10.1 The Committee received and noted the Work Programme report.

11. Date of next meeting

11.1 The next meeting would be held on the 25th of June 2021, the location would be confirmed.

Meeting Closed: 11:44am.

Audit and Governance Committee Action Sheet 2020/21

Meeting Date	Action	Officer	Delegated officer	Completed
	OPEN ACTIONS			
6 April 2021	Business Board Chair to be invited to meet with committee once the Business Board had discussed the recommendation on holding meetings in public.	Anne Gardiner/Rochelle Tapping/Robert Parkin	Anne Gardiner	
6 April 2021	Update on Adult Education Budget to come to committee following the completion of the external audits.	Janet Warren		June/July meeting
5 March 2021	A proposal outlining how the Combined Authority would address the oversight arrangements for Trading Companies going forward and demonstrate how these would be effective; drawing on real examples from Nottingham and Croydon Councils would be brought to the committee.	Robert Parkin		To be brought to September meeting
5 March 2021	Internal controls around trading companies should be included within the Annual Governance Statement	Robert Parkin/Jon Alsop		To be reported at July meeting
5 March 2021	Revision to Housing Committee remit to be included in annual review of constitution	Robert Parkin		To be reported at September meeting
5 March 2021	Officers to implement a process to enable experiences with ICT issues to be shared across the constituent councils of the Combined Authority	Rochelle Tapping		Verbal update to provided to Committee – June/July meeting.

2 October 2020	The Chief Executive to provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CAB updates	Kim Sawyer		Ongoing
31 July 2020	A further report to the Committee be programmed for December 2020 to explain the process for formulating recommendations in reference to the Independent Commission on Climate Change	Paul Raynes	Adrian Cannard	To be brought to the June meeting
26 May 2020	There should be ongoing work to present the Risk Register in a legible format	Robert Parkin		Ongoing
26 May 2020	There be a future development session for the Committee on Trading Companies	Robert Parkin/ Rochelle White		Timetabled for Sept 2021
26 May 2020	Future 'to note' items are sent to members in advance of Committee publication deadlines	Robert Fox		Ongoing
	CLOSED ACTIONS			
31 July 2020	A report on information security and governance to be submitted to the Committee. This to be included in the work programme at an agreed date.	Robert Parkin		Report to come to March
29 January 2021	Annual Report to include a review of number of meetings held by the committee.	Anne Gardiner/Jon Pye	Anne Gardiner	Report to come to April 6th
29 January 2021	Officers to review the risk strategy and report on implementation of the actions within the internal auditor reports	Robert Parkin		Report to come to April 6th

27 November 2020	That an update on the progress of the actions against the recommendations in the Lancaster Way report be brought to the next meeting of the Committee.	Jon Alsop/ Paul Raynes		To be included within the Assurance Framework – due to come to committee in March 2021
26 May 2020	Update from the Data Protection Officer Update to include data on aspects such as the volume of data, any requests for erasure etc.	Robert Parkin	Rochelle Tapping	January 2021 – included in report March
29 January 2021	Report on proposals for how the committee will receive updates on incidents of fraud, whistleblowing, complaints etc	Robert Parkin	Anne Gardiner	Report to come to March 5th
29 January 2021	Capital Strategy to be brought to March meeting with the changes to be highlighted for ease of reference.	Rob Emery		Report to come to March 5th
2 October 2020	A joint audit meeting with the internal and external auditors be programmed for April 2021	Internal Auditors/External Auditors	Anne Gardiner/Jon Alsop	Programmed for April 2021
29 January 2021	Company governance/oversight to be reported on within the Assurance Framework – how the committee will review governance of new companies.	Robert Parkin/Rochelle Tapping		Note to be included within the Assurance Framework report and a more detailed report to come to later meeting.

29 January 2021	Officers to review meetings calendar to ensure they align with statutory financial deadlines.	Jon Alsop/Anne Gardiner	Jon Alsop	Completed 4 th Feb – meeting invites circulated to members
2 October 2020	The next report to the Committee to include a description on how the Climate Change risk is being managed	Robert Parkin		27 th November 2020
26 May 2020/31 July 2020/2 October 2020	The Committee agreed to an independent review of the Lancaster Way Traffic Scheme	John Pye (Chair)/Robert Parkin/Jon Alsop		Chair's Announcement at 31 July 2020 meeting and further update at this meeting – Final report received at Nov 27 th 2020 meeting.
2 October 2020	A further update on liaison between the Combined Authority and civil servants at the MHCLG to be provided	Kim Sawyer	Kim Sawyer	To be provided at the Committee meeting of 29 January 2021
27 November	A report on the audit on Cyber Security and IT systems and the attempted fraud to come to the January Committee meeting.	Internal Auditors	Dan Harris	Included within the Internal Auditors Report
2 October 2020	To provide detail to the Committee on how much is being spent on the three officers mitigating on EU exit, factoring in the EU exit grant the Combined Authority receives.	Jon Alsop		Verbal Update provided at January 2021 meeting

27 November 2020	Members to be sent email providing some clarity around the settlement payment for senior member of staff	Dermot Pearson	Dermot Pearson	Email sent to members – 10 th December 2020
26 May 2020	Value for Money Workshop	Robert Fox/Jon Alsop		Completed November 2020
2 October 2020	At the 27 November 2020 meeting there should be detail on the risk register on those risks that are not included in the sequential number presentation (i.e. why are these no longer considered to be corporate risks)	Robert Parkin	Francesca Houston	Completed on agenda
2 October 2020	The Chief Executive to respond to the Committee on the criteria for the Market Town strategies and whether the response to Covid-19 relates to the commercial sector response or whether it also includes the community and health responses too	Kim Sawyer		Completed
2 October 2020	A full internal audit plan be presented to the Committee on 27 November 2020	Internal Auditor		Completed on agenda
2 October 2020	The final statement of accounts and External Audit Opinion to be received at the meeting of 27 November 2020	Jon Alsop		Completed on agenda
2 October 2020	The letter to Whitehall with regard to quoracy to be shared with the Chairs of the Audit & Governance Committee and Overview & Scrutiny Committee for input and approval prior to being sent	Robert Parkin		Completed. Response from the MHCLG awaited

2 October 2020	The Work Programme for the Committee to include the additional protocols for the Constitution as approved by the Combined Authority Board	Robert Parkin	Scrutiny Officer	Completed on agenda
31 July 2020	The Mayor of the CA be invited to the 2 October 2020 meeting of the Committee to update on the MHCLG correspondence	Scrutiny Officer		Completed on agenda for 27 November 2020; the Mayor being absent on leave on 2 October
31 July 2020	The Internal Audit Plan 2020/21 to be presented at the 2 October 2020 meeting of the Committee	Jon Alsop	RSM UK	Completed on agenda
31 July 2020	That a date for the workshop session for the Constitution review be forwarded to the Committee members as soon as possible.	Robert Parkin	Scrutiny Officer	Occurred on 17 September 2020 followed by a meeting to consider Constitution revisions on 24 September
31 July 2020	The names of all on the Independent Commission on Climate Change will be provided to the Committee.	Paul Raynes	Adrian Cannard	Provided to Committee members
31 July 2020	The Constitution review should include protocols for appointments to Boards, Commissions and Working Groups.	Robert Parkin		Consideration as part of the Constitution work moving forward
31 July 2020	A further update on the Corporate Risk Register will be received at the 2 October 2020 meeting of the Committee.			Completed on agenda

31 July 2020	The work programme revisions to be published alongside the minutes of the meeting	Scrutiny Officer		Published on the CA meetings website
31 July 2020	Climate change to appear on future risk register reports to the Committee as a discrete risk.	Francesca Houston		Completed
26 May 2020	The Independent Commission on Climate Change would be commencing its work shortly. The Chair asked that climate change be included on the Risk Register	Francesca Houston		Completed
26 May 2020	Adult Education Budget A & G requested a landscape view on areas where money has been contracted and the Combined Authority has the authority/obligation that standards are met.			Completed on agenda for 27 November 2020 meeting
26 May 2020	A response would be provided to the Committee related to the employment status of the Trading Companies Company Secretary	Robert Parkin		Verbal confirmation was provided at 31 July 2020 meeting
26 May 2020	Chief Executive to provide detail on the Local Transport Plan and how it relates to Peterborough	Kim Sawyer (CEO)		Provided in advance of 31 July 2020 meeting.
26 May 2020	Any changes to the membership of the Committee to be reported to the next meeting.	Robert Fox		Completed on agenda.
26 May 2020	A paper regarding Internal Audit provision following the cessation of the Service Level Agreement with Peterborough City Council would be presented to the next meeting	Jon Alsop		Completed on agenda.
26 May 2020	Action Sheets to be presented to future meetings in a format that more clearly distinguished open and closed actions	Robert Fox		Completed on agenda

26 May 2020	The Chair asked that the final statement of accounts be forwarded to members in advance of the publication deadline for the 31 July 2020 Committee meeting.	Jon Alsop		Completed
26 May 2020	A member requested further detail on the loans provided and who they were to as there are likely to be questions prompted by this	Jon Alsop		Completed on agenda
26 May 2020	The s.73 Officer agreed to make sure that the notes to the accounts provided context to the section on salaries and salary related payments, as this was likely to be an area of public interest	Jon Alsop		Completed on agenda
26 May 2020	The final statement of accounts notes would provide context to salaries and salary related payments	Jon Alsop		Completed on agenda
26 May 2020	A further update on External Audit requested for 31 July 2020 meeting	Ernst & Young		Completed on agenda
26 May 2020	The next Committee meeting on 31 July 2020 be presented with an updated risk register. That update should highlight the top three or four risks and show where risks were increasing or decreasing	Francesca Houston		Completed on agenda
26 May 2020	The presentation of the work programme be developed to improve clarity	Robert Fox		Completed on agenda
26 May 2020	Protocols for agreeing changes to the Audit Plan and developing future plans would be included as part of the next report to Committee in December 2019.	Steve Crabtree/Jon Alsop		Completed.