



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No:
31 MAY 2019	PUBLIC REPORT

INTERNAL AUDIT: GOVERNANCE

1.0 PURPOSE

- 1.1 Internal Audit provide assurance to the Audit and Governance Committee that activities undertaken across the Combined Authority are appropriately managed, monitored and delivered in accordance with set governance, controls and risk management frameworks.
- 1.2 This report provides details of the outcomes from the review commissioned in relation to Corporate Governance, together with a separate review which was planned in relation to the Local Enterprise Partnership. Details of all other audit reviews undertaken as part of the Audit Plan for 2018 / 2019 will be set out in the annual Internal Audit Opinion report which will be on the next committee meeting in July 2019.

<u>DECISION REQUIRED</u>	
Lead Officer:	Steve Crabtree, Peterborough City Council
The Audit and Governance Committee is recommended to consider the outcomes from the reviews of corporate governance together with the proposed actions for management to address the weaknesses identified.	

2 BACKGROUND

- 2.1 In March 2018 Audit and Governance Committee discussed and agreed the Internal Audit Plan for 2018 / 2019. In accordance with the agreed work programme for Internal Audit, the reports provide an independent and objective

opinion on the Combined Authority's effectiveness in managing risk management, governance and the control environment. Separate progress reports have been provided throughout the year and all activities have been undertaken in line with Public Sector Internal Audit Standards, which Peterborough Internal Audit Service is fully compliant with.

- 2.2 The original audit plan set out a requirement to follow up the previous review into corporate governance when the CPCA was formed which was to focus on areas which had not been developed or embedded previously. However, following the Audit and Governance Committee in September 2018 the scope for this review was extended to include additional areas which had been identified. The scoping document was included within the committees' agenda papers for 30 November 2018.
- 2.3 The fieldwork has been completed and a report produced. Members of this committee as well as Overview and Scrutiny who attended the CPCA Governance Workshop on 18 March 2019 were provided with a brief overview of the key findings. Attached at **Appendix 1** is the completed report.
- 2.4 Furthermore, with the amalgamation of the Local Enterprise Partnership into the CPCA from 1 April 2018, our Audit Plan also planned to review their governance arrangements as there would be an expectation that they would closely mirror those of the CPCA. Following the release of a new national framework from Central Government, we have mapped those processes to establish compliance. Attached at **Appendix 2** is the final report.

3 FINANCIAL IMPLICATIONS

- 3.1 The cost of undertaking Internal Audit activities is contained within the charges contained within the Combined Authority's budget and are set out within the Service Level Agreement. Any increase in the required audit coverage will be agreed with Peterborough City Council on an ongoing basis.

4 LEGAL IMPLICATIONS

- 4.1 The Accounts and Audit Regulations 2015, Regulation 5, requires a relevant organisation to undertake an effective internal audit to evaluate the effectiveness of its risk, control and governance processes, taking into account public sector internal auditing standards or guidance.

5 SIGNIFICANT IMPLICATIONS

5.1 There are no direct wider CPCA implications arising from this report.

6 APPENDICES

6.1 Appendix 1: Internal Audit Report – Corporate Governance

6.2 Appendix 2: Internal Audit Report – LEP Governance

<u>Source Documents</u>	<u>Location</u>
List background papers:	