Cambridgeshire and Peterborough Combined Authority

Audit results report

Year ended 30 March 2021

23 July 2021

EY
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23 July 2021

Dear Audit & Governance Committee Members

We are pleased to attach our audit results report for the forthcoming meeting of the Audit & Governance Committee. This report summarises our preliminary audit conclusion in relation to the audit of Cambridgeshire and Peterborough Combined Authority (the Authority) for 2020/21.

At the date of this report our audit of the Authority's accounts for the year ended 31 March 2020 is substantially complete. However, subject to concluding the outstanding matters listed in our report, we anticipate issuing an unqualified audit opinion on the financial statements in the form at Section 3 of this report. We also expect to have no matters to report on your arrangements to secure economy, efficiency and effectiveness in your use of resources.

This report is intended solely for the use of the Audit and Governance Committee, other members of the Authority, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement given the additional pressures they have faced responding to the pandemic and working remotely.

We welcome the opportunity to discuss the contents of this report with you at the Audit & Governance Committee meeting on 30 July 2021

Yours faithfully

Suresh Patel

Associate Partner

For and on behalf of Ernst & Young LLP

Encl

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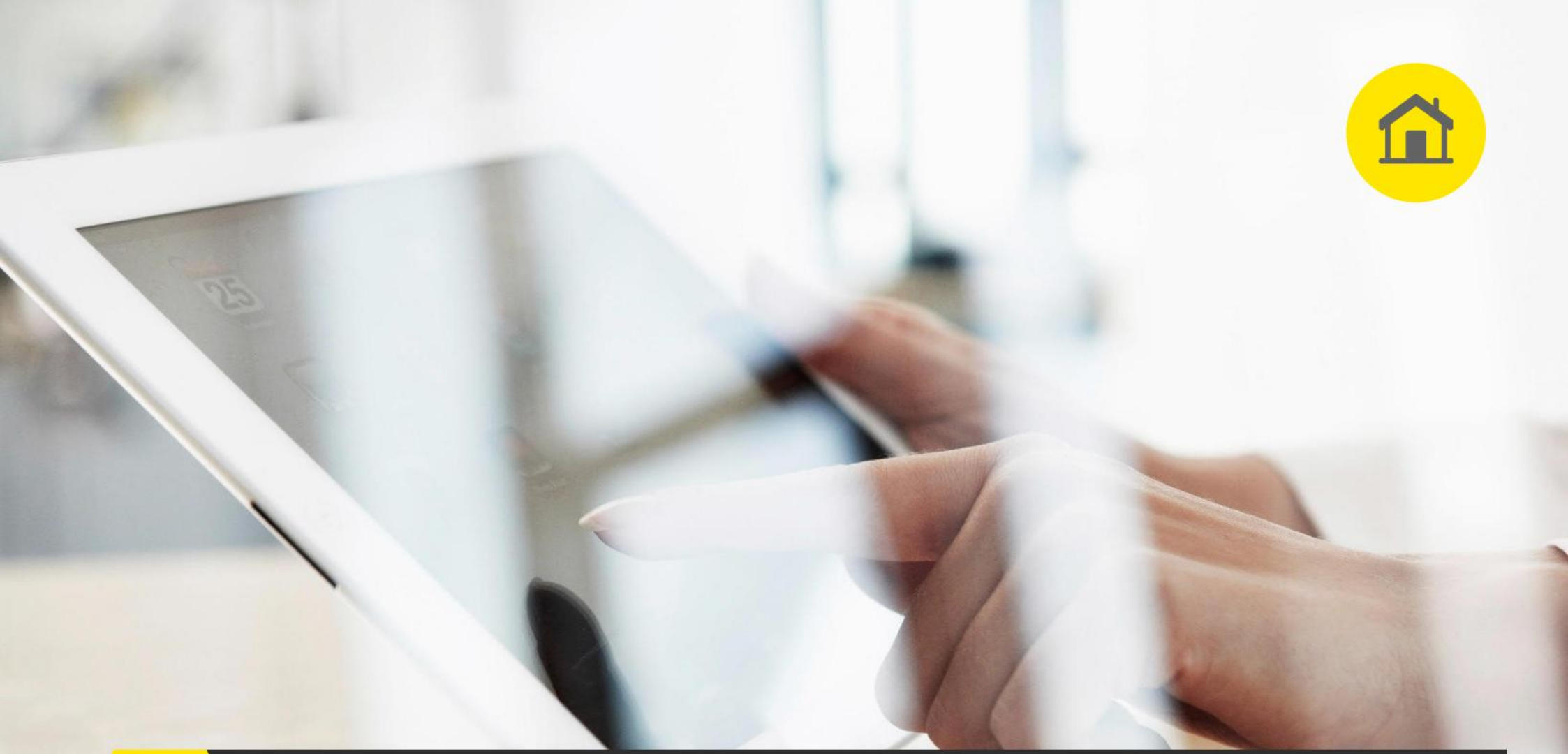
Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk). This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas. The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Hywel Ball, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.



01 Executive Summary

Executive Summary

Scope update

In our Audit Plan dated 11 March 2020, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with the following exceptions:

- Changes in materiality – We updated our planning materiality assessment using the draft statement of accounts and have also reconsidered our risk assessment. Based on our materiality measure of 2% of gross expenditure on provision of services, we have updated our overall materiality assessment to £3.124 million (audit plan - £1.42M). This results in updated performance materiality, at 75% of overall materiality, of £2.343 million, and a threshold for reporting misstatements of £0.156 million.
- Information Produced by the Entity (IPE) – We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Authority's systems. We undertook the following to address this risk:
    - Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
    - Agree IPE to scanned documents or other system screenshots.

As disclosed in the audit plan, additional risks require additional audit input and an associated additional audit fees which will be agreed in advance with S73 officer and then PSAA.

Status of the audit

We have substantially completed our audit of the Cambridgeshire & Peterborough Combined Authority financial statements for the year 31 March 2021 and have performed the procedures outlined in our Audit Plan. Subject to satisfactory completion of the following outstanding items we expect to issue an unqualified opinion on the Authority's financial statements in the form which appears at Section 3. However until work is complete, further amendments may arise. The audit has taken slightly longer than planned to execute, requiring additional time from the audit team particularly in respect of the testing of REFCUS. At the date of this report the outstanding procedures are:

- Related party transactions – we are completing our review of registers of interest received
- Investments – we are awaiting two confirmations from third parties.
- Significant contracts – we are completing our review of 4 contracts received from procurement
- Receiving and evaluation of IAS 19 Assurance Letter from Pension Fund Auditor

In addition we will be completing our final procedures:

- Final audit review processes.
- Reviewing the final version of the financial statements (received 21 July 2021).
- Completing a subsequent events review.
- Requesting, receiving and reviewing the signed management letter of representation.
- Issuing a final version of the Audit Results Report.

Executive Summary

Audit differences

Unadjusted differences

At the date of this report there are no unadjusted differences.

Adjusted differences

There are currently two adjusted differences we wish to highlight from the draft statement of accounts presented for audit on 17 June 2021.

1. Correction of over-statement of a £238,000 VAT amount reclaimed do to rejected return. This adjustment was identified by officers and was corrected for the final statement of accounts.
2. A revised disclosure for related parties with respect to transactions with the Authority's subsidiaries and other interests.
3. Reclassification adjustment in prior period statements from taxation and non-specific grant income to business and skills in the amount of £7.255M relating to the DfE Adult Education budget.

During the audit we have identified some minor disclosure audit amendments in the draft financial statements which management have chosen to adjust. We have judged that these do not warrant flagging to the Audit and Governance Committee in this report.

Areas of audit focus

This report sets out our observations and conclusions on the risks and other areas of audit focus that we outline on the next two pages, and any others identified, in the "Areas of Audit Focus" section of this report. We ask you to review these and any other matters in this report to ensure:

- There are no other considerations or matters that could have an impact on these issues; and
- You agree with the resolution of the issues; and there are no other significant issues to be considered.

There are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to your attention.

[Continued over]

Executive Summary

Areas of audit focus

Our audit plan identified risks and key areas of focus for our audit of the Authority's financial statements. We summarise below our findings.

Significant risk	Findings & conclusions
Misstatements due to fraud or error – management override	We have completed our testing of journals, sought evidence of bias in material estimates and remained alert to unusual transactions. We have found no indications that management have overridden controls to deliver a desired financial outturn.
Misstatements due to fraud or error – incorrect treatment of capital expenditure as revenue	We have completed our testing of a sample of capital expenditure, including Revenue Expenditure Funded from Capital Under Statute (REFCUS) to verify that revenue costs have not been inappropriately treated as capital. We have also verified that adjustments between the accounting basis and funding basis have been correctly made in accordance with the Code, and reflected appropriately in the Authority's Movement in Reserves Statement (the MiRS). We have found no indications that management have overridden controls to deliver a desired financial outturn.
Misstatements due to fraud or error – accounting for COVID-19 related government grants	We have performed a review of new grants received in 20/21 including management's assessment of principal versus agent. We have agreed the appropriate treatment in the accounts and performed sample testing of individual grants to determinations and to receipt of cash. We have found no indication of management overriding controls to recognize higher revenue.

Area of audit focus	Findings & conclusions
Pension Liability Valuation & Pensions Assets	We are awaiting conclusions from the Cambridge Pension Fund audit to determine any potential impact on the pension liability. We will provide an update to the Audit and Governance Committee once work is completed.
Going concern disclosure	We have reviewed management going concern assessment and disclosure against the requirements of the revised auditing standard and are satisfied that the assessment and disclosure are adequate.
Group Accounts	We reviewed the Authority's assessment of its group boundary and agreed with its judgements about consolidation. Officers provided good working papers to support their consolidation including eliminating intra-group entries and the disclosures in the statements.

Executive Summary

Control observations

We have adopted a fully substantive approach, so have not tested the operation of controls. However, from the results of substantive procedures performed we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statement.

Value for money

Under the Code of Audit Practice 2020 Code we are still required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. However, there is no longer overall evaluation criterion on which we need to conclude. Instead, the 2020 Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Authority a commentary against specified reporting criteria (see below) on the arrangements the Authority has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:

- Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance - How the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

At the end of June 2021 we issued an Update paper to the Committee, reporting that we had completed our VFM risk assessment and had not identified any risk of significant weakness against the three reporting criteria. We have revisited the risk assessment and not identified any new risks. As a result, we have sufficiently completed our planned VFM procedures to confirm that we have no matters to report by exception in the auditor's report (see Section 3). We include our draft VFM commentary as Appendix C and plan to agree the wording with management. We will include the final version in the new Auditor's Annual Report, which we plan to issue when the NAO confirms its arrangements for Whole of Government Accounts (WGA) (see below).

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Authority. We have no matters to report as a result of this work.

We are awaiting the National Audit Office (NAO) to confirm the WGA requirements for 2020/21. Until then we cannot certify completion of the audit.

Independence

Please refer to Section 8 for our update on Independence. There are no relationships from 1 April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

02 Areas of Audit Focus

Significant risk

Risk of misstatements due to fraud or error – management override of controls

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

Significant Risk

What did we do and what judgements did we focus on?

We performed the following audit procedures:

- Identified fraud risks during the planning stages.
- Enquired of management about risks of fraud and the controls put in place to address those risks.
- Understood the oversight given by those charged with governance of management's processes over fraud.
- Considered the effectiveness of management's controls designed to address the risk of fraud.
- Tested journals at year-end to ensure that there were no unexpected or unusual postings.
- Reviewed accounting estimates for evidence of management bias.
- Looked for and investigated any unusual transactions.

We used our data analytics capabilities to assist with our work, including journal entry testing. We assessed journal entries for evidence of management bias and evaluated for business rationale. We specifically reviewed any elements where judgement could influence the financial position or performance of the Authority in a more positive or more favourable way.

What are our conclusions?

We did not identify any material weaknesses in controls or evidence of material management override. We have not identified any instances of inappropriate judgements being applied or management bias. We did not identify any other transactions during our audit which appeared unusual or outside the normal course of business.

Significant risk

Misstatements due to fraud or error – the incorrect capitalisation of revenue expenditure and REFCUS

What is the risk?

The Authority has a revenue budget it needs to operate within. Manipulating expenditure is a key way to achieve this objective.

We consider the risk applies to capitalisation of revenue expenditure and revenue expenditure funded from capital under statute (REFCUS). Management could manipulate revenue expenditure by incorrectly capitalising expenditure which is revenue in nature and should be charged to the comprehensive income and expenditure account.

Significant Risk

What judgements are we focused on?

We identified a risk of expenditure misstatement due to fraud or error that could affect the income and expenditure accounts.

We focused on the Authority's judgement that an item is capital expenditure in nature and the judgement that expenditure treated as REFCUS is associated to an asset not owned by the Authority.

What did we do?

Our approach focused on:

- Testing a sample of capital expenditure, including Revenue Expenditure Funded from Capital Under Statute (REFCUS) to verify that revenue costs have not been inappropriately treated as capital.
- Verifying adjustments between the accounting basis and funding basis have been correctly made in accordance with the Code, and reflected appropriately in the Authority's Movement in Reserves Statement (the MiRS).

What are our conclusions?

The current year testing saw a significant increase in REFCUS expenditure from £50.737M to £109,943M which in turn resulted in a significant increase in sample size to 130 items (prior year – 93). Our testing involved inspection of board approval for REFCUS project expenditure which presented difficulties for identification within meeting minutes. We also inspected invoices and grant forms to assess the accuracy of amounts and the appropriateness of capitalization.

We have concluded our procedures on the incorrect capitalisation of the revenue expenditure and REFCUS and have found no indication of management override of controls.

Significant risk

Misstatements due to fraud or error – accounting for COVID-19 grants

What is the risk?

The Authority has received a significant level of government funding in relation to COVID-19. Whilst there is no change in the CIPFA Code or accounting standard (IFRS 15) in respect of accounting for grant funding, the emergency nature of some of the grants received and in some cases the lack of clarity on any associated restrictions and conditions, means that the Authority will need to apply a greater degree of assessment and judgement to determine the appropriate accounting treatment in the 2020/21 statements.

Significant Risk

What judgements are we focused on?

We identified a risk of revenue misstatement due to fraud or error that could affect the income and expenditure accounts.

We focused on the Authority's judgement that a grant is principal or agent to determine the recognition of revenue within the statements.

What did we do?

Our approach focused on:

- We obtained managements' assessment of new grants received in the year and reviewed against grant determinations to conclude on treatment as principal or agent. We performed sample testing over grants to supporting documentation and receipt of the grant in the bank statement to assess the accuracy of amounts recorded.

What are our conclusions?

Total grant income in the period amounted to £130.062M our testing providing coverage over £129.477M. Grant income for new COVID-19 grants received in the year totalled £3.659M with spend of £2.926M. We have reviewed the principal versus agent treatment for all new grants received in the period against grant determinations.

We have concluded our procedures over grant income and noted no issues with the recognition of revenue.

Areas of Audit Focus – Other Areas of Audit Focus

Pensions valuations and disclosures – Inherent risk

What is the risk?

The Local Authority Accounting Code of Practice and IAS19 require the Council to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Authority's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Authority's balance sheet. At 31 March 2021 this totalled £3.6 million. The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the administering body.

Accounting for this scheme involves significant estimation and judgement.

ISAs (UK and Ireland) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do and what judgements did we focus on?

We have identified a specific risk of misstatement that could affect the balance sheet. We consider the risk applies to the valuation of the pension liability in the balance sheet and supporting disclosure notes. To address this risk we:

- Liaised with the auditors of Cambridge Pension Fund to obtain assurances over the information supplied to the actuary in relation to the Authority;
- Assessed the work of the Pension Fund actuary (Hymans) including the assumptions they used by relying on the work of PwC – Consulting Actuaries commissioned by National Audit Office (NAO) for all Local Government sector auditors, and considering the corresponding reviews performed by the EY actuarial team; and
- Reviewed and tested the accounting entries and disclosures made within the Authority's financial statements in relation to IAS19.

What are our conclusions?

We are awaiting receipt of the IAS 19 Assurance Letter from the pension fund auditor to determine if there is any impact on the Authority. We will report to the Audit & Governance Committee once this is concluded.

Areas of Audit Focus

Other Areas of Audit Focus – Going concern disclosure

There is presumption that the Authority will continue as a going concern. However, the current and future uncertainty over government funding and other sources of Authority revenue as a result of Covid-19 increases the need for the Authority to undertake a detailed going concern assessment to support its assertion. In light of the unprecedented nature of Covid-19, its impact on the funding of public sector entities and uncertainty over the form and extent of government support, we requested that management provide a documented consideration to support their assertion regarding the going concern basis. We also reviewed the Authority's subsequent new disclosure note.

Our approach has focused on:

- Assessing the adequacy of disclosures required in 2020/21;
- Discussing with management the going concern assessment and challenging management's underlying assumptions;
- Considering the impact on our audit report, including completing the EY consultation requirements.

Findings and conclusions

We reviewed the assessment, focusing on the reasonableness of the financial impact assessment, cashflow and liquidity forecasts, known outcomes, sensitivities, mitigating actions and key assumptions. We also discussed with management the need to make specific disclosures in the 2020/21 statements.

We have concluded that the assumptions applied are appropriate given the limited impact Covid-19 has had on the Authority given that it does not provide services in the same way other local authorities do. The Authority's income is mainly received via government grant and this is secured for the period of the MTFP. The only impact of Covid-19 is on how and where the Authority spends its monies moving forward.

We have now reviewed the going concern disclosure included in the statement of accounts, and are satisfied that it adequately reflects the Authority's assessment and informs the reader of the limited impact of the pandemic on the Authority's finances.

Areas of Audit Focus

Other Areas of Audit Focus – Group Accounts

The Authority prepared group accounts for the first time in 2020/21. Through group boundary assessments the Authority identified four subsidiaries, two associates, and two joint ventures of which four had material activity during the period (table of details included on next page).

Our approach has focused on:

- Assessing the adequacy of disclosures required in 2020/21;
- Testing the consolidation and eliminating entries to prepare group accounts;
- Reviewing the treatment of intercompany transactions between the Authority and the related parties.

Findings and conclusions

We reviewed the boundary assessment and performed independent scoping procedures to determine material entities for testing. We noted that the majority of activity occurring within subsidiary accounts was transacted by the Authority on their behalf resulting in offsetting debtors, creditors, expense, and revenue balances.

We inspected the Authority's consolidation workbook and reperformed calculations for accuracy.

We have reviewed the group account disclosures included in the statement of accounts, and are satisfied that it adequately reflects the financial position of the group as at 31 March 2021.

Areas of Audit Focus

Other Areas of Audit Focus – Group Accounts

Company	Interest (voting rights if different)	Category	In group accounts
Peterborough HE Property Company Limited	93% (50%)	Associate	Yes - equity
Cambridgeshire and Peterborough Business Growth Company Limited	100%	Subsidiary	Yes – line by line
One Cam Limited	100%	Subsidiary	Yes – line by line
Peterborough R&D Property Company Limited	100%	Subsidiary	Yes – line by line
Angle Holdings Limited	100%	Subsidiary	Not material
Smart Manufacturing	100% (50%)	Joint Venture	Not material
Ascendal	100% (50%)	Joint Venture	Not material
MedTech Accelerator Ltd	20%	Associate	Not material

04 Audit Report

Draft audit report

Our opinion on the financial statements

- Audit report to follow

05 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted and unadjusted differences

Unadjusted differences

At the date of this report there are no unadjusted differences.

Adjusted differences

At the date of this there are adjusted differences we wish to highlight from the draft statement of accounts presented for audit on 17 June 2021.

1. Correction of over-statement of VAT amount reclaimed do to rejected return in the amount of £238,000. This adjustment was identified by officers and was corrected for the final statement of accounts.
2. A revised disclosure for related parties with respect to transactions with the Authority’s subsidiary companies and other interests.
3. Reclassification adjustment in prior period statements from taxation and non-specific grant income to business and skills in the amount of £7.255M relating to the DfE Adult Education budget.

During the audit we have identified some minor disclosure audit amendments in the draft financial statements which management have chosen to adjust. We have judged that these do not warrant flagging to the Audit & Governance Committee in this report.

06 Value for Money

Value for money

The Authority's responsibilities for value for money (VFM)

The Authority is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

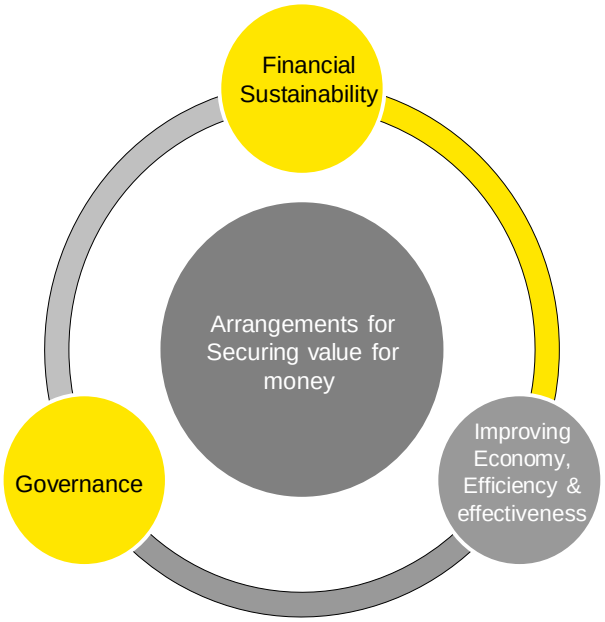
As part of the material published with its financial statements, the Authority is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In doing so the Authority is required to follow the CIPFA/SOLACE framework for local government.

In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment

We reported to the Committee in late June 2021 the outcome of our assessment of the risk of significant weaknesses in the Authority's VFM arrangements - that we had not identified any risks. We have revisited our risk assessment and have not identified any additional risks.

As a result, we have sufficiently completed our planned VFM procedures to confirm that we have no matters to report by exception in the auditor's report (see Section 3). We include our draft VFM commentary as Appendix C and plan to agree the wording with management. We will include the final version in the new Auditor's Annual Report, which we plan to issue once the NAO confirms the arrangements for WGA.



07 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Statement of Accounts 2020/21 with the audited financial statements. We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance.

Financial information in the Statement of Accounts 2020/21 and published with the financial statements was consistent with the audited financial statements.

We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements. We have no other matters to report.

Whole of Government Accounts

We are awaiting the NAO to confirm the thresholds for reporting on WGA. In the prior year it was £500m so we are not expecting to be required to carry out any procedures on the Authority's WGA submission but cannot conclude on this item until the NAO confirms the arrangements for 2020/21.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Authority, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

08 Assessment of Control Environment

Assessment of Control Environment

Financial controls

It is the responsibility of the Authority to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Authority has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

10 Independence

Confirmation

We confirm that there are no changes in our assessment of independence since our confirmation in our audit plan dated 26 February 2021.

We complied with the Financial Reporting Council (FRC) Ethical Standards and the requirements of the PSAA's Terms of Appointment. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Audit & Governance Committee consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Audit & Governance Committee on 30 July 2021.

We confirm we have not undertaken any non-audit work outside the NAO Code requirements in relation to our work.

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Authority, and its directors and senior management and its affiliates, including all services provided by us and our network to your Authority, its directors and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.
There are no relationships from 1 April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The table overleaf includes a summary of the fees that you have paid to us in the year ended 31 March 2021 in line with the disclosures set out in FRC Ethical Standard and in statute.
As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

Fee analysis

As part of our reporting on our independence, we set out below a summary of the fees paid for the year ended 31 March 2021.

We confirm that we have not undertaken non-audit work outside the NAO Code requirements. We have adopted the necessary safeguards in completing this work and complied with Auditor Guidance Note 1 issued by the NAO.

In our Audit Plan and subsequent reporting to the Audit & Governance Committee, we have communicated our proposal to increase the 2020/21 scale fee and planned fees in March 2020. This proposal is currently being considered by PSAA as part of their national consideration of EY's fee proposals.

	Final Fee 2020/21 (£)	Planned fee 2020/21 (£)	Final Fee 2019/20 (£)
Scale Fee – Code work	26,950	26,950	26,950
Suggest uplift to scale fee	2,695	2,695	-
Additional fees (Note 1)			
- Group Accounts	3,000	TBC	-
- VFMC significant risk	-	TBC	5,909
- Significant Risk – C-19 grants accounting	1,000	TBC	-
- Significant risk – incorrect capitalisation of revenue expenditure and REFCUS	3,300	1,000-2,500	2,480
- IAS 19 audit of pension liability & disclosures	2,500	2,000-4,000	4,004
- Correspondence from the public	-	-	3,297
- Impact of Covid-19	1,000	1,000-2,000	1,755
- Mayor's request in respect of correspondence with MRGLG	-	-	3,912
Total audit fees	39,545	TBC	48,307

All fees exclude VAT

Note 1: We have performed additional work as a result of the risks identified in this audit results report.
These items are outside of the PSAA scale fee and will be subject to agreement with the CFO and then PSAA.

Other communications

EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2020:

https://www.ey.com/en_uk/who-we-are/transparency-report-2020

11 Appendices

Appendix A

Required communications with the Audit and Governance Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the Audit and Governance Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Outline Audit Plan, March 2021 meeting of the Audit and Governance Committee.
Significant findings from the audit	• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Misstatements	• Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Subsequent events	• Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Fraud	• Enquiries of the Audit and Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Authority • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the Authority, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to Audit and Governance Committee responsibility.	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the Authority's related parties including, when applicable: • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the Authority	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Outline Audit Plan, March 2021 meeting of the Audit and Governance Committee. Audit Results Report, July 2021 meeting of the Audit and Governance Committee.

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
External confirmations	• Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures.	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Consideration of laws and regulations	• Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur • Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Significant deficiencies in internal controls identified during the audit	• Significant deficiencies in internal controls identified during the audit.	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Group Audits	• An overview of the type of work to be performed on the financial information of the components • An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components • Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work • Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted • Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements.	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Written representations we are requesting from management and/or those charged with governance	• Written representations we are requesting from management and/or those charged with governance	Assurance Letter to be received shortly after year-end
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	• Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Auditors report	• Any circumstances identified that affect the form and content of our auditor's report	Audit Results Report, July 2021 meeting of the Audit and Governance Committee.
Fee Reporting	• Breakdown of fee information when the audit planning report is agreed • Breakdown of fee information at the completion of the audit • Any non-audit work	Outline Audit Plan, March 2021 meeting of the Audit and Governance Committee. Audit Results Report, July 2021 meeting of the Audit and Governance Committee.

Management representation letter

Management Rep Letter

[To be prepared on the entity's letterhead]

23 July 2021

Suresh Patel
Associate Partner
Ernst & Young LLP
One Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

Dear Suresh

This letter of representations is provided in connection with your audit of the consolidated and council financial statements of Cambridgeshire & Peterborough Combined Authority ("the Group and Authority") for the year ended *31 March 2021*. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the consolidated and council financial statements give a true and fair view of the Group and Authority financial position of Cambridgeshire & Peterborough Combined Authority as of *31 March 2021*and of its financial performance (or operations) and its cash flows for the year then ended in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom *2020/21.*/

We understand that the purpose of your audit of our consolidated and council financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with, for the Group and Authority the Accounts and Audit Regulations 2015 and CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

2. We acknowledge, as members of management of the Group and Authority, our responsibility for the fair presentation of the consolidated and council financial statements. We believe the consolidated and authority financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Authority in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21and are free of material misstatements, including omissions. We have approved the consolidated and council financial statements

3. The significant accounting policies adopted in the preparation of the Group and Authority financial statements are appropriately described in the Group and Authority financial statements.

4. As members of management of the Group and Authority, we believe that the Group and Authority have a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 for both the Group and the Authority that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with law and regulations, including fraud

1. We acknowledge that we are responsible for determining that the Group and Authority's activities are conducted in accordance with laws and regulations and that we are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the consolidated and Authority financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud that may have affected the Group or Authority (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

   - involving financial statements;
   - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the consolidated or Authority's financial statements;
   - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Authority's activities, its ability to continue to operate, or to avoid material penalties;

Management representation letter

Management Rep Letter

- involving management, or employees who have significant roles in internal controls, or others; or
- in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
   - Additional information that you have requested from us for the purpose of the audit; and
   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and all material transactions, events and conditions are reflected in the consolidated and authority financial statements, including those related to the COVID-19 pandemic.
3. We have made available to you all minutes of the meetings of the Authority and Audit & Governance Committee held through the year to the most recent meeting on 30 June 2021.
4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Authority's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the consolidated and authority financial statements.
5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. We have disclosed to you, and the Group and Authority has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and authority financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. From the date of our last management representation letter through the date of this letter we have disclosed to you any unauthorized access to our information technology systems that either occurred or to the best of our knowledge is reasonably likely to have occurred based on our investigation, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants) , to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated and authority financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent, and have disclosed in Note *[X]* to the consolidated and authority financial statements all guarantees that we have given to third parties.

E. Subsequent Events

1. We confirm there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Group audits

1. There are no significant restrictions on our ability to distribute the retained profits of the Group because of statutory, contractual, exchange control or other restrictions other than those indicated in the Group financial statements.
2. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst authority, subsidiary undertakings and associated undertakings.

G. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises the Narrative Report and the Annual Governance Statement
2. We confirm that the content contained within the other information is consistent with the financial statements.

H. Reserves

1. We have properly recorded or disclosed in the consolidated and authority financial statements the useable and unusable reserves.

Appendix B

Management representation letter

Management Rep Letter

I. Use of the Work of a Specialist

When the Group or Authority has used the work of a specialist, we may include the following representation:

1. We agree with the findings of the specialists that we engaged to evaluate the *Valuation of Pension Liabilities* and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated and authority financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

J. Estimates - Valuation of Pension Liabilities

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context *of* CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
2. We confirm that the significant assumptions used in making the valuation of the pension liability*]* appropriately reflect our intent and ability to carry out *the pension* on behalf of the entity.
3. We confirm that the disclosures made in the consolidated and authority financial statements with respect to the accounting estimate(s) are complete and made in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
4. We confirm that no adjustments are required to the accounting estimate(s) and disclosures in the consolidated and authority financial statements due to subsequent events.

K. **Retirement benefits**

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.

Yours faithfully,

_____

Chief Financial Officer

_____

Chair of the Audit & Governance Committee

Appendix C

VFM Commentary

VFM Commentary

Cambridgeshire and Peterborough Combined Authority 2020/21

Draft VFM commentary at 26 July 2021

Financial sustainability

For 2020/21 the Authority has had the expected arrangements in place to plan and manage its resources to ensure it can continue to deliver services

How the Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The Board receives and reviews a bi-monthly Budget Monitoring Report, and a quarterly Performance Monitoring Report, which provide oversight over the financial performance of the Authority. The Audit and Governance Committee (A&GC) also receives quarterly Performance Reporting identifying projects that are not performing as expected against budgeted spend and key performance indicators. The A&GC consider this reporting and challenge officers as to the actions being taken to address the under performance and officers then consider the impact on the Corporate Risk Register.

How the Authority plans to bridge its funding gaps and identifies achievable savings

For 2020/21 the Authority has had no funding gaps and due to the way it is funded it does not currently have any need to identify savings. It uses a 'Single Pot' funding approach which is backed by the Devolution Deal signed by the member councils committing significant funding to the ambitions and priorities of the Mayor and Authority. The Authority employs a Treasury Management Strategy which can leverage the future guaranteed funding to obtain current borrowing to meet short term funding gaps of which none are currently identified.

How the Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The Authority does not deliver services directly (for 2021/22 it will provide passenger transport services), but its strategic and statutory priorities are clearly laid out in its Annual Report and Business Plan which is approved by the Board.

The long-term priorities of the Authority are set out by the Devolution Deal which identifies the specific projects the Combined Authority and member councils aim to complete over the 30-year period of the Deal. The Authority has a vision and 4-year business plan which articulates how it will deliver on its strategic and statutory priorities in the medium term. The current business plan was established drawing on the findings of specially commissioned independent economic review of the region. Initiatives and services established in the plan are translated into a Medium-Term Financial Plan which is approved annually by the Board.

How the Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The Authority has established Strategic Plans based on the key performance indicators established through the Cambridgeshire and Peterborough Independent Economic Review. These Strategic Plans are used in the development of the Medium-Term Financial Plan and the 2020/21 Business Plan to ensure financial alignment with strategic initiatives.

Monitoring is performed on a monthly basis through performance reporting which assesses how identified key projects are performing against the key performance indicators. The Board has a quarterly performance report which summarises the monthly performance reporting.

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Projects funded by the Authority must implement the Monitoring and Evaluation Framework. Project managers report monthly on budget spend, performance against key metrics, and risk registers. A corporate risk register is reviewed monthly by the Directors of the Authority and reviewed quarterly by the AG&C. The AG&C provides recommendations to the Board for consideration on the management of risks identified on an ad hoc basis with respect to the Authority's management of risks and on any concerns that risks being accepted by the Authority may be unacceptable.

Governance

For 2020/21 the Authority had the expected arrangements in place to ensure that it made informed decisions and properly managed its risks

How the Authority monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

The Authority maintains a corporate risk register which is reviewed quarterly by the A&GC. Corporate level risks are assigned to a corporate risk owner who is assigned responsibility for developing the management strategy for the risk. The corporate risk owner ensures that mitigation actions are undertaken by appropriate level of staff and monitors outcomes for updating the Corporate Risk Register.

The Authority has an internal audit service to help gain assurance over the effective operation of internal controls. Internal audit also undertakes a Corporate Fraud Risk Assessment and liaises with officers to assist with the identification of fraud risks and development of mitigations to a desired level. The Internal Audit plan will include proactive testing of areas where a risk of fraud is identified. The Chief Finance Officer (CFO) is responsible for the adequacy of the internal audit coverage and the A&GC review and approve the annual internal audit plan.

How the Authority approaches and carries out its annual budget setting process

The annual budgets are prepared by officers engaging and submitted to the Board by the end of December with a consultation period of no less than 4 weeks with Constituent Authorities, the Business Board, and the Overview and Scrutiny Committee. It is then presented to the Board for approval.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed.

All projects funded from the 'Single Pot' and are subject to the Assurance Framework and the Monitoring and Evaluation Framework. The CFO and Monitoring Officer review all

VFM Commentary

VFM Commentary

proposed funding decisions for business cases on a weekly basis. Approved projects are captured within the Business Plan and the Medium-Term Financial Plan.

The Mayor and CFO report monthly to the Board a Budget Monitor Update which presents the financial position of the for the year to date and seeks Board approval for major amendments to the budget. In addition, the Mayor and Director of Delivery & Strategy report a performance dashboard to the Board to support non-financial performance monitoring.

The CFO oversees the adoption and operation of the Authority's Standing Financial Instructions including the rules relating to budgetary control, procurement, banking, losses and controls over income and expenditure transactions.

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

The effective operation of the Board, supported with regular, clear and relevant information, is the Authority's key tool for ensuring that it makes properly informed decisions. Published board papers and minutes evidence the challenge made by Members and the transparency in decision making.

The A&GC meets quarterly, is chaired by an independent person, is comprised of appropriately skilled and experienced members, has clear terms of reference which emphasises the Committee's role in providing effective challenge and has an annual work plan to help ensure that it focus on the relevant aspects of governance, internal control, and financial reporting.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

The Authority has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements as set out in the Authority's Constitution under Annex 1 - Code of Conduct. The Authority has an established complaints process with complaints being addressed by the Monitoring Officer. Any gifts and hospitality received are declared under the relevant members name and published on the Authority's the website. Additionally, all offers of gifts and hospitality of £50.00 or more, whether accepted or not, must be recorded within 28 days. Reminders are sent monthly to members to update declarations.

The Authority has policies and procedures in place to ensure that staff operate in accordance with relevant legislative and regulatory requirements. These policies and procedures are reviewed and revised regularly - this is overseen by the Monitoring Officer.

Improving economy, efficiency and effectiveness

For 2020/21 the Authority has had the expected arrangements in place for using information about its costs and performance to improve the way it manages and delivers services

How financial and performance information has been used to assess performance to identify areas for improvement

Each month officers are required for all projects funded by the Authority to prepare a highlight performance report updating budgeted spend, performance against key milestones, and outputs/outcomes. These reports also include risk registers to track key risks and assign individuals to monitor the risk throughout the project life cycle. The highlight reports are consolidated into a monthly dashboard and reviewed by the Directors of the Authority. On a quarterly basis the Board receive the Performance Monitoring Reports with identification of projects that are underperforming.

How the Authority evaluates the services it provides to assess performance and identify areas for improvement

The Authority did not provide services in 2020/21. It does engage in projects to deliver key initiatives focused on Gross Value Added, Jobs Growth, and Affordable Housing. These key initiatives are established under the Devolution Deal and the Board receives monthly performance dashboard reports to help evaluate performance and seek assurances that improvements are being made where relevant.

How the Authority ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Authority's main partnerships are with each constituent Council and the Business Board. The constituent Councils each appoint one member to the Board to act on the Council's behalf in the execution of the Strategic Initiatives identified as part of the Devolution Deal. In addition, the Board has a voting representative from the Business Board and non-voting, co-opted members from Cambridgeshire and Peterborough Clinical Commissioning Group, the Cambridgeshire and Peterborough Fire Authority, and the Police and Crime Commissioner. Each quarter members of the Board receive Performance Reporting against key performance indicators. The Business Board has co-adopted the management and evaluation framework alongside the Authority and provides performance reporting in a similar manner.

Where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

The Authority employs a Procurement and Contracting Manager responsible for the design, implementation, and management of the Procurement Gateway Process. The Procurement and Contracting Manager in partnership with the Monitoring Officer ensures that the Procurement Gateway Process is aligned with all relevant legislation, professional standards, and internal policies. All contracts require signature from the Procurement and Contracting Manager, CFO, Monitoring Officer, and Directors. Following the awarding of contracts the contract owner must hold performance management meetings at appropriate intervals to ensure that expected benefits are being realised and if not that appropriate action is taken.

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