



CAMBRIDGESHIRE & PETERBOROUGH COMBINED
AUTHORITY –
DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 5th March 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:

Robert Parkin
Anne Gardiner
Jon Alsop
Robert Emery

Monitoring Officer
Scrutiny Officer
Chief Finance Officer (S73 Officer)
Deputy (S73 Officer)

Suresh Patel
Rochelle Tapping
Roberta Fulton

Ernst & Young
Deputy Monitoring Officer
Programme Manager

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 announcement:

There had been an issue with the Assurance Framework report with duplications being found on the track changes version of the document published. Officers had corrected this issue and uploaded a clean version of the report which members should have been able to view.

3. Minutes of the last Meeting

- 3.1 The minutes from the meeting held on the 29th January 2021 were agreed as a correct record.
- 3.2 The Actions from the previous meeting were noted.

4. Assurance Framework

- 4.1 The Committee received the Assurance Framework report which asked members to approve and recommend the revised draft of the Assurance Framework to the Combined Authority Board, and to delegate to the Chief Legal Officer and Monitoring Officer (in consultation with the Chair of Audit and Governance), the making of any minor amendments following any further comments received from MHCLG.
- 4.2 The Business Board had received and reviewed the Assurance Framework the day before this meeting and had put forward an amendment to section 5.1. This was that projects considered by the Business Board would only be measured against the elements of the Combined Authority strategic framework which the Business Board had endorsed, rather than the entire policy framework for the Combined Authority; this was because many areas such as housing did not apply to the Business Board.
- 4.3 In response to a question about the determining factors for strategic objectives, the Committee were advised that these were drawn from the Combined Authority's approved policy framework, such as those for the Local Industrial Strategy and the Growth Ambition Statement.

Further to this, in determining which projects would be approved, it was advised that every shortlisted project had been subject to a Benefit Cost Ratio analysis and an assessment of the non-monetary elements. It was then for the elected representatives on the CA Board to make a value decision on projects.

- 4.4 In response to a query, the Committee were advised that any projects that a trading company, such as One CAM, brought forward for approval by the CA Board, as the accountable body, would need to adhere to the Assurance Framework.

The CAM project was in receipt of funds from the Combined Authority and would therefore have set objectives and be held accountable to the CPCA as the shareholder. This was defined within company law and, in addition, there was a shareholder agreement that required the company to deliver an approved business plan.

The Monitoring Officer addressed the wider issues surrounding Trading Companies at the Combined Authority. It was recognised that there needed to be effective oversight that enabled the statutory committees, such as Overview & Scrutiny and Audit & Governance, to be satisfied with the arrangements that were in place. There were discussions within the wider sphere of local government, following the events at councils such as Nottingham and Croydon, which lent weight to the need for the sound oversight of trading companies..

The Monitoring Officer advised that a proposal, outlining how the Combined Authority would address the oversight arrangements for Trading Companies, would be brought to the next meeting. The proposal would demonstrate how the arrangements would be effective, drawing on real examples from Nottingham and Croydon Councils.

The Chair said that an understanding of the internal controls around trading companies was essential, and that this should be included within the Annual Governance Statement, which would be considered by the Committee in July.

The Deputy Monitoring officer advised that, in relation to the governance of trading companies, that there was not much advice within the National Assurance Framework guidance for local authorities. Hence, the wider piece of work that was being carried out by the Combined Authority on this topic.

- 4.5 The Committee were made aware that the Combined Authority's 10-Point Guide to Project Management was no longer included as an appendix to the Assurance Framework, as this was now a regularly updated internal document referenced as necessary within the Assurance Framework.

- 4.6 In response to a question about access to confidential reports, the Deputy Monitoring Officer advised that the role description for the Overview and Scrutiny Lead Member aligned with Committee's mandated access to information, as set out in the Combined Authority Order. The O&S Committee had a role to scrutinise the CA Board as the accountable body for the Business Board; the Lead Member role had been created to encourage engagement and discussion between O&S and the Business Board.

- 4.7 Committee members raised concerns around the open and transparent nature of the Business Board. Members felt there was a conflict between the Nolan Principles outlined within the Assurance Framework and the statement that all meetings of the Business Board would be private, except for the Annual General Meeting and other meetings as the Chair deemed necessary.

The Committee were advised that there was no requirement within the National Assurance Framework to have the Business Board meetings held in public. The degree of openness was thus a decision for the CA Board, as the accountable body.

The Committee were strongly of the opinion that the Combined Authority's policy of openness, in line with the Nolan Principles, should apply equally to the Business Board. The presumption should be that the Business Board would hold meetings in public, except where the Chair deemed there were reasons of confidentiality not to do so.

- 4.8 The Audit and Governance (A&G) Committee discussed that they would like to:

a) Recommended to the CA Board that the word 'not' be removed at point 4.1.7 of the Assurance Framework to read: 4.1.7: All other meetings of the Business Board shall be open to the public unless determined otherwise by the Chair.

b) Asked for an explanation of the reasons should the CA Board not accept the A&G's recommendation.

c) Cllr Sandford asked that it be recorded that he felt it was not appropriate to approve the Assurance Framework with this issue of the Business Board outstanding.

- 4.9 The Committee asked that an amendment was made to paragraph 3.6.1 to show that an independent member had been appointed as Chair for the Audit and Governance Committee.

- 4.10 The Committee were asked to:

Submit any further comments on the Assurance Framework to the Scrutiny Officer by Tuesday 9th March to be incorporated before being sent to MHCLG to be signed off.

Delegate authority to the Monitoring Officer to adopt any amendments from MHCLG before the report was submitted to the CA Board at the meeting due to be held on the 24th March 2021.

- 4.11 The Committee **RESOLVED:**

i) That the Combined Authority be advised to adopt the revised draft of the Assurance Framework subject to the following:

a. The recommendation that, to conform to the Combined Authority's policy of openness, the word 'not' be removed at point 4.1.7 to change the statement to read: 4.1.7: All other meetings of the Business Board shall be open to the public unless determined otherwise by the Chair.

b. That paragraph 3.6.1 be changed to show that an independent member is appointed as Chair of the Audit and Governance Committee.

ii) A proposal outlining how the Combined Authority would address the oversight arrangements for Trading Companies would be brought to the next meeting.

iii) That an explanation of how internal controls around trading companies would

operate be included within the Annual Governance Statement.

5. Revision to Constitution – Housing Committee

- 5.1 The Committee received the report which requested that the Audit and Governance Committee as the custodians of the Combined Authority Constitution consider and comment on a recommendation from the Housing and Communities Committee to amend Chapter 10 [Housing & Communities Committee] of the Constitution to remove Culture and Tourism from its remit.
- 5.2 The Committee discussed and agreed that all amendments to the constitution should be considered as part of the annual review of the constitution and it would be more appropriate to hold this recommendation until then.
- 5.3 The Committee discussed and agreed that it felt that the remit for Culture and Tourism should not sit with the Business Board. The Board could not be expected to possess the expertise needed to consider the issues relating to Culture and Tourism. It was felt that another Combined Authority committee should consider this area.
- 5.4 The Committee **RESOLVED:**
- i) That all amendments to the Constitution should be held over and included in the annual Constitution Review in July.
 - ii) That the Committee would feedback that it felt that the Culture and Tourism portfolio would be better placed within the Combined Authority Board or an alternative executive committee rather than the Business Board.

6. Capital Investment Strategy

- 6.1 The Committee received the report which asked them to review the proposed Capital Strategy for 2021/22
- 6.2 The Committee noted the report.

7. External Audit – Outline Audit Plan

- 7.1 The Committee received the report which provided the Committee with EY's outline audit plan for the 2020/21 financial statements.
- 7.2 The External Auditor advised that there was a degree of uncertainty around the date the CA needed to publish its draft and audited accounts as MHCLG were currently consulting on the dates.

In response to a question about the audited accounts publication deadline, the External Auditor advised that the aim was to conclude each audit as they were completed, rather than wait until all other local authority audits in the East of England were completed as was the case last year.

The Committee were advised that the timeline for the approval of the accounts by the Audit and Governance Committee was to publish draft accounts by the end of May and to bring them to the committee in June which should allow the External Auditors to carry out their work in July ready for approval by the end of September.

- 7.3 The Committee noted the report.

8. Information Governance Update

- 8.1 The Committee received the report which advised the Audit and Governance Committee of the Information Governance report including findings and

recommendations for implementation.

- 8.2 One of the Committee members advised of an ICT issue that had affected East Cambridgeshire District Council and asked if officers had been made aware of this and whether experiences of constituent councils were generally shared. The officers agreed to implement a process for experiences to be shared amongst the constituent councils to avoid same issues occurring.

Members of the Committee wanted to emphasise the importance of training and that it was kept up to date and would be ongoing.

- 8.3 The Committee **RESOLVED:**

i) to note the findings and recommendations of the report on Information Governance, which will be implemented at the Combined Authority.

ii) to agree 6 monthly reporting into the Committee on information governance matters

9. Standing Enquiries

- 9.1 The Committee received the report which analysed how assurance was received throughout the year. The report proposed how the Committee should consider updates on whistleblowing, fraud, and complaints.

- 9.2 The Committee discussed whether standing oral updates at each meeting would be appropriate; the consensus was that the Committee was not an operational one. Topical issues of importance would be reported to the Chair, who in turn would update the Committee.

- 9.3 The Committee **RESOLVED:**

i) to note the report

ii) that a report be brought on a six-monthly basis which would provide an update on whistleblowing, fraud, and complaints.

10. Work Programme for the Audit & Governance Committee

- 10.1 The Committee received the Work Programme report.

- 10.2 The Committee noted the report and that a private meeting with the external and internal auditors had been arranged prior to the April 6th Committee meeting.

11. Date of next meeting

- 11.1 Tuesday 6th April from 10.00 a.m. via the Zoom platform.

Meeting Closed: 11:50am.

Audit and Governance Committee Action Sheet 2020/21

Meeting Date	Action	Officer	Delegated officer	Completed
	OPEN ACTIONS			
3 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
3 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
3 March 2021	Revision to Housing Committee remit to be included in annual review of constitution	Robert Parkin		To be reported at September meeting
3 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.
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

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	Francesca Houston		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
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	Francesca Houston		Completed

	asked that climate change be included on the Risk Register			
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.