



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

**AUDIT AND GOVERNANCE COMMITTEE: MINUTES**

**Date: 5<sup>th</sup> 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 9<sup>th</sup> 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 24<sup>th</sup> 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.