



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Date: Friday, 27 January 2023

Democratic Services

Edwina Adefehinti
Chief Officer Legal and Governance
Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Civic Suite, Pathfinder House, St Mary's Street, Huntingdon
PE29 3TN
[Venue Address]**

AGENDA

Open to Public and Press

1 Apologies and Declarations of Interest

2 Chair Announcements

3 Minutes of the Previous Meetings and Action Log

To approve the minutes of the meetings held on 2 December
2022 and 13 January 2023 and to note the Action Log
Draft Minutes 0212.22

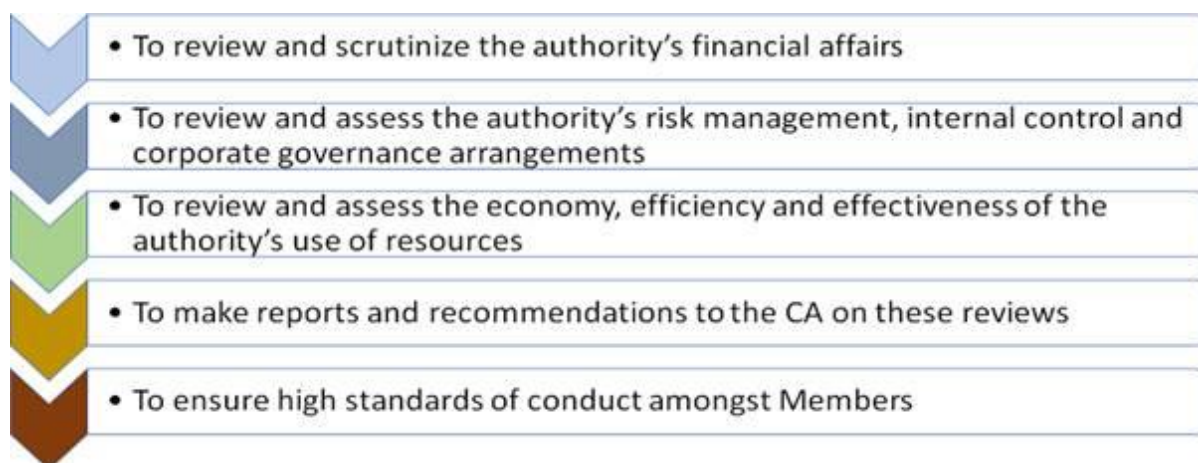
4 - 10

	Draft Minutes 13.01.23	11 - 16
4	Improvement Framework	17 - 52
5	Internal Audit Progress Report	53 - 82
6	External Audit Plan 2021-22	83 - 137
7	Climate Action Plan	138 - 145
8	Review of Corporate Risk Register and Risk Register Improvements	146 - 176
9	Code of Conduct	177 - 189
10	Information Governance Update	190 - 242
11	Revisions to the CPCA Constitution	243 - 272
12	Work Programme	273 - 278
13	Date of next meeting: Monday, 24th March 2023 at 11.00am	

The Audit and Governance Committee comprises the following members:

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

The Audit and Governance Committee Role.



The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Councillor David Brown

John Pye

Cllr Imtiaz Ali

Councillor Ian Benney

Councillor Stephen Corney

Cllr Geoff Harvey

Cllr Simon Smith

Councillor Graham Wilson

Clerk Name:	Anne Gardiner
Clerk Telephone:	
Clerk Email:	anne.gardiner@cambridgeshirepeterborough-ca.gov.uk



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE: DRAFT MINUTES

Date: 2 December 2022

Time: 10:00

Location: Pathfinder House, Huntingdon

Committee Members present:

Mr John Pye	Independent Chair
Cllr Graham Wilson	Cambridgeshire County Council
Cllr Ian Benney	Fenland District Council
Cllr Stephen Corney	Huntingdonshire District Council
Cllr Simon Smith	Cambridge City Council
Cllr David Brown	East Cambridgeshire District Council

Officers:

Gordon Mitchell*	Interim Chief Executive Officer
Angela Probert*	Interim Programme Director - Transformation
Jon Alsop	Head of Finance
Robert Emery	Deputy Chief Finance Officer
Jodie Townsend*	Interim Head of Governance
Edwina Adefehinti*	Monitoring Officer
Chris Bolton*	Head of Programme Management Office
Daniel Harris	Internal Auditor (RSM)
Anne Gardiner	Governance Manager
Joanna Morley	Interim Governance Officer

*denotes remote attendance

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies were received from Cllr Harvey and Cllr Ali.
- 1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 An additional meeting would be held on 13 January. This meeting would have two agenda items only; *Revisions to the Constitution* and the *Procurement Policy*, both of which needed to be reviewed by the Committee before they went to the Board meeting on 25 January.

- 2.2 Officers had been asked to bring to the March meeting a report reviewing the skills audit and the surveys that had gone out to Members and to suggest how the Committee could be developed moving forwards.

3. Minutes of the previous meeting and Action Log

RESOLVED:

- i. That the minutes of the meeting of 30 September 2022 be approved.
- ii. That the current Action Log be noted.

4. Work Programme

- 4.1 Jodie Townsend, Governance Improvement Lead introduced this agenda item which provided the Audit & Governance Committee with an opportunity to discuss and adopt a work programme for the remainder of the 2022/23 year that inputted to the improvement journey and responded to the endorsed review of governance.

The following points were raised in discussion:

- a. The work programme proposal reflected the previously discussed new improvement role for the Committee and was broken down into key sections.
- b. Items previously agreed were also incorporated into the Programme.
- c. The Programme was a live document that could be amended throughout the year.
- d. The Internal Audit Annual Report for 2021/22 would be brought to the meeting on 27 January and the Internal Audit Strategy for 2023/24 would be brought to the March meeting
- e. Concern was expressed about the use of 'will satisfy' as stated in paragraph 3.6 of the report.

RESOLVED:

1. That the Audit & Governance Committee adopt the proposed work programme (attached at Appendix A) for the remainder of the 2022/23 municipal year
2. That the wording at paragraph 3.6 of the report be amended to read that:
"The role of the Committee in relation to the improvement journey is to assure itself (and the Board) that the improvement framework would *be likely to* satisfy DLUHC and the External Auditors' concerns."

ACTIONS:

1. That the Internal Annual Report for 2021/22 be added to the agenda for the meeting on 27 January.
2. That the Internal Audit Strategy for 2023/24 be added to the agenda for the meeting on 31 March
3. Officers to canvass the Committee for dates for the Hearing Panels training.
4. That development sessions be booked in advance and if possible at the same time as the meeting dates.

5. Improvement Plan

- 5.1 Angela Probert, Interim Programme Director – Transformation introduced the report which provided the Committee with an opportunity to review the Improvement Framework report that had gone to the Combined Authority Board meeting on 30 November.

The following points were raised in discussion:

- a. The Independent Improvement Board (IIB) had been established but because of diary commitments its induction day would not take place until mid-January. However, the Chair, Lord Kerslake, was in regular contact with the Chief Executive and had organised a meeting with DHLUC representatives
- b. The IIB would provide information to the Committee and give their opinion on whether the improvement work being undertaken was likely to assure the external auditors.
- c. Members' opinions on the highlight report and whether it provided the detail that was required to review and understand the progress being made would be welcomed.
- d. The focus had been on workstream A and the development of a clear strategic plan for the CA, as this would drive other workstreams.
- e. Work had been done to improve officer processes as well as those of members and the Board as the CA would be most effective when its work intertwined with that of its constituent councils.
- f. Each of the six strands of work had a sponsoring Chief Executive from one of the constituent councils.
- g. There seemed to be a lack of clarity about timelines and specifically about when the organisation could get back to business as normal. Having the timing for the end game would be critical to focusing the improvement journey.
- h. Credit was given to the Chief Executive and his team for the progress made to date.

RESOLVED:

That the Committee:

1. Having considered and reviewed the Improvement Framework report that went to the CPCA Board meeting on 30 November 2022 welcomed the proposals set out in the paper.

ACTIONS:

1. That the membership of the Independent Improvement Board (IIB) be circulated to Members

6. Review of Corporate Risk Register and Risk Register Improvements

- 6.1 Chris Bolton, Head of Programme Management, introduced the report which provided a progress update on the provision of risk management and risk appetite training sessions for members of the Audit and Governance Committee.

The following points were raised in discussion:

- a. The planned risk appetite training would concentrate on how the risk information was reported to the Committee.
- b. The Chair welcomed the progress made in the level of information provided and the report's format.

RESOLVED:

That the Committee:

1. Note the Risk Management training already undertaken and the planned Risk Appetite training.
2. Note the full Risk Register and accompanying narrative.

7. Financial Strategies

- 7.1** Robert Emery, Deputy Chief Finance Officer, introduced the report the purpose of which was for the Committee to review the proposed Capital, Investment and Treasury Management Strategies and MRP Statement for 2023/24.

The following points were raised in discussion

- a. The strategies set out, at a fairly high level, the Authority's approach to investing its spare cash balances and how capital funds were invested in projects to contribute to the Authority's goals in the long term.
- b. There had been a problem with the publication of the reports and the versions of the documents with track changes could not be viewed.
- c. Officers reassured the Committee however that there had been no fundamental changes to the Strategies, relative to the ones that were already in place, and that changes were mainly narrative and updated the figures for the new budget year.
- d. The one change that had been driven by external factors was around the Liability Benchmark which there was now an absolute, rather than optional, requirement to include. This gave an early warning if the organisation was taking on an unsustainable level of debt but given that the CPCA currently had no debt and no plans to take on debt, then it was of relatively little interest.
- e. The Liquidity Risk Indicator showed a threshold for the amount of cash that the CA had to have available to keep the organisation's cashflow running over a three-month period. This had been reduced from £25m to £15million as the large capital programmes around the Energy Hub had already finished or were coming to an end, and without these there was a significantly smaller forecast spend. By reducing this amount, it allowed for £10m to be invested in longer term treasury management investments that had a higher yield.
- f. There was not a specific audit of these strategies however if the internal auditor was to conduct a treasury management review it would assess the frequency of review and whether the documents and the amendments being made were consistent with the sector.
- g. The loans of £41m to local businesses were dominated by the outstanding housing loans. These loans were now coming to an end which would reduce this figure significantly over the next couple of years.

RESOLVED:

That the Committee:

1. Review and comment upon the Capital, Investment and Treasury Management Strategies for 2023-24 and the 2023-24 Minimum Revenue Provision (MRP) statement.

ACTIONS:

1. The Governance officer to circulate to Members the draft Financial Strategy documents with track changes showing.
2. A short note confirming the CA's outstanding loans and when they were due to be paid back to be sent to Members

9. Subsidiary Companies

- 9.1** Edwina Adefehinti, Monitoring Officer, introduced the report which updated the Committee on the progress made against agreed actions, and provided information about CPCA's subsidiary companies.

The following points were raised in discussion:

- a. At paragraph 3.iv the wording should read *fourth* agreed action rather than second.

- b. The Board had approved the establishment of a Shareholder Board.
- c. A review was scheduled for Quarter 4 when a deep dive into the individual companies would be carried out.
- d. There were two different classes of companies; the paper referred to the six companies where the CA had a significant role in their operation but there were also three others of a lower value, where the CA acted as silent partner. It was noted however that these companies also had reporting requirements up to the CPCA and therefore the Shareholder Board should oversee them.

RESOLVED

- 1. That the Committee note the progress made against the proposed management actions and timescales to address the identified weaknesses as set out in the RSM report.
- 2. That an update on the Shareholder Board be brought to the Committee's March meeting.
- 3. That the three other companies in which the CPCA owned shares in but held a silent partner role (Smart Manufacturing, Medtec Accelerator Ltd and Ascendal Accelerator Ltd) be included in the Terms of Reference for the Shareholder Board.

9. Draft Accounts and Annual Governance Statement

- 9.1** Jon Alsop, Head of Finance, introduced the report which provided the Committee with an opportunity to comment on the draft Statement of Accounts 2021/22 and the draft Annual Governance Statement 2021/22, to inform the drafting of the final versions of these documents.

The following points were raised in discussion:

- a. Since the publication of the papers there had been a change to the comprehensive income and expenditure statement. The Business and Skills, and the Election figures were shown the wrong way round in the agenda papers and should have read £965k for Elections and £40,634k for Business and Skills.
- b. The Mayoral Allowance was determined by the Employment Committee's remuneration committee. When the current Mayor came into office the mayoral allowance was adjusted to take account of inflation.
- c. The compulsory redundancy figures included in the statement related to four settlement agreements that were considered and approved by the Board in exempt session.
- d. The entire staffing budget for the CPCA was reported in the Chief Executive line.
- e. The review of performance of the organisation on a project-by-project basis, and by directorate, was taken to Board on a regular basis and at the end of the financial year an outturn position was taken. In the last financial year there had been some slippage in the capital programme but this was not unusual, and the CA's slippage rates were consistent with other authorities' rates. Members' concerns about the extent of the slippage had led to an internal review which was due to report back in January.
- f. Changes to pension fund asset values, which were totally outside the control of the CPCA, had meant an increase in service costs of £700k.
- g. The Annual Governance Statement would be signed off by the Chief Executive and the Mayor.
- h. Once the opinion had been received from the External Auditor the AGS would be brought back to the Committee.

RESOLVED:

That the Committee:

- 1. Note the draft Statement of Accounts 2021/22
- 2. Note the draft Annual Governance Statement 2021/22

ACTIONS:

1. Officers to bring back to the Committee a breakdown of costs relating to staffing figures and why they had gone up from 2020-21 to 2021-22.

10. Internal Audit Progress Report

- 10.1 Dan Harris, Internal Auditor, introduced the report the purpose of which was for the Committee to note progress against the internal audit plans for 2021/22 and 2022/23, and to note the internal audit annual report for 2021/22

The following points were raised in discussion:

- a. The Plan was somewhat back ended (a concern raised by members at the previous meeting) so when the 2023-24 Audit Plan came to the Committee in March the Auditor would be looking to have reviews much more evenly spaced.
- b. Although the Procurement Card review had been issued in draft it could not be finalised because there were responses required by the Mayor. The powers delegated to the Deputy Mayor could not be exercised in this instance as the investigation needed an individual response from the Mayor.
- c. The Internal Auditors had conducted a risk management review in their first year of being appointed and given a negative opinion. The Auditors' coverage was driven by risk which may have added to the number of audits being done. Enhancements to the risk management framework should drill through to future years' work.
- d. Regular audits were needed to highlight areas of concern.
- e. An update report on Data Protection would be heard by the Committee at their meeting on 27 January.
- f. It had been agreed with the Chair, that for completeness, the Annual Report for 2021-2022 would come before the Committee again at its meeting on 27 January. There had been an action from the July meeting where the Committee had requested that there be some further commentary included in the report on the incidence and significance of a negative opinion. The report had been reissued with this extra paragraph included, but this had not been in time to be included with the published agenda papers.
- g. The Auditor commented on what was included in this paragraph highlighting that within the public sector negative opinions were not completely unheard of but they were rare. There were a number of key factors which made a negative opinion more prevalent, and these included; when there was a significant amount of change, where there were undeveloped frameworks and where there was significant staff turnover or a number of vacant posts.
- h. The Audit & Governance Committee needed to see that there was an effective action tracker in place and that progress was being reported positively by officers. Internal Audit would then include a follow up review in their programme which would take a sample of the actions and look at the evidence to show that it had been implemented. It also would allow the Committee to see how many actions were outstanding beyond their due date. The Auditor felt that it might be useful in this instance to also have a half yearly follow up review.
- i. An internal audit action tracker was held by the Programme Management Office (PMO) and was regularly taken to the Performance and Risk Committee (PARC). This would be brought to a future meeting of the Committee.
- j. Members felt that it would be more factually correct to comment on post year developments. The Internal Auditor agreed that it would be helpful and agreed to update the report with this.

RESOLVED

1. That the Internal Audit progress report be noted.

ACTIONS:

1. A list and summary of any actions that were overdue to be included with Internal Audit's follow up review
2. Officers to be encouraged to give realistic timelines for completing audit review actions, which could be met.
3. A post year commentary to be included in the final version of the Internal Audit Annual Report which would be represented to the Committee at its meeting on 27 January 2023.

11. Date and Time of Next Meetings

11.1 Friday 13 January 2022 at 10am

11.2 Friday 27 January 2022 at 10am

The venue for both meetings would be Pathfinder House, Huntingdon

Meeting Closed: 12.48pm



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE: DRAFT MINUTES

Date: 13 January 2023

Time: 10:00

Location: Pathfinder House, Huntingdon

Committee Members present:

Mr John Pye	Independent Chair
Cllr Michael Atkins	Cambridgeshire County Council
Cllr Ian Benney	Fenland District Council
Cllr Stephen Corney	Huntingdonshire District Council
Cllr Simon Smith	Cambridge City Council
Cllr David Brown	East Cambridgeshire District Council

Officers:

Jon Alsop*	Head of Finance
Robert Emery*	Deputy Chief Finance Officer
Chantal Allott	Procurement Manager
Edwina Adefehinti	Monitoring Officer
Anne Gardiner	Governance Manager
Joanna Morley	Interim Governance Officer

*denotes remote attendance

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies had been received from Cllr Wilson and Cllr Ali. Cllr Atkins attended as substitute for Cllr Wilson.
- 1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 Officers had sent Members an email as there was some confusion regarding the Revisions to the Constitution report. Members were instructed to disregard Chapters 4 and 7 of Appendix 2 (working copy of the revised Constitution) as the Governance Arrangements report, which detailed a proposed new Committee structure, meant that further amendments to these chapters of the Constitution would be required. The subsequent amendments would be reported to the Committee at a later date.

3. Procurement Policy

- 3.1 Edwina Adefehinti, Chief Legal Officer and Monitoring Officer introduced the report which set out the proposed changes to the Combined Authority's procurement policy in line with the recommendations within the review of governance. The proposed changes would be presented to the CA Board on 25 January 2023.

The following points were raised in discussion:

- a. The Policy set out for anyone who was procuring on behalf of the CPCA, what they should and should not do.
- b. There was a Government Procurement Policy Note which encouraged reserving some procurement for local businesses.
- c. Included in the Policy was a requirement for providers to indicate whether goods and services were going to be environmentally compliant. This was acceptable and reasonable to include, and had been what Councillors had asked for, but was not enforceable by law. In practice this meant that if someone's bid failed to provide any environmental information then it could not be excluded.
- d. CPCA Officers were available to support companies through the bidding process.
- e. Social and environmental factors were built into the scoring matrix so 'points' could be added for these factors, but bids could not be excluded if they did not meet these requirements.
- f. More bureaucracy would be detrimental to smaller firms as just to do the work to bid would add costs to the quotes.
- g. It would have been helpful to have had a profile of tenders submitted to assess whether there was any real competition.
- h. The Trading Companies were separate legal entities to the CPCA so unless they were purchasing things on behalf of the CPCA the Procurement Policy did not apply to them.
- i. The Policy should be reviewed for grammatical and spelling errors.

RESOLVED:

1. That the Audit & Governance Committee submit the following feedback to the CA Board ahead of their review of the Policy at their meeting on 25 January 2023.
 - a) That the impact of the new procurement policy needed to be monitored over the first year to see if there were any adverse consequences; either to value for money or on fair competition.
 - b) That the Policy should include an annual review of the nature and size of contracts.
 - c) That the Policy should define what is meant by a 'local supplier'.
 - d) That every effort should be made to minimise the bureaucracy of the procurement process in order to aid small businesses.

---o0o---

Cllr Benney left the meeting at 11.18am and did not return.

---o0o---

4. Revisions to the Constitution

- 5.1 Edwina Adefehinti, Chief Legal Officer and Monitoring Officer introduced the report which provided the Committee with a commentary on the revisions being made to the Constitution which were being recommended for adoption by the CA Board at their meeting on 25 January.

The following points on the revisions were raised in discussion:

a. Introduction

The Committee recommended that the paragraph explaining the purpose of the Constitution should be carried over and included in the new version of the document.

b. Chapter 2/ Para 2.2.5

Members queried why a fourteen-day period was needed and asked whether appointment could not be immediate on receipt of notification.

c. Chapter 5/ Para 5.33.1

It was not sufficiently clear who could ask questions of whom and for clarification CA Member should read CA Board Member?

d. Chapter 5/ Para 5.33.9

It needed to be explicit that, even if the response to a question raised further questions, no other Member, other than the one who originally posed the question, could ask a supplementary.

e. Chapter 5/ Para 5.44 – Strategic Policy Debates

There needed to be more clarity about who could be invited, whilst also maintaining some flexibility around this.

f. Chapter 13/ Para 13.5.1 – The Audit & Governance Committee.

To reflect the practice established by the CA Board since the Authority's formation:

1. The Independent Member should be designated as Chair of the Audit and Governance Committee.
2. The Vice-Chair of the Committee should be chosen by the Committee, at its first meeting each Civic Year.

g. Chapter 16/ Para 16.12.2 – Hearings Panel

This paragraph was felt to be too restrictive. It was recommended that the wording be amended to read 'at least 3 members', to provide flexibility for an Independent Chair and political balance.

h. Chapter 17/ Para 17.3.21 – Subsidiary Companies

The Committee recommended that the Constitution should stipulate that the Shareholder Board meet at least once a year.

RESOLVED:

1. That the Monitoring Officer be invited to redraft the sections, as outlined above, to improve clarity and avoid ambiguity.
2. That the draft be reviewed for grammatical and spelling errors, and for consistency of language eg. the use of Board or CA Board
3. That the Committee's comments on the revisions to the Constitution be fed back to the Board ahead of their meeting on 25 January 2023.

5. Governance Arrangements

- 5.1 The Monitoring Officer introduced the report which set out the proposed changes to governance arrangements at the Combined Authority in line with the recommendations within the review of governance, and the actions within the Improvement Plan. These proposed changes would be presented to Board on 25 January 2023.

The following points were raised in discussion:

- a. The Committee were disappointed that the lead officer for the report was not available to advise the Committee.
- b. There was confusion about the way that the voting arrangements were articulated in the draft. The Committee could not support the proposals as currently presented, ie that only Members of the Board would be entitled to vote, as their understanding was that the new thematic committees were there to reduce the workload of the CA Board. However, the Committee was supportive of the general move to thematic committees and the delegation of work *if* they were given the ability to vote.
- c. The terminology should be reviewed so that there was a consistent approach rather than, for example, the alternating use of thematic and executive committees.
- d. The Monitoring Officer confirmed that under the terms of the 2017 order that Combined Authorities were unable to pay allowances. However, in order to assist the Constituent Councils with their own remuneration deliberations, the CPCA should provide assessments of the work involved in Committee roles.
- e. The CA Board would have to take particular care of potential conflicts of interest when ratifying the appointments of Chairs of the Committee. It was considered likely that constituent councils would put forward candidates with experience in these roles, and who consequently might also be members of other related committees and boards.
- f. It was not clear how the concept of informal advisory groups would work in practice and how they linked in with the Committees. It was felt it would be useful to include information on who calls for these groups, how their brief was set and how they were organised. It was recommended that in six months' time and in the light of experience, further appropriate guidance on their operation should be provided.
- g. The Board needed to establish resource requirements and make suitable financial provision to deliver the improved Governance framework
- h. The Key Functions of the CA Board (as shown in Appendix A to the report) be amended so that they better captured the requirements of the Authority's response to the concerns expressed in the External Auditor's letter of 1 June 2022. These included:
 1. That the CA Board's responsibility for driving performance of key deliverables and performance measures for good growth be elevated to a Key Function and included in the list (a)- (q) and reflected throughout the terms of reference.
 2. A dynamic element to the key functions be included so that for example (a) should read to set, *review, keep up to date and revise* the long-term vision of the CA.
 3. That a substantive reference to communication and consultation be included as, for example, consultation on the Budget was a statutory responsibility
 4. That the wording of (n) - to exercise General power of competence - be exemplified with a much clearer and stronger statement as to its meaning.
- i. The voting arrangements of the Board be explained and set out in their Terms of Reference.

RESOLVED:

1. That the Committee's comments on the Governance Arrangements, as outlined above, be fed back to the Board ahead of their meeting on 25 January 2023.

11. Date of Next Meeting

11.1 Friday 27 January 2022 at 10am

Meeting Closed: 12.37pm

Audit and Governance Committee Action Log

Purpose: The action log records actions recorded in the minutes of Audit and Governance Committee meetings and provides an update on officer responses.

Minutes of the meeting 2 December 2022

Minute	Report title	Lead officer	Action	Response	Status
4.	Work Programme	Jodie Townsend	<ol style="list-style-type: none"> 1. That the Internal Annual Report for 2021/22 be added to the agenda for the meeting on 27 January. 2. That the Internal Audit Strategy for 2023/24 be added to the agenda for the meeting on 31 March 3. Officers to canvass the Committee for dates for the Hearing Panels training. 4. That development sessions be booked in advance and if possible at the same time as the meeting dates. 	<p>This item has been added</p> <p>This item has been added</p> <p>Training took place on 13.01.23</p> <p>Noted</p>	<p>Closed</p> <p>Closed</p> <p>Closed</p> <p>Closed</p>
5.	Improvement Plan	Angela Probert	<ol style="list-style-type: none"> 1. That the membership of the Independent Improvement Board (IIB) be circulated to Members 	Circulated to members on 2.12.22	Closed
7.	Financial Strategies	Rob Emery	<ol style="list-style-type: none"> 1. The Governance officer to circulate to Members the draft Financial Strategy documents with track changes showing. 2. A short note confirming the CA's outstanding loans and when they were due to be paid back to be sent to Members 	<p>Circulated to Members on 3.12.22</p> <p>Circulated to Members on 18.01.23</p>	<p>Closed</p> <p>Closed</p>
9.	Draft Accounts and Annual Governance Statement	Jon Alsop	<ol style="list-style-type: none"> 1. Officers to bring back to the Committee a breakdown of costs relating to staffing figures and why they had gone up from 2020-21 to 2021-22. 	Note circulated to Members on 19.01.23	Closed
10.	Internal Audit Progress Report	Daniel Harris	<ol style="list-style-type: none"> 1. A list and summary of any actions that were overdue to be included with Internal Audit's follow up review 	Noted	Closed

			2. Officers to be encouraged to give realistic timelines for completing audit review actions, which could be met.	Noted	Closed
			3. A post year commentary to be included in the final version of the Internal Audit Annual Report which would be represented to the Committee at its meeting on 27 January 2023	Included	Closed



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4

Improvement Framework

To:	Audit & Governance Committee
Meeting Date:	27 January 2023
Public report:	Yes
Lead Member:	Deputy Mayor Councillor Anna Smith
From:	Angela Probert, Interim Director of Transformation Programme
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	The Audit & Governance Committee is recommended to: Consider the Improvement Framework report to the Combined Authority Board on 25 January 2023.
Voting arrangements:	A simple majority of all Members present and voting

1. Purpose

- 1.1 The purpose of the agenda item is to provide the Audit and Governance Committee with an opportunity to review the Improvement Framework report going to Board on the 25 January 2023.
- 1.2 The purpose of the improvement report going to the Board is to provide an update on the progress made against identified actions set out in the Improvement Plan agreed by Board in October 2022.
- 1.3 The report to Board will update Committee on the development of arrangements for the Independent Improvement Board agreed in October 2022.

- 1.4 Finally, the report to Board sets out the proposals to meet the commitment of the Chief Executive, in his report in October 2022 to carry out a three-month review of progress against the agreed outcomes from this phase of the Improvement journey.

2. Background

- 2.1 The Board in October agreed the Improvement Plan to address the Chief Executive's diagnosis assessment of the Cambridgeshire and Peterborough Combined Authority.
- 2.2 The Chief Executive's assessment set out key deliverables over a three month period and what might be different as a result of the proposed activity.

3. 27 January – Audit and Governance Committee meeting

- 3.1 The Audit & Governance Committee has an opportunity to review the Improvement Framework report considered by the Board on 25 January 2023 to:
- assure itself (and the Board) that improvement framework will satisfy DLUHC and the External Auditors concerns
 - assure itself (and the Board) that improvement is on track
- 3.3 In order to undertake the role identified above an Improvement Highlight report will be presented to the Committee that sets out high level view on performance, risk and issues.
- 3.4 The Improvement Framework report to Board was published on the 17 January, it is appended to this report and also accessible via this link: [CMIS > Meetings](#)
- 3.5 The report to Board includes the Improvement Highlight Report referred to above, Committee Members are asked to review this in undertaking their Committee role.
- 3.6 The Committee will have an opportunity to question the Improvement Programme Lead on the Improvement Framework report at its meeting on 27 January 2023.

Improvement Highlight Report

- 3.7 The Committee is asked to provide specific comment on the Improvement Highlight Report in order to ensure that it is fit for purpose. Key lines of enquiry such as those below would provide useful feedback to the Improvement Group:
- does it provide the required programme level oversight of performance?
 - does it provide the required programme level oversight of key risks?
 - does it provide the required programme level oversight of next steps?
- 3.8 The Committee is asked to provide feedback on whether the Highlight Report provides the required information to enable the Committee to undertake its role effectively.

5. Financial Implications

- 5.1 At the Combined Authority Board in July £750,000 was approved to support the scope, development and delivery of work relating to improvement activity.

6. Legal Implications

- 6.1 There is a legal requirement to have a fully functioning Audit and Governance Committee within the CA framework.

7. Public Health implications

- 7.1 No Public Health implications are directly identified within this report at this stage.

8. Environmental and Climate Change Implications

- 8.1 No Environmental and Climate Change implications are identified within this report at this stage.

9. Other Significant Implications

- 9.1 The External Auditor and DLUHC have set out clearly the expected focus for improvement. It is important that the CA can demonstrate its commitment to improve and also the progress it is making on this journey so more formal interventions are not put in place; the unfreezing of future funding is dependent on this.

10. Appendices

- 10.1 Appendix A – Report to Combined Authority Board: [CMIS > Meetings](#)
- 10.2 Appendix B – Programme Highlight report to Combined Authority Board [CMIS > Meetings](#)

11. Background Papers

- October CA Board Report – Improvement Framework
- July CA Board Report - Improvement Assessment
- Governance review
- External Auditors letter



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.2

Improvement Plan Update - December 2022

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	Wednesday 25 January 2023
Public report:	Yes
Lead Member:	Councillor Anna Smith, Statutory Deputy Mayor
From:	Angela Probert: Interim Director of Transformation Programme
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Note the progress against the Corporate Improvement Plan in December 2022.b) Note the outcome from the inaugural meeting of the Independent Improvement Board held on 17 January 2023.c) Note the proposals for a three-month assessment of progress against the key deliverables identified in the Chief Executive's assessment.
Voting arrangements:	For noting only. No vote required.

1. Purpose

- 1.1 The purpose of this report is to share with the Board an update on the progress made against identified actions set out in the Improvement Plan, during December 2022.
- 1.2 It also updates the Board on the arrangements for the inaugural meeting of the Independent Improvement Board (IIB) to be held on 17 January and the intention to update Board on the outcomes prior to its meeting on 25 January.
- 1.3 Finally, the report sets out the proposals to meet the commitment of the Chief Executive, in his report in October 2022 to carry out a three-month review of progress against the agreed outcomes from the Improvement journey.

2. Background

- 2.1 The Board will recall that it accepted the assessment of the organisation by the Chief Executive and agreed the Improvement Plan to address key issues raised at its meeting in October 2022.
- 2.2 The Improvement Plan set out six key themes:
 - a. Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and where the CPCA can add value.
 - b. Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this.
 - c. Prioritise work to establish a long-term strategy for transport, an urgent development of a bus strategy and review the role and functioning of the Business Board.
 - d. Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities.
 - e. Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities.
 - f. Map the approach, capacity and arrangements needed to build effective public relations and influencing delivery operation.
- 2.3 The Improvement Plan report also set out the initial key deliverables - over a three-month period - and what might be different because of the comprehensive programme of activity being undertaken. Set out in paragraph 6 are the outcomes identified and how these will be reviewed.
- 2.4 The establishment of the Independent Improvement Board was also agreed, and this report provides an update on arrangements for the inaugural meeting on 17 January. An update on the outcomes from the meeting will be circulated to Board Members following the meeting and in advance of the Board meeting on 25 January.

3. Improvement Plan progress report December 2022

- 3.1 Attached as Appendix 1 is the highlight report for the overall programme and delivery against agreed outcomes for each theme for December. There are three items of note across all the workstreams.
- As work has progressed on individual themes the dependencies across the identified six themes of the Improvement Programme have become even more important and has resulted in the critical path being reviewed and associated change requests approved.
 - The appointment of an Engagement lead for the Improvement Programme. This is in recognition that for the identified improvements to be embedded in the organisation and across the CPCA, active engagement with partners and stakeholders is key as we move forward over the next 12 months. An Engagement strategy and schedule have been developed and future Board reports will provide detail on our communications and engagement work.
 - There is a recognition that, as we progress and deliver on activities set out in the Improvement Plan, we need to demonstrate progress against the initial 3 month tasks and key deliverables identified in the Chief Executive's assessment. The Board may recall a commitment in that report to assess progress at the end of three months against the agreed outcomes. This assessment will be conducted in February 2023 and reported to Board at the March meeting.
- 3.2 **Overall, the programme is RAG rated as Amber.** The individual workstream RAG ratings, key high-level achievements and deliverables across the programme in this period are set out below:
- 3.2.1 **Theme A - Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and where the CPCA can add value:**
- 3.2.2 Overall, this workstream is RAG rated as **Green**, reflecting that all actions are on track.
- 3.2.3 Following the completion of the mapping exercise to identify all existing Board approved strategies and agreed priorities, a draft Corporate Strategy has been prepared for consideration by the Board at this meeting.
- 3.2.4 Following engagement with the Mayor to outline the mayoral policy agenda, an Ambition Statement has been drafted and appended to the Corporate Strategy.
- 3.2.5 Output from the staff survey on values and behaviours fed into an all-staff workshop in early December. The workshop was well attended, and from its reflections we have drafted a set of core values for the organisation and included in the draft Corporate Strategy that have been tested with the Board and other key members.

- Item 4
- 3.2.6 The staffing structure for Office of Mayor has been agreed and recruitment undertaken in November and December.
- 3.2.7 The Executive Team senior structure has been agreed, descriptions finalised and recruitment has commenced for two Executive Director roles.
- 3.2.8 **Theme B - Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this:**
- 3.2.9 Overall, this workstream is RAG rated as **Amber** reflecting that whilst most actions are on track there is more work to be done on the wider partnership engagement elements. A revised timetable of 1 March 2023 has been proposed for this will allow the workstream RAG rating to be green.
- 3.2.10 Governance proposals received positive support at the Leaders Strategy Meeting, and agreed amendments to proposals are being presented to the Board in a separate report at this meeting.
- 3.2.11 We have progressed the development of new organisational values following the staff survey, pre-session activity and the all-staff workshop in December. The draft values have received positive feedback in sessions with CEOs, Board and other members and are contained with the draft corporate strategy presented to the CA Board in January.
- 3.2.12 We progressed the arrangements for the inaugural meeting of the Independent Improvement Board (IIB) on 17 January and agreed the agenda with the chair.
- 3.2.13 **Theme C - Prioritise work to establish a long-term strategy for transport, an urgent development of a bus strategy and review the role and functioning of the Business Board:**
- 3.2.14 The RAG rating continues to be **Amber**, due to uncertainty around Government's transport and connectivity guidance.
- 3.2.15 The workshop with Business Board and CA Board members to discuss the future role of the Business Board was held on 7 December. The major issue is to strengthen a business voice across the range of CPCA policy, promotion and delivery and this direction of travel was supported. Outputs from the workshop are being considered and will be consolidated into an Options Paper for consideration by the CA Board.
- 3.2.16 The Draft Bus Strategy is prepared and consultation begins week commencing 9 January 2023. The consultation will run for just over a month and at the end of this period, the Strategy will be amended considering relevant feedback.
- 3.2.17 The longer-term strategy for transport finds focus in the draft Local Transport and Connectivity Plan (LTCP). This has been drafted; however, we still await Government's revised guidance on such plan's preparation. At the time of writing this is now promised for the end of the calendar year (2022). Accordingly, the project has been reprofiled and sign off is now planned for June 2023.

- 3.2.18 This reprofiling is based upon us receiving the revised guidance by the year-end and changes to the draft strategy being proportionate.
- 3.2.19 **Theme D - Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities:**
- 3.2.20 The RAG rating for this workstream is **Amber**, as the current target completion date of 31 January will not be met, particularly in relation to the Bid Function. A Change Request has been submitted and once approved will allow this workstream to be RAG rated as green.
- 3.2.21 The drafting of the strategic review that has identified the funding streams is now complete and the workstream moves onto the need for modelling what a new Bid Function for the CA and its partners could look like. This needs to be an inclusive proposal that adds value to the bid functions of partner councils and potentially wider and there is a recognition that an additional specialist resource will be needed for this work.
- 3.2.22 A partnership workshop to consider current processes and options for a co-ordinated Bid Function takes place on 16 January. This will help the CA to understand best practice and begin to develop principles and processes behind the Bid Function.
- 3.2.23 **Theme E - Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities:**
- 3.2.24 The RAG for this workstream is **Amber**, to reflect a revised timeline, the heavy reliance upon workstream A and the need to undertake extensive partner engagement.
- 3.2.25 As we have moved into this workstream, its key role in underpinning the CA's improvement journey has become more apparent, as has the need for this workstream to be completed in close partnership with the CA's constituent councils. Accordingly, and following discussion with the lead CEO, Paul Medd, we have refocussed and reprofiled the workstream.
- 3.2.26 This reprofiling places the development of a single Assurance Framework at the heart of the workstream. From this, once approved, a related Performance Management Framework that demonstrates how the CA assesses, prioritises, and manages projects will be developed.
- 3.2.27 The reprofiling recognises that much of this workstream will need to follow the agreement of a clear set of strategic priorities for the CA, an outcome in workstream A.
- 3.2.28 Once we have a clear understanding of the vital role that project and programme management will have in driving the authority's ambitions, work can commence on understanding what resources, both in a central PMO team and amongst the delivery partners are required and how the partners will work closely together to measure and drive delivery of the agreed strategic priorities.
- 3.2.29 **Theme F - Map the approach, capacity and arrangements needed to build effective public relations and influencing delivery operation.**

- 3.2.30 This workstream is RAG rated **Amber**, reflecting that whilst actions are in progress it is not believed that a draft Strategy for review will be ready by the due date. Instead it is agreed with the lead CEO that a revised date of 31 March 2023 is more appropriate. In addition, there have been capacity issues which have delayed the gap analysis work slightly. Any further delays will push back completion beyond the agreed date. Item 4
- 3.2.31 Work continues to identify and document best practice and the key elements, tasks and outputs associated with an effective Public Affairs (PA) and Communications and Engagement Function. This is being undertaken alongside a gap analysis methodology to understand the key skills, capacity and processes needed to achieve the identified outputs against the skills. The mitigating actions for both risks is for stated progress to be achieved against the Improvement Plan.
- 3.2.32 The findings of this gap analysis will now be reviewed and collated, and the project will begin to develop an outline Strategy and Action Plan so that we have the basis to enable the creation of a dynamic, robust, and effective PA, Communications and Engagement Function.

4. Key risks and dependencies

- 4.1 The External Auditor and DLUHC have set out clearly the expected focus for improvement. It is important therefore that the CA can demonstrate its commitment to improve and the progress it is making on this journey so more formal interventions are not put in place; the unfreezing of future funding is dependent on this.
- 4.2 There is a related risk that the constituent parts of the Improvement Plan may not lead to the outcomes required by DLUHC without the consequent organisational cultural change. Tracking this will be a focus of the Independent Improvement Board which meets for the first time in January.
- 4.3 The mitigating actions for both risks is for stated progress to be achieved against the Improvement Plan.
- 4.4 There is also a related programme wide risk, raised by CEOs that the proposed changes to senior management structures and personnel within CPCA could have the impact of slowing or altering the direction or consistency of the improvement journey. Ensuring a continued clarity of purpose and journey will be key to the success of the Improvement Plan.
- 4.5 Specific workstream risks and issues are set out in the highlight report attached. All risks and issues are both monitored and managed in accordance with CA policy and practice and significant issues reported appropriately. The key risks associated with each workstream are as follows:

Work-Stream A	Not reaching consensus on overarching vision. Mitigation: Ensure communication and engagement plan is in place.
Work-stream B	That the actions once completed do not sufficiently encourage or drive the cultural improvements required. Mitigation: will be the ownership of these by the Chief Executive's group and Board which will then flow down through the organisation(s). Also, the challenge of the IIB.

Work-stream C	There is a risk that the LTCP will not align with the Department for Transport's (DfT) final guidance and will therefore not be fit for purpose. Mitigation: reprofile the workstream and continue to monitor the release of DfT's final guidance along with any other key messages that are available from the DfT and other relevant partners/organisations.
Work-stream D	The income workstream has significant interdependencies and impacts with other workstreams. There is a risk that a lack of transparency and communication across the workstreams will negatively impact the efficacy of the outcomes related to income. Mitigation: Ensure continued and reliable communication between workstreams and wider CA and partners via effective Engagement Planning.
Work-stream E	There is a risk that due to the amount of consultation required, and dependencies involved, that the Performance Management Framework and Assurance Framework are not delivered to the agreed timescales. Mitigation: Reprofile the workstream.
Work-stream F	There is a risk that even with an effective Communications and Engagement Function, the outcome of performing a demonstrable role in advocacy for the region will not be met if the overarching strategy coming out of Workstream A is not fit for purpose i.e. the underlying key messages are not appealing/influential enough to support the function. Mitigation: Work closely with Workstream A representatives to ensure key messages can support an effective PA/Communications and Engagement Function. To support this and allow for the appropriate cross referencing the timeline for this workstream is proposed to be adjusted to March 2023

4.6 Also, to note:

- 4.6.1 Chief Executives from constituent authorities are now providing effective support and challenge to the improvement activity through active engagement as a group and as individual theme links, and their comments are included in the highlight report attached as Appendix 1.
- 4.6.2 The Local Government Association, the Department for Business, Energy, and Industrial Strategy, and the Department for Levelling Up, Housing and Communities continue to be updated on progress on a regular basis.
- 4.6.3 Briefings to staff on progress are undertaken on a weekly basis through verbal updates on specific themes at the weekly 'All staff meeting' where a particular workstream is reported upon by the Lead, and through the digital weekly newsletter 'Happenings'. A SharePoint site has also been developed for staff to provide regular updates on progress and a similar site is being developed for the Independent Improvement Board.

5. Independent Improvement Board (IIB)

- 5.1 Following the establishment of the Independent Improvement Board (IIB) Lord Kerslake continues to meet with key stakeholders in advance of the induction day in Peterborough on 17 January.
- 5.2 The arrangements for the induction have been finalised to deliver the outcomes set out below:

For IIB Board members to:

- Have built a relationship with their peers and CPCA Board members
- Understand the key challenges to be addressed

- Have worked through the input needed and how the IIB will operate
- Recognise and have shared (within the IIB) the contribution they can make
- Be clear on what will be different and how this will be recognised

For CPCA Board members to:

- Have met the IIB Board members and understand their purpose and way of working
- Have shared their insight and perspective
- Understand the focus for the IIB and how it will engage with the CPCA Board

5.3 Following the induction day on 17 January, a briefing will be shared with CPCA Board Members in advance of the meeting to be held on 25 January.

6. Three-month assessment of progress:

6.1 The Chief Executive's report to Board in October 2022 set out key areas of focus for the following three months arising from the self-assessment exercise. The report also set out what would feel different across the key dimensions as the comprehensive improvement plan was delivered. This narrative identified features and perceptions as set out below:

- A huge reduction in tension and frustration in Board, and in dynamics and focus.
- Members feeling time is spent on worthwhile debate and activity.
- Members and officers believing that the MCA can genuinely expect to secure greater investment and improved reputation.
- Individual Board members spend more of their time on informal discussions finding issues of agreement, speaking up for the needs of the region, and its priorities.
- Recognition that the Mayor has secured greater attention from ministers and influential stakeholders for the region's needs.
- An absence of political point scoring in Board noticed by all interested parties.
- That staff in CPCA and the local authorities view Board members as role models for good behaviour, collaboration and working towards consensus.
- CPCA staff recruitment and retention improves.
- A Devo Deal 2 looks possible, even likely.
- Staff expect to work in 'virtual teams' on policy development and programme delivery.
- The CPCA operation has matured, supports the Mayor and Board with a feel of 'one CPCA'.

6.3 The return on investment was also set out:

- Shift to a transitional arrangement of Board cycles, adjusted focus, more strategic content.
- A draft 'overarching strategy' document.
- A draft Medium Term Financial Strategy which reflects the overarching strategy.
- A worked-up transport strategy and bus strategy.
- Proposals for the next phase of development of the Business Board.
- Resolution to the current investigations.

And in the operation:

- A senior staffing structure and plan for recruitment.
- A period of stability in the workforce.
- Improved collaborative processes between CPCA and constituent authority officers.

- Item 4
- 6.4 It is proposed that an assessment of progress against the elements set out in paragraphs 6.2 and 6.3 will take place in February 2023. The structure for the review will be agreed with the Chair of the Independent Improvement Board.
- 6.5 It is envisaged that focus groups or meetings will be held with all key stakeholder groups set out below and evidence of progress provided where relevant:
- External Auditor
 - CPCA Board Members
 - Other relevant CPCA Committees including Overview and Scrutiny, Audit and Governance
 - Constituent authority Chief Executives
 - Business Board members
 - Department for Education
 - Department for Business, Energy and Industrial Strategy
 - Department for Levelling Up, Housing and Communities
- 6.6 The outcome of the assessment will be shared with the IB and reported to the CA Board in March 2023.
- 6.7 A staff survey is to be conducted in January 2023 to measure progress against the outcomes from staff survey in September 2022. The results of this survey will inform the assessment of progress as set out in paragraph 6.4.

7. Significant Implications

8. Financial Implications

- 8.1 The Board approved funding of up to £750k in July 2022 from the Programme Response Fund with delegated authority to the Interim CEO to support the scope, development and delivery of work relating to improvement activity. This budget is monitored by the Improvement Group at its monthly meetings and reported by exception to the Board as appropriate.

9. Legal Implications

- 9.1 An Action Plan in response to the recommendations of the external auditor, was agreed by the Board following the report of the Interim CEO. At the time of drafting this report, all the relevant recommendations of EY are being responded to and regular updates are provided to this Board to provide a progress report as to delivery. This will assist the Authority to comply with its best value considerations.

10. Public Health Implications

- 10.1 None.

11. Environmental and Climate Change Implications

- 11.1 None

12. Other Significant Implications

12.1 None

13. Appendices

13.1 Appendix 1: Independent Improvement Board (IIB) Highlight report

14. Background Papers

14.1 [Interim Chief Executive's Diagnosis - Improvement Framework](#)

14.2 [Appendix 1 - Chief Executive's Assessment \(based on the self-assessment exercise\)](#)

14.3 [Appendix 2 - Outline Improvement Plan](#)

14.4 [Appendix 3 - Proposed terms of reference CPCA Improvement Board](#)

Programme Level Highlight Report

for the Period:

1st December 2022 to 23rd December 2022

Programme Governance

Chief Executive Overview
<p>There has been considerable progress in the development of the overarching strategy for the region. The draft corporate plan is complete and being presented to the Board in January and other related strategies such as the Bus Strategy and LTCP are progressing. We can show the beginnings of delivering a collectively agreed and owned set of strategies for the region.</p> <p>The establishment of clarity of purpose for the CA is also progressing well. For example, apart from the strategic framework above the golden thread that has been developed sets out the ambition, priorities and operating principles for the CA and further work will embed these and the values developed into everything we do. We have also made progress in setting a framework for working in this way at member level with a new committee structure and scheme of delegation to focus members on what matters. Alongside this we have an agreed senior management structure to drive the new ways of working and recruitment to Executive Director roles is underway.</p> <p>Progress has been made in establishing a mayoral function that enables him/her to operate in a way that maximises the utility for the CA area with a new resourced mayoral office. Alongside this there has been close engagement with the mayor as we develop the Improvement Plan.</p> <p>The focus of the Improvement Plan to date has been the structures of governance that will facilitate and encourage the new ways of working by the Board. However, change is already apparent, for example in the engagement with the Improvement Plan and the constructive discussions with the Business Board about how we can move forward together. The commencement of work by the Independent Improvement Board will accelerate this journey.</p> <p>All the above leads us on the journey to become the effective and efficient organisation that we strive to be. The three-month review timetables for February will test this, not just with staff but with partners and stakeholders, and will guide the next steps of the journey.</p>

Programme RAG Status	
This Period:	AMBER
Last Period:	AMBER

Individual Workstream Status		
Workstream	This Period	Last Period
A	G	G
B	A	A
C	A	A
D	A	A
E	A	A
F	A	G

Overview & Scrutiny
<p><i>Overview & Scrutiny feedback will be inserted here once it has considered the Highlight Report</i></p>

Independent Improvement Board

IIB (Independent Improvement Board) feedback will be inserted here once it has considered the Highlight Report

IIB is due to consider the Highlight Report on [DATE]

CPCA Board

CPCA Board feedback will be inserted here once it has considered the Highlight Report

Audit & Governance Committee

Audit & Governance Committee feedback will be inserted here it has considered the Highlight Report

Workstream Highlight Reports

Workstream A

Project Description:

To establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term, to chart the next steps on that journey.

Project Outcomes:

A1 - A clear strategic plan for the CA is in place with deliverables to take CA from now until end of current Mayoral Term

A2 - Organisational operating values and principles are in place that inform the approach the CA takes to how it operates.

A3 - Insight and evidence are used to assess the state of the region and inform policy direction and priorities for the CA.

A4 - The strategic policy framework for the Combined Authority is re-established.

A5 - The mayor's operating arrangements and appropriate office support is in place and fit for purpose.

Workstream Sponsor:	Fliss Miller
Project Manager/s:	Chris Bolton
CEX Lead:	Robert Pollock
PMO (Programme Management Office) Support:	Thomas Farmer
Agreed Completion Date:	31/01/2023
Forecast Completion Date:	31/01/2023

Reporting Period:				01/12/2022 – 23/12/2022			
Workstream A Project Status		This Period:		GREEN			
		Previous Period:		GREEN			
Workstream A - Project Update: December							
Workstream flagged as green, 73% of the tasks completed.							
Project Outcomes:							
<ul style="list-style-type: none">Following the completion of the mapping exercise to identify all existing Board approved strategies and agreed priorities, a draft Corporate Strategy has been prepared for consideration by the Board on 25 January 2023.Following engagement with the mayor to outline the mayoral policy agenda an Ambition Strategy has been drafted and added to the Corporate StrategyOutput from the staff survey on values and behaviours fed into an all-staff workshop in early December. The workshop was well attended, and from its reflections we have drafted a set of core values for the organisation and included in the draft Corporate Strategy that have been tested with the Board and other key membersThe staffing structure for office of Mayor has been agreed and recruitment commenced with the first post, a head of policy now filled.The Executive Team senior structure has been agreed, descriptions finalised and recruitment to the Executive Director roles is underway (closing date 6 January 2023).							

Workstream A: CEX Lead (Robert Pollock) Comments:

Workstream A is making satisfactory progress toward completing the actions as set out in the improvement plan:

The Corporate Strategy is on schedule to be approved at Board. Engagement with Leaders, and Constituent Authority CEOs has been supportive. Suggestions to strengthen the strategy have been welcomed and acted on. There is a recognition it is a transitional strategy and that insights from the improvement process and 'state of the region' review will need to be taken on board in future.

Through an all-staff workshop and engagement with Leaders, 5 values have been identified for the Combined Authority. This work continues. The bigger challenge will be making this real in practice through changes in behaviours and relationships.

Whilst the workstream will achieve many of its actions in January, focus must now be on how all the actions will be embedded and implemented in partnership with all constituent authorities.

Workstream A - Key Milestones/Activities this Period:

1	Further engagement at Leaders Strategy meeting 14 December.
2	Revised Corporate Strategy has been drafted and was reviewed at LSM.
3	Engagement session held on 15 th December introducing the Corporate Strategy to the Business Board, CPPSB and all CPCA Executive Committees.
4	Staff Values and Behaviours workshop took place 8 December.
5	Recruitment to Executive team and Chief Executive's Office (including support to the office of the mayor) complete.

Workstream A - Key Milestones/Activities Planned for Next Period:

1	Corporate Strategy report to be presented at the 25 January Board meeting.
2	Staff Values and Behaviours 8th December workshop outputs to be shared with organisation noting the dependency with Workstream E and Performance Management
3	Development of an implementation plan to take forward the actions completed within the Improvement Plan.

Workstream A - Project Issues:

	Issue Description	Mitigation
1	Workstream Resource – Interim Chief of staff is due to leave the CPCA on the 30/11/2022 and a	Chief of staff to prioritised development of the strategy during October and November to

	replacement will not be due to take up position until February 2023, which could mean that the strategy has no designated lead/author at what could be a critical time.	ensure full draft available by 30 November and her departure. Progress has continued and further mitigation is predicated upon the timely appointment of the new Chief of Staff meaning that there will be no significant loss in momentum of the workstream actions.
2	Leadership Resource - Mayor Dr Nik Johnson is due to take an extended period of sick leave until F Leadership Resource - Mayor Dr Nik Johnson is due to take an extended period of sick leave until February; the mayoral ambition will not be able to be represented by the mayor until after February.	Early sign-off from Dr Nik Johnson achieved prior to sick leave and full handover with Cllr Anna Smith completed to ensure continuity.
Workstream A - Project Risks:		
	Risk Description	Mitigation
1	Overarching Vision – Not reaching a consensus on the overarching vision impacting the ability of the organisation and suppliers to deliver against strategic objectives.	Ensure communication and engagement plan is in place. Ongoing work on a revised Corporate Strategy and plan will continue. The outputs of the staff survey will be included in a draft set of values which will be shared at an all-staff conference in December.
2	Strategy Gap - If there are gaps in the strategies identified then this could mean that a joined-up approach that reflects the 7 constituent councils of the CPCA may not be fully reflected.	Continued involvement and ongoing engagement with constituent councils at CEO level to ensure alignment is maximised.
Workstream A Report Completed By:		Chris Bolton
Completion Date:		21/12/2022

Workstream B

Project Description:

To Implement a comprehensive reset of ways of working and align the policy development and pre-board processes to support this.

Project Outcomes:

B1 - The Board's ways of working have been reset to enable it to operate in effective and strategic manner.

B2 - Executive Committee ways of working are reset to enable them to operate in a more effective manner.

B3 - Transitional Committee Structure implemented.

B4 - Policy space for Board is developed and aligned to the policy development process.

B5 - Informal governance mechanisms are in place that reset ways of working with constituents and partners.

B6 - The culture and operation of the CA supports it as an effective, high performing organisation.

B7 - A revised senior leadership structure in place to provide the organisation with clear and effective strategic direction and capacity.

B8 - This will be reviewed and updated once the new governance structures and emerging partnership arrangements are in place

Workstream Sponsor:		Steve Cox
Project Manager/s:		Louisa Simpson
CEX Lead:		Matt Gladstone
PMO Support:		Heidi Quigley
Agreed Completion Date:		31/01/2023
Forecast Completion Date:		31/01/2023 (for all actions save B8)
Reporting Period:		01/12/2022 – 23/12/2022
Workstream B Project Status	This Period:	AMBER
	Previous Period:	AMBER

Workstream B - Project Update:

B1 – B5: There has been considerable progress made on the actions associated with B1 – B5 following a positive Leaders Strategy Meeting. The following amended governance arrangements were agreed to progress to final sign off at the Combined Authority Board in January 2023:

Governance Proposals:

- Combined Authority Board to become a Strategic body supported by Thematic Committees to drive delivery of objectives.
- Creation of Thematic Committees to 'get on and deliver.'
- Empowered Thematic Committees with appropriate delegations, therefore reducing burden of business at CA Board.
- Core Thematic Committee principles including wider Constituent Officer engagement.
- Informed pre-Board process including Constituent CEXs and forward planning at a reenvisioned LSM that will provide 'policy space' to allow strategic debate.

Lead Member Role:

- All Constituent Council Leaders are offered a Portfolio Lead Role appointed by the mayor that is in line with Constituent Council responsibilities.
- Principle of Lead Member chairing respective Thematic Committees (not the mayor).

Burden Sharing:

- Strategic Board and empowered Committees will support return to 8-week cycle for Board meetings.
- Board substitute Member to take wider CA role through support for Lead Member role (including support in chairing Committees).
- Wider burden sharing addressed through greater officer support and engagement through CEX Group and informal advisory officer groups.
- Wider Constituent Member membership of Committees.

Informal Governance:

- CA/Constituent Officer advisory groups to be further developed to change ways of working with CEX Group continuing to support Leaders. Other groups to be developed:
- Place Directors Group
- Directors of Finance Group
- Education Advisory Group
- Possible Transport Advisory Group

B6 - Values:

- Staff session held in early December to build on staff perceptions from staff survey and pre-session activity.
- Discussions with Board Members have taken place and informed the values to be presented to the CA Board on 25 January.

Next phase:

- Values to be shared with LSM in January on route to CA Board.
- Behaviours to be drafted in Jan to reflect positive and negative behaviours colleagues in CPCA will be held accountable for.
- People policies and processes to be amended to reflect values and behaviours to be agreed at CA Board on 25th January.
- Development activity to be commissioned for managers and CA Board members to embed future way of working.
- Performance management system to reflect expected values and behaviours and to be built into future objective setting, appraisals and 1-1s.

B7 – Leadership Structure:

- Adverts for key Senior Executive roles have been advertised.

B8 – Ext. Partner Engagement:

- No formal work has started on this.

There were some concerns within the Workstream in terms of the commitment of Members to an already agreed decision to change the way the Board works and to delegate decisions to committees. This has been tested at the December 2022 LSM and general agreement was found in terms of the changes to Governance structures. The support of the IIB will be key to continuing to drive this change and the progress to date is being shared with the IIB Chair.

Associated constitutional changes/amends will be taken to Audit & Governance Committee in January on route to Board.

Key interdependencies with Workstream B – **A1, A2, A4, C2, D1, E4, F1** – discussions underway.

Change Request to be submitted to amend the dates for delivery against the below outcomes:

B1 – 25 January 2023

B2 – 25 January 2023

B3 – 25 January 2023

B4 – Implementation as soon as possible following 25 Jan 2023 Board meeting

B5 – Implementation as soon as possible following 25 Jan 2023 Board meeting

B6 – 31 January 2023

B7 – Mid January 2023

B8 – 1 March 2023

These changes reflect the issues being had in terms of the required support from the IIB to implement some of the previously agreed changes, formal change requests will be submitted to the next Improvement Group Meeting.

Collaborative working across the CPCA partners is still not established, the informal arrangements being agreed as part of the governance review will establish new groups to support this but groups that are already in place must be mapped and used proactively by CPCA, this was highlighted with the recent CPCA Procurement Strategy that has been developed but consultation opportunities were missed in terms of the Regional Procurement Managers Group.

Workstream B: Workstream Lead (Steve Cox) Comments:

Substantial progress is being made on B1-B5 following LSM and the positive response received from Members. Similarly progress with B6 (values) with the staff session on 8 Dec, further engagement with Members and the update to all staff on 22 Dec. B7 is being progressed with recruitment underway for 2 ED roles. There is an engagement plan in place under B8 and the call has gone out to all workstream leads to make sure it is populated with planned events for communications support to be provided. While all in on track until the Board sign off the governance proposals on 25 Jan, I am content for this workstream to remain Amber.

Workstream B: CEX Lead (Matt Gladstone) Comments:

- Mayoral interface with constituent authorities
- LSM horizon scanning – central government policies
- Place based Directors & Finance groups
- How do we know we are making a difference – collective added value. An improved understanding of our performance and delivery of programmes currently in place leading into the Performance Management Framework work held by Workstream E

Workstream B - Key Milestones/Activities this Period:

1	Changes to Board delegation, committee structure and responsibilities agreed at Leaders Strategy Meeting on 14 December.
2	Timeframe for recruitment for Executive Team agreed.
3	Mapped progress of values & cultural changes with staff.
4	Sessions with Members w/c 12 December following Staff Workshop.
5	Continued meetings with Workstreams regarding interdependencies as noted above.

Workstream B - Key Milestones/Activities Planned for Next Period:

1	LSM consideration of draft Board Report on 11 January.
2	Audit & Governance Committee on 13 January.
3	Briefing Paper on Governance Arrangement Proposals to be sent to Executive Committee members early January.

4	Report setting out Governance Arrangements to be considered by CA Board on 25 January.	
5	Transition Plan for new Ways of Board Working to be developed.	
6	Mapping of existing regional groups to take place & CPCA membership where appropriate added.	
7	Embedding the values work completed before Christmas to be actioned – meeting to be arranged with HR (Human Resources), Workstream Lead, Comms Team to ensure plan established	
Workstream B - Project Issues:		
	Issue Description	Mitigation
Workstream B - Project Risks:		
	Risk Description	Mitigation
1	Governance Framework not agreed.	Engagement with all parties sighted in the EY audit in agreeing the steps to improve the functioning of partners with the CPCA.
2	Values and Cultural changes are not agreed.	Engagement with staff in the development of the Improvement Plan actions, vision and behaviours. Consultation with staff on the implementation of values and behaviours within the CPCA and into wider partners.
3	Way of Working remains unchanged despite completion of workstream actions	Develop shared values with partners. Engage staff internally in workshop. Develop a golden thread linked to the values & behaviours.
4	Resourcing capacity affected by absence.	Monitor workloads of key staff leading the workstreams. Offer additional resource/back fill where necessary.
5	Member commitment to agreed principles of change wavers.	Discussion with IIB Chair to get support of the Board to holding members accountable.
Workstream B Report Completed By:		Louisa Simpson & Steve Cox
Completion Date:		22/12/2022

Workstream C

Project Description:

To prioritise work to establish a long-term strategy for transport, buses and review the role and functioning of the Business Board.

Project Outcomes:

C1 - A long-term strategy for Transport and Buses is in place that meets the growth needs of the CPCA area.

C2 - The role and function of the Business Board is fit for purpose in line with Government recommendations.

Workstream Sponsor:	Steve Clarke
Project Manager/s:	Peter Tonks
CEX Lead:	Jo Lancaster
PMO Support:	Heidi Quigley
Agreed Completion Date:	31/01/2023
Forecast Completion Date:	23/06/23* *Other elements of the Workstream will be completed before this date. The LTCP (Local Transport and Connectivity Plan) will not be complete until June 2023.

Reporting Period:	01/12/2022 – 23/12/2022				
Workstream C Project Status	<table> <tr> <td>This Period:</td><td>AMBER</td></tr> <tr> <td>Previous Period:</td><td>AMBER</td></tr> </table>	This Period:	AMBER	Previous Period:	AMBER
This Period:	AMBER				
Previous Period:	AMBER				

Workstream C - Project Update:

LTCP

The Transport and Connectivity Plan elements of the Workstream Project have now been replanned to take account of the delay to the release of the DfT (Department for Transport) Guidance as outlined in the previous Highlight Report and Change Request. The guidance is due to be released by the end of 2022 which pushes the completion date for this part of the Project to June 2023. It is worth noting that at the time of writing (20/12/2022) guidance has still not been released.

Key Milestones for this element of the Project are as follows:

Task Description	Dates
Redraft following DfT Guidance Release	Jan/Feb 2023
Drafts to LSM and TIC (Transport and Infrastructure Committee)	March 2023
Amendments to Draft following LSM/TIC	April/May 2023*
Sign Off and Publish	June 2023

*Incorporates Pre-Election Period

Bus Strategy

The Draft Bus Strategy is almost ready to go out to consultation and this is currently planned for w/c 9 January 2023. The consultation will run for just over a month and at the end of this period the Strategy will be amended considering relevant feedback. It will then be ready for sign-off and publication in March. Full release of the Strategy (as part of the LTCP) will be subject to the

timescales for the LTCP outlined above, which as per Issue 1 below is itself subject to the release of guidance from the Department for Transport (DfT).

Transport Schemes Review

This element of the Project is split into two phases. Phase One, which considers current and approved Transport schemes is complete and these are now listed under a Single Project Register. Phase Two has a wider scope to review **all** schemes (i.e., approved, part-completed, delayed, potential etc.) and to consider an approach to prioritising these schemes and ensuring that roles and responsibilities across the CA and its delivery partners are clearly defined.

To avoid scope creep, clarity is sought around the deliverables/outputs that are expected for this Review. This follows discussion about the prioritisation of schemes during/following the Review and whether this was the responsibility of the Workstream Project Team. It is felt that the Workstream should provide a *Framework against which schemes could be assessed/prioritised* but that it should not be the Workstream's responsibility to prioritise the transport schemes.

Future of the Business Board

The planned Workshop held by Metro Dynamics took place on 07/12/2022 with Business Board and CA Board to consider the future role of the Business Board. The outputs from the workshop are being considered and will be consolidated into an Options Paper for consideration by the CA Board in January (timescales/meeting plans permitting).

The Project status remains at Amber as the current target completion date of 31/01/2023 will not be met. A Change Request has previously been submitted to address this and once approved the RAG rating may return to Green but is still dependent on the release of DfT guidance.

Workstream C: CEX Lead (Jo Lancaster) Comments:

There should be time to review the Business Board Options Paper that will be produced by Metro Dynamics by senior officers and project staff. This is so we can be assured that the work meets the brief but also so that we can carefully consider the impact on the broader CA, its improvement agenda and governance reviews, and consider fully the next steps to make sure that the foundations for the implementation/transition phase are clearly defined when Board are asked to consider the proposals.

Local Planning Authorities are concerned about the delay to the release of the LTCP and how this will impact their Local Transport Plans. Although it is understood that this is out of the control of the CPCA as we await guidance from the DfT, we should maintain ongoing contact with local transport representatives and colleagues to consistently communicate, reassure, collaborate, and understand the consequences of the continued delay.

Although release of guidance from the DfT is due imminently, this should be closely monitored as part of these ongoing monthly discussions to ensure that we can appropriately address and mitigate any further delays from the DfT.

Workstream C - Key Milestones/Activities this Period:

1	LTCP elements of Project now replanned
2	Bus Strategy ready for Consultation
3	Metro Dynamics Workshop with Business Board and Combined Authority Board Members

Workstream C - Key Milestones/Activities Planned for Next Period:		
1	Review DfT Guidance and Begin Redraft of LTCP	
2	Bus Strategy out to Consultation	
3	Business Board Options Paper Development and Presentation via Workshop	
4	Draft Final Recommendations Re-Business Board	
Workstream C - Project Issues:		
	Issue Description	Mitigation
1	The final LTCP will not be ready for approval by the agreed Workstream completion date due to delayed release of DfT Guidance	The LTCP has been drafted considering emerging strategies and policies from the DfT so it is highly likely that the Local Plan will mostly satisfy the requirements of the guidance once released. It should therefore require minimal amendment which in turn should reduce the potential for further delay. Also, continue to monitor DfT website and updates etc. For guidance release. A Change Request has been raised to push the completion date back to June 2023.
Workstream C - Project Risks:		
	Risk Description	Mitigation
1	There is a risk of scope creep regarding the outputs required for the Transport Review element of the Project. This is related to prioritisation of schemes and whether this is the responsibility of the Workstream to prioritise or simply provide a framework against which schemes can be assessed/prioritised.	Seek clarity on the expected deliverables for this element of the workstream.
2	There is a risk that there is not enough staff capacity to achieve the desired outcomes by the agreed dates. This is particularly acute for the Transport elements. For instance, Phase Two of the Transport Schemes Review, although to be undertaken by the CA's Auditors (RSM) cannot commence until February due to capacity issues. Additionally, delays to the DfT guidance release, impacts other planned work for staff within the CA Transport Team.	Continually monitor plans and progress from RSM via the CAs Transport Consultant. Review the amount of effort required to redraft the LTCP once the DfT guidance has been released and seek additional resource if needed.
Workstream C Report Completed By:		P Tonks, S Clarke, J Lancaster
Completion Date:		05/01/2023

Workstream D

Project Description:

To undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking more control of the application of funds for identified priorities

Project Outcomes:

D1 - The CA has identified sustainable income options and has the capacity and capability to proactively develop effective cases for future funding.

Workstream Sponsor:	Robert Emery
Project Manager/s:	Peter Tonks
CEX Lead:	Liz Watts
PMO Support:	Heidi Quigley
Agreed Completion Date:	31/01/2023
Forecast Completion Date:	31/03/2023

Reporting Period:	01/12/2022 – 23/12/2022	
Workstream D Project Status	This Period:	AMBER
	Previous Period:	AMBER

Workstream D - Project Update:

A first draft of the strategic review and options is currently being considered by the Project Team and Financial Management Team. Before the Review and Options can be completed, there are some outstanding queries and actions that are required to be finished first, including the options around a Bid Function/Bid Management and decisions related to interdependent Workstreams (see Risk 3 below).

A workshop to consider current processes and options for a co-ordinated bid function has been arranged for 16/01/2023. This will help the CA to understand best practice and begin to develop principles and processes behind the bid function. All Constituent Councils have confirmed attendance. The workshop will also include representatives from other workstreams to address some of the issues raised around interdependencies and to build valuable relationships moving forward.

The Project status remains at Amber as the current target completion date of 31/01/2023 will not be met particularly in relation to the Bid Function. A Change Request has previously been submitted to address this and once approved the RAG rating can return to Green.

Workstream D: CEX Lead (Liz Watts) Comments:

It would be useful to share the Draft Strategic Review and Options Paper with CEXs to ensure they are fully sighted on this.

In terms of the Bid Workshop, all councils are now planning to attend, and this should provide a good basis upon which to build an effective bid function. However, we should not over-engineer this. Solutions should be streamlined and focussed to address the issues that come out of the workshop. Key outcomes or deliverables for the workshop could be; 1) A dynamic list of approved 'pipeline projects' so that we are able to react quickly when/if unexpected funding becomes available; 2) A central bid writing function that is able to provide experience to Constituent Councils

who do not have this capacity or expertise; 3) A set of parameters or memorandum of understanding that clearly outlines any procedures to be followed and under what circumstances the bid writing function might become involved, and this may differ between organisations. Specific solutions and outputs will be driven by the workshop.

Workstream D - Key Milestones/Activities this Period:

1	First Draft of Strategic Review Document
2	Research and Consideration of Bid Function/Coordinator Role
3	Workshop arranged for mid-January with appropriate representatives from Constituent Councils (nominated by Chief Execs) to understand best practice and begin to develop principles and processes behind the bid function.

Workstream D - Key Milestones/Activities Planned for Next Period:

1	Continued review, challenge, and feedback on draft Strategic Review Document
2	Completion of Strategic Review
3	Bid Function Workshop to be prepared and held
4	Agree funding (and funding sources) required for the Bid Function (Co-Ordination Role) and ensure included in relevant budget(s) where possible
5	Review of Workshop Outcomes – Begin to build action plan for Bid Function

Workstream D - Project Issues:

	Issue Description	Mitigation
1	Work on the bid function element has not yet started and could take up to 3 months to complete, meaning we will not meet the agreed project completion date.	Identify and prioritise key tasks that will allow the 'as-is' analysis work to begin first to gain an understanding of what we currently have across the CA and Constituent Councils allowing us to identify requirements as a minimum viable product. A Change Request has been raised to push the completion date back to March 2023.

Workstream D - Project Risks:

	Risk Description	Mitigation
1	Greater clarity is needed regarding the dependencies between workstreams. Although initial critical path work was useful it is felt that more detail is required.	The Critical Path is due to be reviewed by the Programme Manager and Governance to simplify. The new process for Highlight Reporting should also give a more holistic view of the wider programme and progress in other workstreams.
2	There is a risk that Constituent Councils may not be accepting of the review of the bid function if its conclusions are a 'Centralised/Coordinated Bid Function'. It may be seen as a threat to autonomy/income streams.	The Analysis piece of work that is central to this part of the project must be undertaken professionally and tactfully. All stakeholders must be identified so that they can be engaged effectively and provide valuable input. Representatives from all Constituent Councils have been invited to an initial 'Discovery' Workshop to be held on 16/01/2023

3	There is a risk that the Strategic Review Document cannot be finalised until key priorities for the CA have been agreed and confirmed as part of other Workstreams (particularly A and C).	The new process for Highlight Reporting should give a more holistic view of the wider programme and progress in other workstreams. Also, the bid function should allow for a more dynamic process meaning that as priorities become apparent there can be a more targeted approach to securing funding. Additionally, the Initial 'Discovery' Workshop to be held on 16/01/2023 will be attended by representatives from some of the other Workstreams.
Workstream D Report Completed By:		<i>P Tonks, R Emery, L Watts</i>
Completion Date:		<i>04/01/2023</i>

Workstream E

Project Description:

To design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities.

Project Outcomes:

E1 - The PMO has refreshed Terms of Reference for the Programme Management Office (PMO) including a resource plan that matches its enhanced role in the organisation

E2 - A robust and effective performance management framework is in place

E3 - The organisation has a comprehensive Risk management process embedded in the corporate governance framework.

E4 - Corporate Project Management regime and culture embedded across the CA.

E5 - Soft market testing exercise to be undertaken with regards to the procurement of bespoke project management software to allow access to performance information to be improved.

Workstream Sponsor:		Jodie Townsend
Project Manager/s:		Nathan Bunting
CEX Lead:		Paul Medd
PMO Support:		Thomas Farmer
Agreed Completion Date:		31/01/2023
Forecast Completion Date:		31/01/2023
Reporting Period:		01/12/2022 – 23/12/2022
Workstream E Project Status	This Period:	AMBER
	Previous Period:	AMBER

Workstream E - Project Update:

A meeting between the Project Lead, CEX Lead, and the Improvement Project Programme Manager led to agreement that there should be a reprofiling and restructuring of the activities in workstream E. The development of work in other workstreams, particularly workstream A and B, have identified additional focus that can be applied to workstream E as well as a need to reorder existing workstream E outcomes.

The proposed reprofiling aims to consider the need for a refreshed Assurance, Performance and Risk Framework (3 separate frameworks) and associated content, lifecycle etc in line with the new organisational values and operating principles of the CA (developed in workstream A), prior to understanding the corporate requirements within the Programme Office.

A proposed restructure has been drafted as part of a [change request](#) and is subject to approval by the Improvement Group on 03 January. Therefore, the workstream remains amber, but if approved may move to green next month.

Risk Management training plan has been agreed with our auditors, and we remain on target to resolve audit actions by early next year. An Orange Book Risk Management Framework

structure has been drafted and our auditors will be taking this project forward and developing the finished product.

A scoping document for the Performance Management Framework has been developed, this needs to be agreed internally prior to allocating chapters to different areas of the organisation.

Project Software IT specialist has been chosen and specification is in draft - ready to go to procurement in late January.

Paper detailing new SharePoint / Teams Site was agreed at PARC, next steps are for the IT specialists to be procured in January, followed by consultation with areas via champions, training, data transfer and then go live in May 23.

PARC papers on the Programme Office plan for corporate accreditation and for capturing and embedding lessons learned have been drafted ready for January PARC.

Workstream E: CEX Lead (Paul Medd) Comments:

A meeting was held with Paul Medd on 9/12 to update on progress. Paul signalled he was content with progress and noted and supported the need for a reprofile of the workstream.

Workstream E - Key Milestones/Activities this Period:

1	Scoping document for Performance Framework complete
2	Risk Management Strategy first draft complete and being reviewed by auditors
3	Risk management training plan complete and agreed with auditors
4	IT specialists appointed for project software and new SharePoint structure - specification in progress.
5	

Workstream E - Key Milestones/Activities Planned for Next Period:

1	Corporate accreditation and lessons learned papers taken to PARC
2	Project software and SharePoint structure specifications finalised, and procurement begins
3	Performance Framework scoping document agreed internally, and chapter action owners allocated.
4	Risk Management Framework progress continuing with auditors
5	Work on Assurance Framework and identifying areas for revision begins

Workstream E - Project Issues:

	Issue Description	Mitigation
1	Project delays beyond original timescale	Change request has been

		produced, and have re-baselined the dates
2	Structure of workstream not currently fit for purpose	As above
Workstream E - Project Risks:		
	Risk Description	Mitigation
1	Timing risk Performance Framework	Work through programme plan, meetings schedular and critical path to find a way of delivering at the best pace
2	Performance and Assurance Framework dependencies leading to delays. Dependencies with: <ul style="list-style-type: none"> - Investment Committee proposal - workstream D future funding approach to bids - Workstream B Governance Framework - Workstream A specific strategic fit criteria 	Monitor progress on other workstreams and feed in early work to a draft Performance and Assurance Framework
3	Funding not available for strengthened corporate mandate for PMO	PMO having discussions with finance and aligned to the budget timescales
Workstream E Report Completed By:		<i>Nathan Bunting, Jodie Townsend</i>
Completion Date:		<i>5/1/23</i>

Workstream F

Project Description:

To map the approach, capacity and arrangements needed to build an effective public relations and influencing delivery operation.

Project Outcomes:

F1 - The Combined Authority performs a demonstrable role in advocacy for the region.

Workstream Sponsor:

Jon Alsop

Project Manager/s:

Peter Tonks

CEX Lead:

Stephen Moir

PMO Support:

Heidi Quigley

Agreed Completion Date:

31/01/2023

Forecast Completion Date:

31/03/2023

Reporting Period:

01/12/2022 – 23/12/2022

Workstream F
This Period:

AMBER

Project Status
Previous Period:

GREEN

Workstream F - Project Update:

Work continues to identify and document best practice and the key elements, tasks and outputs associated with an effective Public Affairs (PA) and Communications and Engagement (C&E) Function. This is being undertaken alongside a structured gap analysis methodology to understand the key skills, capacity and processes needed to achieve the identified outputs against the skills, capacity and processes that already exist/are available to the CA.

From January the findings of this gap analysis will be reviewed and collated, and the Project will begin to develop an Outline PA/C&E Strategy and Action Plan so that we have the basis to enable the creation of a dynamic, robust, and effective PA/C&E function.

The project status is now considered to be Amber. The workstream is currently on track to deliver the gap analysis that will inform the Strategy and Plan by the agreed completion date. However, the dependencies with other workstreams (particularly Workstream A - the approval of the Corporate Plan being considered at Board in January) mean that a delay is inevitable, and it is now considered that a draft Strategy and Plan prepared consideration by the Combined Authority Chief Executives' will not be complete until the end of March 2023.

In terms of mitigating the impact of this delay, some operational work has already been undertaken within the Communications Team and progress is already underway to address some of the gaps identified, including staff recruitment to fill identified skillset gaps and the procurement of Public Affairs/Stakeholder Management Software.

The CEX Lead has considered and endorsed the revised timeline and a change request will be prepared for approval.

Workstream F: CEX Lead (Stephen Moir) Comments:

Having scrutinised the detailed work undertaken on the gap analysis; I am reassured that progress has been made with this workstream.

The revised completion date reflects the interdependency with other workstreams and therefore the adjusted to the RAG rating is appropriate.

I have recommended to the CA Workstream Sponsor that the gap analysis and associated work is shared more widely with the constituent Chief Executives,' once completed, and have advised that as part of the gap analysis, the exemplars and functions of best practice should be evidenced more clearly.

Workstream F - Key Milestones/Activities this Period:

1	PA capacity, skills, and processes 60% mapped
2	Communications and Engagement (C&E) capacity, skills, and processes 30% mapped

Workstream F - Key Milestones/Activities Planned for Next Period:

1	Undertake Gap Analysis
2	Develop Outline Strategy
3	First Draft Action Plan
4	Engagement Sessions with Stakeholders to be Organised/Held

Workstream F - Project Issues: None

	Issue Description	Mitigation
1		
2		
3		

Workstream F - Project Risks:

	Risk Description	Mitigation
1	There is a risk that even with an effective PA/C&E Function, the outcome of performing a demonstrable role in advocacy for the Region will not be met if the overarching strategy coming out of Workstream A does not align or is not appealing/influential enough to support the PA/C&E Function.	Work closely with Workstream A representatives to ensure key messages can support an effective PA/C&E Function.
2	There is a risk that current and future Central Government drivers for investment will be misinterpreted, misunderstood, or simply missed if the PA/C&E Function is not embedded within the Bid Process/Function.	Ensure these elements are incorporated into the PA/C&E Function to monitor potential new funding streams and drivers. Make use of monitoring software and links that are available. Ensure links to Workstream D are properly utilised, particularly aligning the PA/C&E Function to a potential 'Bidding Function'.
3	There is a risk that inconsistent messages being delivered by different Constituent Councils, CA Board and the Mayoral Office will result in mixed messages being	Ensure that the PA/C&E Function clearly defines what messages and therefore influence is appropriate for scenarios i.e., define when a CPCA led message/brief is

	portrayed. This will undermine the effectiveness of the PA/C&E Strategy/Plan.	appropriate and when a LA led message/brief is appropriate.
4	There is a risk that Constituent Authorities and Business Partners will not make best use of a PA/C&E function and will not portray the CA as a unified and committed entity, this will also impact upon the CAs Leadership role.	Ensure that relevant agencies and partners are included in Project Communications so that awareness and use of the PA/C&E Function is addressed from the outset. Ensure clearly defined processes are embedded throughout to monitor and control the flow of information inwards and outwards. Engage with CEXs from Constituent Councils to ensure these processes are embedded and an efficient and consistent information exchange between the CA and Constituent Councils.
5	There is a slight delay to the initial gap analysis due to staff sickness. Any further delays (e.g., further/new staff capacity issues) will mean that the Outline Strategy and Action Plan will not be completed in time to meet the current project deadline.	Monitor closely and if work on gap analysis does not progress accordingly then raise CR for date change.
Workstream F Report Completed By:		<i>P Tonks, J Alsop, S Moir</i>
Completion Date:		<i>06/01/2023</i>



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 5

Internal Audit Progress Report

To:	Audit and Governance Committee
Meeting Date:	27 January 2023
From:	Jon Alsop, Head of Finance and S73 Officer
Key decision:	Not a key decision
Forward Plan ref:	n/a
Recommendations:	<p>The Audit and Governance Committee is recommended to:</p> <ul style="list-style-type: none">a) Receive and note the internal audit progress report against the audit plan for 2022/23 as provided by the Combined Authority's internal auditors, RSM Risk Assurance Services LLP (RSM).b) Receive and note an update to the internal auditor's annual report for 2021/22.
Voting arrangements:	Note only item, no vote required.

1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
 - a) Receive and note progress being made against the internal audit plan for 2022/23.

2. Background

- 2.1. RSM presented the internal audit plan for 2022/23 to the Committee at its meeting of 29th July 2022. Members approved the topics proposed in the plan but recommended that officers adopt a flexible approach to the commissioning of reviews to give priority to work that helps the improvement journey. The attached report provides an update to activity against that plan.
- 2.2. RSM provided the Committee with its annual internal audit report for 2021/22 at the 2nd December 2022 meeting. Following discussion, the Committee requested that an updated report be brought to the next Committee meeting, providing more information on “post year developments”. In response to this request, RSM have provided an updated annual report for 2021/22 which is shown at Appendix 2.

3. Financial Implications

- 3.1. Internal audit fees are within those agreed as part of the internal audit service contract.

4. Legal Implications

- 4.1 The Cities and Local Government Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority’s risk management, internal control and corporate governance arrangements.
- 4.2 The Accounts and Audit Regulations 2015 are a statutory instrument and require the Authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 4.3 Section 3 of the Accounts and Audit Regulations 2015 states that - A relevant authority must ensure that it has a sound system of internal control which—
 - a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - b) ensures that the financial and operational management of the authority is effective; and
 - c) includes effective arrangements for the management of risk.

- 4.4 The Public Sector Internal Audit Standards and related Local Government Application Note establish the professional standards Internal Audit must apply when planning the use of its resources.

5. Other Significant Implications

- 5.1. No other significant implications have been identified.

6. Appendices

Appendix 1 – Internal Audit update report 2022/23 (RSM)
Appendix 2 – Internal Audit annual report 2021/22 (update)

7. Background Papers

[Internal Audit Plan A&GC July 2022](#)

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Internal Audit Progress Report

27 January 2023

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.



CONTENTS

1	Key messages	3
2	Reports	4
	Appendix A – Progress against the internal audit plan 2021/22 – remaining audit only	5
	Appendix B – Progress against the internal audit plan 2022/23.....	6
	Appendix C – Other matters.....	7
	Appendix C - Key performance indicators (KPIs) for 2022/23 delivery	9
	For more information contact	10

1 Key messages

The internal audit plan for 2022/23 was approved at the July 2022 meeting. This report provides an update on progress against that plan, the changes to the plan and summarises the results of our work to date.



Additional 2021/22 internal audit activity

We were asked by Officers to undertake an Analysis of Government Procurement Card Expenditure and Expenses. The draft report has been issued and the final report will be issued once we have discussed the latest draft report with Officers and responses to the action plan are received.

[\[To note\]](#)

2022/23 Internal Audit Delivery

Since the last meeting we have issued **one final report** from the 2022/23 internal audit plan – Risk Management.

We have also issued **one further draft report** from the 2022/23 internal audit plan (Affordable Housing Grant Programme). We are awaiting responses from management to the draft report and have been advised that the draft report will be discussed at the Executive on 24th January ahead of a formal response to the draft.



The fieldwork for the Core Control Framework and Net Zero Hub - Governance audits is in progress, and the final reports are expected to be presented to the next Audit & Governance Committee (AGC) meeting.

Remaining audits are due to be delivered in January and February 2023. The use of the Succession Planning audit budget (this audit is being deferred to 2023/24 as previously reported), has been discussed with management and the budget will be used to undertake the extended scope of the subsidiary governance review. Further details are included at Appendix C.

[\[To note\]](#)

2023/24 Planning

We have commenced the 2023/24 Internal Audit Planning process with management and we will be bringing our proposed Internal Audit Plan for 2023/24 to the March 2023 Audit Committee for approval.



[\[To note\]](#)

2 Reports

Summary of final reports being presented to this committee

We have issued one final report since the last meeting from the 2022/23 Internal Audit Plan.

Assignment	Debrief Date	Opinion issued	Actions agreed		
			L	M	H
Risk Management (3.22/23) <p>Our review found that the necessary updates to strengthen the risk management processes was still work in progress with areas such as the provision of training and the development of the risk appetite being planned for completion by the end of 2022. The control framework does still require further strengthening to ensure that all areas of risk can be consistently identified, managed, reviewed, and reported.</p> <p>We noted that the updated Risk Management Strategy was yet to be approved, and through review, we found that the version that had been updated was one prior to the version agreed in 2020 and further updates were required including recognition that the Corporate and Portfolio risk registers are now amalgamated as one. We noted inconsistencies in the completeness of a sample of two Programme and two Portfolio risk registers that we reviewed including details about action owners and risk scores, found that improvements are required to ensure robust and regular review of Programme and Portfolio risks as well identifying the absence of the use of assurances within the risk registers.</p> <p>Whilst we note some improvements and progress has been made since our last review in 2020/21, it is evident that further work is still required to ensure a fully robust and effective risk management framework is in place.</p>	27 October 2022 (last audited 2020/21)	Partial Assurance	0	6	0

Appendix A – Progress against the internal audit plan 2021/22 – remaining audit only

Assignment	Timing / Status / Opinion issued	Actions agreed			Target AGC	Actual AGC
		L	M	H		
Analysis of Government Procurement Card Expenditure and Expenses	DRAFT report issued 16 December 2021				TO BE CONFIRMED	
	Revised DRAFT reports issued 12 May 2022 and 28 September 2022					

Appendix B – Progress against the internal audit plan 2022/23

Assignment	Timing / Status / Opinion issued	Actions agreed			Target AGC	Actual AGC
		L	M	H		
Data Protection – Deep Dive	FINAL - Advisory	2	9	1	January 2023	December 2022
Risk Management	Final – Partial Assurance	0	6	0	January 2023	January 2023
Affordable Housing Grant Programme	Draft report issued 12 January 2023				(January 2023) March 2023	
Net Zero Hub - governance	Fieldwork in progress				(January 2023) Now March 2023	
Core Control Framework	Fieldwork in progress				March 2023	
IT Audit	27 January 2023				March / June 2023	
Follow Up	30 January 2023				March / June 2023	
Subsidiary Companies – Deep Dives	13 February 2023				June 2023	
Governance	20 February 2023				June 2023	
Succession Planning*	n/a				n/a	

* please see Appendix C

Appendix C – Other matters

Changes to the audit plan

Since the last meeting there have been the following change to the 2022/23 internal audit plan:

Audit/Area	Change Proposed
Succession Planning	<p>The Succession Planning audit was originally scheduled to take place in October 2022. We were initially requested by management to delay this until January 2023 due to ongoing work in this area, and asked to delay the audit to summer 2023, and it is to form part of the 2023/24 internal audit plan as discussed at the previous Committee.</p> <p>New Change - We have since agreed with management to utilise the budget by expanding the coverage of the Subsidiary Companies – Deep Dive review to encompass coverage of both one Growth Company and one Property Company.</p>

The following changes were previously reported:

Audit/Area	Change Proposed
Affordable Housing Programme	At the July Audit & Governance Committee, it was suggested that the proposed Affordable Housing Programme audit may overlap with other work being undertaken. We discussed with management the potential scope of the audit and whether it remained appropriate to be included within the plan, or whether it should be replaced with something else. We agreed that the audit should focus on the grant programme, and therefore there would be no overlap with the work being undertaken by the scrutiny committee.
IT Audit	A scoping meeting was held with the audit sponsor, at which we were asked to push the audit back due to the current transition period which includes IT changes. This audit will now take place in January 2023.

RSM External reviews of quality

One of the key measures of quality is an independent third-party assessment and, as a firm we are required to conform to the requirements of the International Professional Practices Framework (IPPF) published by the Global IIA. Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'. The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Information briefings and updates

We attach one client briefing in regard to our Procurement & Contract Management Newsletter & Technical Brief - January 2023

Appendix C - Key performance indicators (KPIs) for 2022/23 delivery

	Delivery				Quality		
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales following scoping	Yes	83%	Succession Planning audit has been delayed	Conformance with PSIAS and IIA Standards	Yes	Yes	
Draft reports issued within 15 days of debrief meeting	100%	50%	One report was issued after 25 days due to auditor sickness.	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 15 days of draft report	100%	0%		Response time for all general enquiries for assistance	2 working days	100%	
Final report issued within 3 days of management response	100%	100%		Response for emergencies and potential fraud	1 working days	N/A	
Notes							

The above KPIs take into account changes agreed by management and the Audit & Governance Committee during the year.

FOR MORE INFORMATION CONTACT

Daniel Harris, Head of Internal Audit

Email: Daniel.Harris@rsmuk.com

Nick Fanning, Manager

Email: Nick.Fanning@rsmuk.com

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire and Peterborough Combined Authority and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

Newsletter & Technical Brief

In this our first new

In this edition:

- Please contact us for more information about the content of this newsletter or if you would like to attend our free webinars or paid-for training events.

Partner

walter.akers@rsmuk.com



PROCUREMENT & CONTRACT MANAGEMENT

NEWSLETTER & TECHNICAL BRIEF JAN 2023

Page 2

1. New Procurement Bill reaches the House of Commons, but progress is taking longer than expected.

The Procurement Bill completed its committee and report stage in the House of Lords and was passed to the House of Commons on 14 December 2022. The current amended version of the bill has been published and can be found here: [Procurement Bill](#). The second reading in the Commons took place on 9 January 2023. The Bill's passage is taking longer than expected and it is now anticipated that we will reach royal assent in late 2023 with implementation during the first half of 2024.

Join us on 30 January 2023 at 12:30 at our next webinar when we will discuss the new draft procurement legislation and the impact it will have on us all. To join this FREE Webinar on 30 January 2023 12:30, use this TEAMS link: [Click here to join the meeting](#)

2. Government puts a good spin on the benefits of the new Procurement Bill, however the knives are out in the House of Commons and everything could change.

This week the Cabinet Office Government Commercial Function published a report: [Benefits for Prospective Suppliers to the Public Sector](#). The document sets out how the new regime will deliver a range of benefits for suppliers of all sizes wishing to do business and deliver contracts for the public sector. However, the Bill is yet to face the rigour of the Commons and significant amendments are expected. That said if just some of the benefits set out by the Cabinet Office report are realised it will be a significant improvement on the current regime. You have to applaud the ambition.

3. Disclosing details of other bidders: a balancing act of transparency vs commercial interests

Do public bodies need to release the names of parties who took part in a procurement exercise and failed to secure a bid?

Under the Public Contracts Regulations 2015, there is no obligation to disclose details of other bidders beside the specific requirement in the standstill letters, where only details of the successful contractor must be disclosed to the individual unsuccessful bidder. However, could the Freedom of Information override this?

The First-tier Tribunal of the General Regulatory Chamber dismissed an appeal in [Greenwood v Information Commissioner](#), brought under section 57 of the Freedom of Information Act 2000. The court found that there was insufficient evidence to persuade them that on balance it was in the public interest to disclose the withheld information, particularly following evidence that disclosure would or would be likely to adversely affect these companies' commercial interests. The case required a balancing act between the public interest in the Government's handling of the pandemic versus the respondents' notion of protection and safeguarding the anonymity of unsuccessful bidders. The Tribunal found the commercial interest in withholding the information outweighed any public interest and therefore dismissed the appeal.

PROCUREMENT & CONTRACT MANAGEMENT

NEWSLETTER & TECHNICAL BRIEF JAN 2023

Page 3

4. The 30 day time limit for procurement challenge is clear but when does the clock start ticking?

We see instances when contracting authorities believe the clock starts rigidly when they inform bidders of the outcome, however if you withhold information (intentionally or by error) from unsuccessful bidders this 30 day period could start much later and open a challenge at a future date. The case law is clear; The clock is stated to run from “the date when the Claimant first knew or ought to have known that grounds for starting the proceedings had arisen”.

We have been provided with further guidance on when things about which a Claimant “ought to have known” in [Siemens Mobility Ltd v High Speed Two \(HS2\) Ltd](#). This judgment provides a useful analysis of the case law on this often confusing situation about the 30 day limitation period for procurement claims, and the point at which a Claimant can be said to have acquired or should have acquired enough knowledge to start that limitation clock running. The judgement is worth a read.

5. Oh what a tangled web we weave when we design to run roughshod over the rules

The case of [Consultant Connect Limited v NHS Bath](#) is most extraordinary. So many breaches of the regulations all happening during one procurement process is rare. Contracting authorities must comply with both Regulations 18 and 33 of the Public Contracts Regulations 2015 (PCR) when awarding call-off contracts, and in this case they clearly did not.

The judgement finds wide-ranging breaches of the Regulations, including that:

- the Defendants used the framework to effect the direct award of the contract to the Interested Party in breach of the equal treatment requirements under Regulation 18;
- the mini competition did not comply with Regulation 33, because (a) only one bidder was invited to tender; (b) the Defendants had tailored their requirements to that bidder; and (c) the pricing arrangement did not remotely resemble the pricing set out in the framework agreement; and
- two employees had conflicts of interest and, in breach of Regulation 24, no appropriate measures were taken by the Defendants to prevent them from being involved in the procurement.

Further the judge rejected the Defendants' argument that non-parties should be unable to challenge the award of a call-off contract under the relevant framework agreement. On the facts of the case, the Court found that the contract award breached a relevant duty owed to the non-member and the non-member suffered, or risked suffering, loss in consequence.

The judge was clearly not happy and he made a contract shortening order, the first of its kind in the UK, ordered the Defendant to pay civil financial penalties and further found that the Defendant's breaches were sufficiently serious to award damages.

PROCUREMENT & CONTRACT MANAGEMENT NEWSLETTER & TECHNICAL BRIEF JAN 2023

Page 4

6. Up coming webinars and training courses

Training

The next Public Procurement & Contract Management Training days are open for bookings. Please write to walter.akers@rsmuk.com to book.

- Beginners Guide to Public Procurement (Level 1) - Friday 10 March 2023 (9:30 – 15:45) Cost £240 plus VAT per attendee.
- Introduction to contract Management (Level 1) – Wednesday 15 March 2023 (9:30 – 15:45) Cost £240 plus VAT per attendee.
- Guide to completing FTS Notices – Friday 24 March 2023 (9:30 – 12:45) Cost £180 plus VAT per attendee.
- How to Undertake Compliant Tender Evaluations - Friday 28 April 2023 (9.30 -15.45) Cost £240 plus VAT per attendee.

Webinar 30 January 2023

The next FREE Webinar is on 30 January 2023 from 12:30 to 13:15. During this Webinar we will be providing an update on the new UK procurement bill. To join this FREE Webinar on 30 January 2023 12:30, use this TEAMS link: [Click here to join the meeting](#)

Walter Akers
Partner
RSM UK Risk Assurance Services LLP
walter.akers@rsmuk.com
+447561327662

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although care has been taken to ensure the content is accurate and timely, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. RSM therefore accepts no liability for loss of any kind incurred as a result of reliance on the information or opinions provided in this presentation. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

RSM UK Corporate Finance LLP, RSM UK Restructuring Advisory LLP, RSM UK Risk Assurance Services LLP, RSM UK Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Northern Ireland (UK) Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are licensed by the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM UK Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. Whilst every effort has been made to ensure accuracy, information contained in this communication may not be comprehensive and recipients should not act upon it without seeking professional advice.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

[Annual internal audit report 2021/22](#)

Presented at the Audit and Governance Committee 2 December 2022

This report is solely for the use of the persons to whom it is addressed.

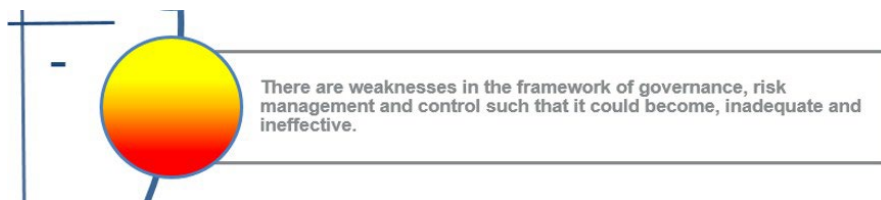
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

THE ANNUAL INTERNAL AUDIT OPINION

This report provides our annual internal audit opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance reporting.

The opinion

For the 12 months ended 31 March 2022, the head of internal audit opinion for Cambridgeshire and Peterborough Combined Authority is as follows:



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

It remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be a substitute for management responsibility around the design and effective operation of these systems.

Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit and governance committee, our opinion is subject to inherent limitations, as detailed below:

- internal audit has not reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention; and
- our internal audit work for 2021/22 has continued to be undertaken through the operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been some impact on both the operations of the organisation and its risk profile, and our annual opinion should be read in this context.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Risk management

We have not undertaken a specific risk management review in 2021/22. An audit of risk management was originally included within the 2021/22 plan following the partial (negative) assurance opinion issued in 2020/21. Management advised that whilst some progress had been made, there were still a number of areas arising from the partial assurance opinion that still needed to be addressed. Due to the limited progress of implementing these actions, the risk management audit was replaced with another review.

We were provided with an updated version of the Corporate Risk Register on 16 May 2022 to further inform our discussions on the internal audit coverage for 2022/23, but we have not carried out a detailed review of the new risk register or the actions previously agreed.

Governance

Our governance coverage in 2021/22 was focussed on Subsidiary Governance. We carried out an audit designed to allow the Authority take assurance that appropriate governance arrangements were in place to monitor, manage and support its subsidiary companies, including the reporting and escalation of matters to the CPCA for oversight and scrutiny. This concluded with a negative opinion, minimal assurance.

Our review identified significant issues requiring management attention, including a lack of operational and financial performance reporting from the subsidiary companies to the CPCA, and a lack of oversight from the CPCA regarding the operations of its subsidiaries. In addition, evidence was not provided during the audit to confirm that the business plans of subsidiary companies were being subject to regular review by the CPCA in line with Shareholder Agreements, whilst for one subsidiary, evidence of an initial business plan was not provided. Furthermore, we identified issues with the risk registers for the CPCA's operational subsidiary companies, including a lack of separation between planned actions and implemented controls, and a lack of specific and measurable actions. We were also unable to confirm that a Programme Management Committee had been established for the Business Growth Company, as required by its Shareholders Agreement. We did identify also some well designed and complied with controls during the review.

We have also been advised post year end of a governance review commissioned by the Authority and conducted by Governance First Limited which has highlighted a wide range of improvement actions required in the area of governance. Following this review we have also been advised of a subsequent letter from EY, the authority's external auditors and the potential impact that the findings from the governance review may have on their value for money conclusion. These post year end events have also been taken into account when forming our opinion.

Internal control

In addition to the Subsidiary Governance audit, we undertook four further assurance assignments during 2021/22, from all four of which the Authority could take positive (Reasonable) assurance:

- Adult Education Budget
- Key financial controls – financial reporting and general ledger
- Capital programme – monitoring and reporting
- Payroll

Our Follow Up review, conducted on a sample of the previously agreed management across five previous audits management actions concluded that the Authority had made reasonable progress in implementing the actions (see below).

We also undertook two additional follow up reviews specifically relating to the IT Control Framework. These reviews followed on from the minimal (negative) assurance audit undertaken in 2020/21. The first of the reviews found that of the four actions which had become due for implementation, three had been implemented, but one high priority action had not been implemented.

The second review followed up that high priority action plus the six remaining actions which were all due for implementation. Whilst we found that three actions had been implemented, two medium priority actions had only been partly implemented (one downgraded to low priority), and one medium priority action and the same high priority action, which related to ensuring sufficient IT specialism/expertise is maintained amongst the authorities workforce, had not been implemented.

Advisory reviews

As part of the internal audit plan, our specialist colleagues undertook an advisory Fraud Risk Assessment, which identified seven areas for suggested improvement, but did not identify any significant areas of weakness. In addition to the audits in the original 2021/22 internal audit plan, we were also commissioned to undertake three additional advisory reviews: One CAM – Governance and Decision-making, Community Land Trust Advisory Review (10 management actions agreed), and an Analysis of Government Procurement Card Expenditure and Expenses – Deep Dive.

The deep dive report has been issued (with seven high, two medium and one low priority actions).

Additional factors and findings informing our opinion

In addition to the minimal assurance (negative) opinion of the Subsidiary Governance audit, the limited progress implementing the actions from the 2020/21 risk management audit, the findings of the Government Procurement Card Expenditure and Expenses – Deep Dive and some of the actions still requiring work following the 2020/21 IT Control Framework (minimal assurance) review, in forming our annual opinion we have also taken into account some significant wider governance issues. Some of these came to our attention following the independent review of governance commissioned by the Authority and subsequent concerns raised by the external auditor and reported by them to the Department for Levelling Up, Housing and Communities (DLUHC). The independent governance review made some 47 recommendations.

We note the External Auditor's concerns and include an extract from the June 2022 Audit and Governance Committee papers:

The Chair of the Committee received a letter from EY, the Authority's external auditors, on 1 June 2022 which notified him of their judgement that a value for money risk exists in the form of significant weakness in Cambridgeshire & Peterborough Combined Authority's governance arrangements. This judgement, was based on the following reasons:

- "Investigations into key individuals in the Mayor's office following a whistle-blower notification.
- Increased number of employment related claims against the Authority.
- Current vacancies in the Authority's senior management team, particularly at Chief Executive level, and the prospect that this could increase further from July 2022.
- Weaknesses we have observed in how the extraordinary meeting of the Authority Board makes informed decisions; and
- That the nature of the whistle-blower allegations and initial findings of independent investigation reports raises significant questions on the culture, behaviour and integrity of key individuals in the Mayor's office"

and leads the auditors to a concern "that the Authority has insufficient capacity, capability and an inappropriate culture to support the effective governance and operation of the organisation and how it discharges its statutory services".

We understand that the authority Board will be debating a report from the Interim Chief Executive that sets out the initial steps of an improvement journey and we have included some proposed coverage in the 2022/23 internal audit plan to provide some independent coverage in relation to the improvement plan / actions that are agreed.

It should be noted that qualified opinions on the risk management, governance and control arrangements at organisations in the public sector are not unheard of but are very much in the minority. In our experience, they can be the result of a range of factors but do become more prevalent when organisations are subject to significant amounts of change, have under-developed control frameworks and do have significant staff turnover and vacant posts. Qualified opinions should be taken very seriously and actions to address the underlying causes, both compliance with established policies and procedures and control design, need to be rigorously followed through and tracked by management and the associated governance forums.

Update (December 2022) - Please note that we do acknowledge that the CPCA Board, in October 2022, agreed an Improvement Plan to address the Chief Executive's diagnosis assessment of the CPCA. A number of key deliverables were set out over a three month period and what might be different as a result of the proposed activity. The Audit & Governance Committee received an update on the developing Improvement Plan at its meeting held on 30 September 2022. At that meeting the Committee discussed the potential role of Audit & Governance in the improvement journey. We do therefore acknowledge that work is ongoing on the improvement journey for the CPCA, and that this improvement plan intends to address the governance issues identified in the external auditors letter.

Topics judged relevant for consideration as part of the annual governance statement (AGS)

The Combined Authority should consider including the findings from the following reviews in the AGS, together with the actions planned to improve the weaknesses identified from the following reviews:

- Subsidiary Governance – 2021/22 Minimal Assurance
- Risk Management – 2020/21 Partial Assurance
- IT Control Framework – follow up and outstanding actions
- Government Procurement Card Expenditure and Expenses – Deep Dive

The Combined Authority should also consider whether other significant issues should be included in the AGS, including the results of the independent governance review and concerns raised by external audit, that were reported to DLUHC.

THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2021/22. Please note one report remains in draft.

Implementation of internal audit management actions

Our follow up of the actions agreed to address previous years' internal audit findings shows that the organisation had made **reasonable progress** in implementing the agreed actions.

We undertook one Follow Up review in April 2022 and confirmed that of the 10 actions followed up, one medium and four low priority actions had been fully implemented, one medium priority action had been partly implemented, one medium priority action had not yet been implemented, and three medium priority actions had been superseded. In one case, although the medium priority action had been implemented, we agreed a new low priority action due to a further issue being identified.

We also undertook two specific follow up reviews of the IT Control Framework review from 2020/21 and the results of this are shown in the section above.

Working with other assurance providers

In forming our opinion, we have not placed any direct reliance on other assurance providers. However, in forming our annual opinion we have also taken into account the significant wider governance issues which have come to our attention following the independent review of governance commissioned by the Authority and the concerns raised by the external auditor (EY) and reported by them to the DLUHC.

OUR PERFORMANCE

Wider value adding delivery

Area of work	How has this added value?
Sector Briefings	Issued briefings relating to the sector within our progress reports presented to the Audit and Governance Committee (AGC) to assist officers and committee members in being informed on the latest developments within the sector.
Webinar invitations	Various invitations have been sent to management to attend webinars to inform of any sector and wider sector updates. Examples include Procurement, Employment Matters, and VAT.
Coronavirus: Various briefings and webinars	RSM have delivered a number of webinars and client briefings in relation to Coronavirus (ranging from Government financial support for employers, fraud briefings, HR and Legal Support etc).
Audit and Governance Committee attendance	We have attended all AGC's and where appropriate contributed to the wider agenda.
Communication	We have held scheduled monthly calls with the deputy chief finance officer, and numerous ad hoc calls as required with the CFO and Monitoring Officer.
Best practice	Shared best practice across the sector through the management actions we have agreed as part of our work.
Specialist expertise	We have provided specialist support through the audit plan as required including the IT Control Framework follow up reviews, Fraud Risk Assessment, and Adult Education Budget review.
Sector experience	We have also made suggestions throughout our audit reports based on our knowledge and experience in the local government sector to provide areas for consideration.
Ad hoc reviews	We have responded to requests to undertake additional ad hoc reviews and allocated the appropriate level of skill or expertise to each assignment.

Conflicts of interest

During 2021/22 we have completed several reviews of grant funding received by the Combined Authority as part of the requirements of the Authority to confirm to funding providers that expenditure has been appropriate in line with the terms of the grants. We were also requested to undertake some risk management support (information gathering, analysis, interpret, check, challenge and conclude, development of road map).

All this work was undertaken via separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met.

When asked to undertake any additional roles / responsibilities outside of the internal audit programme, the Head of Internal Audit has discussed these areas with the Chief Finance Officer and highlighted any potential or perceived impairment to our independence and objectivity. We have also reminded the CFO of the safeguards we have put in place to limit impairments to independence and objectivity and how these continue to be managed.

RSM has not therefore undertaken any work or activity during 2021/2022 that would lead us to declare any conflict of interest.

Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the International Standards for the Professional Practice of Internal Auditing, the wider International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA.

Under the Standards, internal audit services are required to have an external quality assessment (EQA) every five years. The RSM UK Risk Assurance service line commissioned an external independent review of our internal audit services in 2021, to provide assurance as to whether our approach continues to meet the requirements.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

* The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

Quality assurance and continual improvement

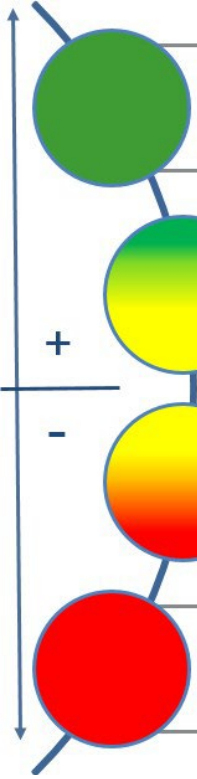
To ensure that RSM remains compliant with the International Standards for the Professional Practice of Internal Auditing and the International Professional Practices Framework (IPPF) we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

Resulting from the programme in 2021/22, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
 <p>The organisation has an adequate and effective framework for risk management, governance and internal control.</p> <p>The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.</p> <p>There are weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective.</p> <p>The organisation does not have an adequate framework of risk management, governance or internal control.</p>	<p>The factors which are considered when influencing our opinion are:</p> <ul style="list-style-type: none"> • inherent risk in the area being audited; • limitations in the individual audit assignments; • the adequacy and effectiveness of the risk management and / or governance control framework; • the impact of weakness identified; • the level of risk exposure; and • the response to management actions raised and timeliness of actions taken.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2021/22

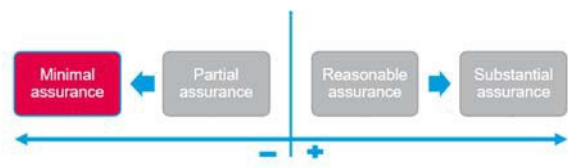
All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Subsidiary Governance	Robert Parkin, Chief Legal Officer (Monitoring Officer)	Minimal Assurance [●]	0	3	2
Adult Education Budget	John T Hill – Director of Business and Skills	Reasonable Assurance [●]	3	2	0
Key Financial Controls – Financial Reporting and General Ledger	Jon Alsop – Chief Finance Officer	Reasonable Assurance [●]	5	2	0
	Robert Emery – Deputy Chief Finance Officer				
Capital Programme – Monitoring and Reporting	Jon Alsop – Chief Finance Officer	Reasonable Assurance [●]	2	2	0
	Robert Emery – Deputy Chief Finance Officer				
Payroll	Jon Alsop – Chief Finance Officer	Reasonable Assurance [●]	5	2	0
Follow Up	Jon Alsop – Chief Finance Officer	Reasonable Progress	1	2	0
	Robert Emery – Deputy Chief Finance Officer				
Fraud Risk Assessment	Jon Alsop – Chief Finance Officer	Advisory	7 areas for improvement		
One CAM - Governance and Decision Making	Robert Parkin, Chief Legal Officer (Monitoring Officer)	Advisory	2	1	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
IT Control Framework Review – Follow Up Part 1	Robert Parkin, Chief Legal Officer (Monitoring Officer)	No overall opinion	1	1	1
IT Control Framework Review – Follow Up Part 2	Robert Parkin, Chief Legal Officer (Monitoring Officer)	No overall opinion	1	2	1
Analysis of Government Procurement Card Expenditure and Expenses – Deep Dive (DRAFT)	Jon Alsop – Chief Finance Officer	No overall opinion but significant weaknesses	1	2	7
Community Land Trust – Advisory Review	Robert Parkin, Chief Legal Officer (Monitoring Officer)	Advisory	11 management actions		

APPENDIX C: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



Taking account of the issues identified, the board can take minimal assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

Daniel Harris, Head of Internal Audit

Daniel.Harris@rsmuk.com

(+44) 07792 948767

Anna O'Keeffe, Client Manager

Anna.O'Keeffe@rsmuk.com

(+44) 07917 462007

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire and Peterborough Combined Authority, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 6

External Audit – Initial Audit Plan 2021/22

To:	Audit and Governance Committee
Meeting Date:	27 th January 2023
Public report:	Yes
From:	Jon Alsop, Head of Finance and S73 Officer
Key decision:	Not a key decision
Recommendations:	<p>The Audit and Governance Committee is recommended to:</p> <p>a) Note the initial audit plan for the financial year 2021/22 as provided by the Combined Authority's external auditors, Ernst and Young LLP (EY)</p>
Voting arrangements:	No vote, item for noting.

1. Purpose

- 1.1. This paper is to provide the Committee with EY's initial audit plan for the 2021/22 financial year.

2. Background

- 2.1. According to its Terms of Reference, the Audit and Governance Committee shall consider the annual external audit of the Combined Authority's accounts.
- 2.2. The Initial Audit Plan for 2021/22 as shown at appendix 1 sets out how EY intends to

carry out their responsibilities as auditor.

- 2.3. The purpose of the plan is to provide the Audit and Governance Committee with a basis to review EY's proposed approach and scope for the 2021/22 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.
- 2.4. The Committee is asked to review the planned audit approach to ensure that it is aligned with the Committee's service expectations, and to consider whether there are other matters which may influence the audit.
- 2.5. The Outline Audit Plan summarises EY's initial assessment of the key risks driving the development of an effective audit for the Authority and outlines their planned audit strategy in response to those risks.

Amendments to the Audit timetable for 2022

- 2.6. In March 2021, DLUHC announced that, following consultation, the Government laid regulations to amend the draft and final accounting deadlines for principal local authorities. The Accounts and Audit (amendment) Regulations 2021 (SI no 2021/263) – see link below, came into force on 31 March 2021.
- 2.7. DLUHC announced that this was the first action to be completed in implementing the recommendations of the independent Redmond Review into the effectiveness of external audit and transparency of financial reporting in local authorities.
- 2.8. The deadlines for publishing accounts were further amended in June 2022 as set out in the Accounts and Audit (Amendment) Regulations 2022 (link below) that accounts for the year ending 31 March 2022 should be published by 30 November 2022.
- 2.9. At the December meeting, the Committee was advised that due to delays in the preparation of the financial statements, and EY's phased approach to the planning of audits, EY would not be able to give their opinion on our financial statements by the November deadline. CPCA did however still publish the unaudited accounts alongside wording suggested by EY to meet the requirements of the regulations to explain why the accounts had not been audited at that date.

Significant Implications

3. Financial Implications

- 3.1. The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government. PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors'

- 3.2. The scale fee for the planned audit code work for 2021/22 is expected to be £26,950 (2020/21 - £26,950). EY have indicated that the baseline increase in scale fee from 2019/20 is expected to be £49,408 with the cost of additional work relating to the identification of the significant Value for Money arrangements of the Combined Authority, to be determined. Details of the factors that will impact the overall audit fee are set out in Appendix A to the plan. The final fee in 2020/21 was £57,312.
- 3.3. All additional code work fees are subject to agreement with the S73 Officer and the Public Sector Audit Appointments Ltd.

4. Legal Implications

- 4.1. The Combined Authority is required by law to ensure that adequate and effective external audit arrangements are provided for.
- 4.2. The external auditors have statutory powers and responsibilities set out in the Local Audit and Accountability Act 2014.
- 4.3. The 2014 Act requires that the Combined Authority's accounts for a financial year must be audited both:
- a) in accordance with the 2014 Act and provision made under it, and
 - b) by an auditor (a "local auditor") appointed in accordance with this Act or provision made under it.

5. Other Significant Implications

- 5.1. None

6. Appendices

- 6.1. Appendix 1: Initial Audit Plan 2021/22 (EY)

7. Background Papers

- 7.1 [The Accounts and Audit \(Amendment\) Regulations 2021 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2021/1251/contents/make)
- 7.2 [The Accounts and Audit \(Amendment\) Regulations 2022 \(legislation.gov.uk\)](https://www.legislation.gov.uk/uksi/2022/1251/contents/make)

A background image showing a meeting in progress. Several people are seated around a white table, looking at and pointing to documents. A smartphone is visible on the table. The image is slightly blurred, focusing on the documents and hands.

Cambridgeshire & Peterborough Combined Authority

Initial Audit Plan

Year ended 31 March 2022

18 January 2023



Audit & Governance Committee
Cambridgeshire & Peterborough Combined Authority
2nd Floor,
Pathfinder House,
St Mary's Street,
Huntingdon
PE29 3TN

18 January 2023

Dear Audit & Governance Committee Members

We are pleased to attach our Initial Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Audit & Governance Committee with a basis to review our proposed audit approach and scope for the 2021/22 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for Cambridgeshire & Peterborough Combined Authority, and outlines our planned audit strategy in response to those risks.

This report is intended solely for the information and use of the Audit & Governance Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss this report with you on 27 January 2023 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Janet Dawson

Partner

For and on behalf of Ernst & Young LLP

Enc

Contents



Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>). The 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 and further guidance (updated July 2021)" issued by the PSAA (<https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) 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 in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit & Governance Committee and management of Cambridgeshire & Peterborough Combined Authority in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit & Governance Committee and management of Cambridgeshire & Peterborough Combined Authority those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit & Governance Committee and management of Cambridgeshire & Peterborough Combined Authority for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01

Overview of our 2021/22 audit strategy



Overview of our 2021/22 audit strategy - Single Entity (Authority)

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit & Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year

Audit risks and areas of focus - Single Entity

Risk / area of focus	Risk identified	Change from PY	Details
Misstatements due to fraud or error	Fraud risk	No change in risk or focus	<p>The financial statements as a whole are not free of material misstatements whether caused by fraud or error.</p> <p>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.</p>
Inappropriate capitalisation of revenue expenditure including Revenue Expenditure Funded from Capital Under Statute (REFCUS)	Fraud risk	No change in risk or focus	<p>The Authority has a revenue budget it needs to operate within. Manipulating expenditure is a key way to achieve this objective.</p> <p>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.</p>
Accounting in respect of Settlement Agreements	Significant Risk	New risk in 2020/21	<p>The Authority has agreed early in the 2022/23 financial year, a number of settlement agreements with Senior Officers as a result of the significant risk that we have identified as part of our Value for Money procedures (see Section 3).</p> <p>The accounting treatment for these agreements needs to be in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and we need to assess the agreements, their impact on the 2021/22 financial statements and any associated disclosures.</p>

Overview of our 2021/22 audit strategy - Single Entity (Authority)

Audit risks and areas of focus - Single Entity

Risk / area of focus	Risk identified	Change from PY	Details
Group Consolidation	Inherent Risk	No change in risk or focus	The Authority prepared group accounts for the first time in 2020/21. This included undertaking an assessment of the group boundary to determine the procedures it needs to undertake to consolidate the relevant component entities. Given the complexity of the group structure, and an increase in activity at one of the subsidiaries, an inherent risk has been raised, to ensure that the consolidation process is performed accurately.
Pension Valuation and Other Disclosures	Inherent Risk	No change in risk or focus	<p>The Local Authority Accounting Code of Practice and IAS19 require the Authority 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.</p> <p>At 31 March 2022 this totalled £3.8 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.</p>
Recoverability of Long-Term Investment with subsidiary entities	Inherent Risk	New risk in 2021/22	<p>As at 31 March 2022 the Authority holds a Long-term Investment of £56.4 million in the Balance Sheet in relation to the loans issued to subsidiary companies. The loans are repayable over a number of differing period ends.</p> <p>The current volatility in the housing market, in which a number of the subsidiaries operate, could have an impact on the Authority's ability to recover the loan in full. Given the material size of the loan we have considered the recoverability of the loan as an inherent risk.</p>
Mayoral Allowance and Expenses	Inherent Risk	New Risk in 2021/22	Mayoral expenses are disclosed as £567 within the 2021/22 financial statements. Linked to our VFM significant weakness (Section 03) and our lower materiality level for Remuneration related disclosures is a need to ensure the completeness and valuation of this disclosure.

Overview of our 2021/22 audit strategy - Group

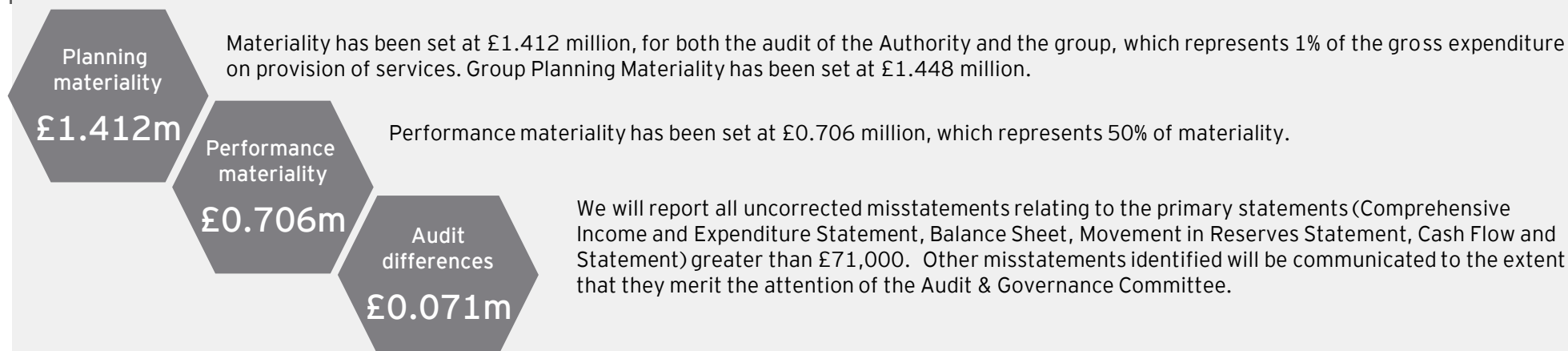
The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit & Governance Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year

Audit risks and areas of focus - GROUP

Risk / area of focus	Risk identified	Change from PY	Details
Property, Plant & Equipment	Inherent Risk	New Risk in 2020/21	The Group Balance Sheet contains a material Property, Plant & Equipment Balance (£6.61 million), as a result of increased activity at one of the subsidiary companies. We need to gain sufficient appropriate assurance over the completeness and valuation of this balance, through group instructions issued to the component auditor (Azets).

Overview of our 2021/22 audit strategy

Materiality - Single Entity (Authority)



We also identify areas where misstatement at a lower level than our overall materiality level might influence the reader and develop an audit strategy specific to these areas, including:

- ▶ Remuneration disclosures including Member & Mayoral allowances: we will agree all disclosures back to source data, and Member allowances to the agreed and approved amounts. We have set materiality at £5,000 for this category; and
- ▶ Related party transactions: we will test the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.

Materiality - Group

We have also set an overall materiality and performance materiality level for the Group Accounts, which have been calculated as follows:

- ▶ Group Planning Materiality has been set at £1.448 million, based on the same basis as above for the Single Entity - Authority.
- ▶ Group Performance Materiality is £0.724 million as a result, following the same basis as above for the Single Entity - Authority.

Overview of our 2021/22 audit strategy

Audit scope

This Initial Audit Plan covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of Cambridgeshire & Peterborough Combined Authority give a true and fair view of the financial position as at 31 March 2022 and of the income and expenditure for the year then ended; and
- ▶ Our commentary on your arrangements to secure value for money in your use of resources for the relevant period. We include further details on VFM in Section 03.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Authority's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards. When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Authority.

Taking the above into account, and as articulated in this audit plan, our professional responsibilities require us to independently assess the risks associated with providing an audit opinion and undertake appropriate procedures in response to that. Our Terms of Appointment with PSAA allow them to vary the fee dependent on "the auditors assessment of risk and the work needed to meet their professional responsibilities". PSAA are aware that the setting of scale fees has not kept pace with the changing requirements of external audit with increased focus on, for example, the valuations of land and buildings, the auditing of groups, the valuation of pension obligations, the introduction of new accounting standards such as IFRS 9 and 15 in recent years as well as the expansion of factors impacting the ISA 540 (revised) and the value for money conclusion. Therefore to the extent any of these or any other risks are relevant in the context of Cambridgeshire & Peterborough Combined Authority's audit, we will discuss these with management as to the impact on the scale fee.

Effects of climate-related matters on financial statements and Value for Money arrangements

Public interest in climate change is increasing. We are mindful that climate-related risks may have a long timeframe and therefore while risks exist, the impact on the current period financial statements may not be immediately material to an entity. It is nevertheless important to understand the relevant risks to make this evaluation. In addition, understanding climate-related risks may be relevant in the context of qualitative disclosures in the notes to the financial statements and value for money arrangements. We make inquiries regarding climate-related risks on every audit as part of understanding the entity and its environment. As we re-evaluate our risk assessments throughout the audit, we continually consider the information that we have obtained to help us assess the level of inherent risk.

Overview of our 2021/22 audit strategy

Audit scope

Designation of the audit as close monitoring

The Cambridgeshire & Peterborough Combined Authority audit has been designated as close monitoring by EY in 2021/22 due to the following risk factors:

- ▶ The identification and reporting of a significant weaknesses in arrangements relating to Value for Money, and their potential to be pervasive in nature to the underlying control environment at the Authority (See VFM Section 03). This has attracted significant scrutiny from the Authority's sponsoring department.

Audit Response

- ▶ Allocate an Equity Partner as Engagement Lead, with support from a Senior Manager and Manager;
- ▶ Allocate an Equity Partner as an Engagement Quality Reviewer;
- ▶ Identification of specific risk areas and the areas where we need to engage relevant EY specialists to support the engagement team; and
- ▶ Reduce our planning materiality and tolerable error level for the audit to 1% of gross revenue expenditure and 50% of planning materiality respectively.

Communication with Those Charged with Governance

- ▶ We will communicate to those charged with governance any significant changes to our audit strategy since our communication about risk factors that led to or contributed to the close monitoring designation, and the reasons for those changes; and
- ▶ We will also communicate any new risk factors we identify and consider significant that warrant the attention of those charged with governance.

Overview of our 2021/22 audit strategy

Value for money conclusion

We include details in Section 03 but in summary:

- ▶ We are required to consider whether the Authority has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.
- ▶ Planning on value for money and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Authority's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.
- ▶ We will provide a commentary on the Authority's arrangements against three reporting criteria:
 - ▶ 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.
- ▶ The commentary on VFM arrangements will be included in the Auditor's Annual Report.
- ▶ We have already issued a letter to the Authority's Chair of the Audit & Governance Committee setting out a significant weakness in the Authority's arrangements for Value for Money. Section 03 contains further details.

Timeline

The Ministry of Housing, Communities and Local Government established regulations to extend the target date for publishing audited local authority accounts from 31 July to 30 September, for a period of two years (i.e. covering the audit of the 2020/21 and 2021/22 accounting years).

In December 2021, the Department for Levelling Up, Housing and Communities (DLUHC) announced proposals to extend the deadline for the publication of audited accounts to 30 November 2022 for 2021/22.

We supported the Authority in ensuring that appropriate wording was published by the date set out above, setting out the rationale for the audit not having commenced. In Section 07 we include a provisional timeline for the audit.



02

Audit risks



Audit risks

Our response to significant risks

We have set out the significant risks (including fraud risks denoted by*) identified for the current year audit along with the rationale and expected audit approach. The risks identified below may change to reflect any significant findings or subsequent issues we identify during the audit.

Misstatements due to fraud or error *

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 and Ireland) 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.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Inquire of management about risks of fraud and the controls put in place to address those risks.
- ▶ Understand the oversight given by those charged with governance of management's processes over fraud.
- ▶ Consider of the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Perform mandatory procedures regardless of specifically identified fraud risks, including:
 - ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
 - ▶ Assessing accounting estimates for evidence of management bias, and
 - ▶ Evaluating the business rationale for significant unusual transactions.

We will utilise our data analytics capabilities to assist with our work.

Having evaluated this risk we have considered whether we need to perform other audit procedures not referred to above. We concluded that only those procedures included under 'Inappropriate capitalisation of revenue expenditure' are required, as set out on the following page.



Audit risks

Our response to significant risks

Inappropriate capitalisation of revenue expenditure including Revenue Expenditure Funded from Capital Under Statute (REFCUS)*

Financial statement impact

We have assessed that the risk of misreporting revenue outturn in the financial statements is most likely to be achieved through:

- ▶ Revenue expenditure being inappropriately recognised as capital expenditure at the point it is posted to the general ledger.
- ▶ Expenditure being inappropriately transferred by journal from revenue to capital codes on the general ledger at the end of the year.

If this were to happen it would have the impact of understating revenue expenditure and overstating property, plant and equipment additions and/or Revenue Expenditure Financed as Capital Under Statute (REFCUS) in the financial statements.

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund. In arriving at this conclusion we have considered the continuing pressure on the revenue budget and the financial value of its annual capital programme which is many times out materiality level.

This could then result in funding of that expenditure, that should properly be defined as revenue, through inappropriate sources such as capital receipts, capital grants, or borrowing.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Obtaining an analysis of capital additions in the year, reconciling to the Fixed Assets Register (FAR), and reviewing the descriptions to identify whether there are any potential items that could be revenue in nature; and
- ▶ Sample test Property, Plant and Equipment additions, and REFCUS additions, if material, to ensure that the expenditure incurred and capitalised is clearly capital in nature or appropriate to be treated as REFCUS.

We will utilise our data analytics capabilities to assist with our work, including journal entry testing. We will assess journal entries more generally for evidence of management bias and evaluate for business rationale.



Audit risks

Our response to significant risks

Accounting in respect of Settlement Agreements

Financial statement impact

There is a risk that the Authority do not correctly record all of its liabilities at the Balance Sheet date or that they may be incorrectly classified in line with the requirements of IAS 37.

What is the risk?

The Authority has agreed early in the 2022/23 financial year, a number of settlement agreements with Senior Officers as a result of the significant risk that we have identified as part of our Value for Money procedures (see Section 3).

The accounting treatment for these agreements needs to be in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and we need to assess the agreements, their impact on the 2021/22 financial statements and any associated disclosures.

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Performing our testing of provisions in respect of Settlement Agreements to a lower testing threshold (£5,000);
- ▶ Reviewing the calculation of the provision on settlement agreements and comparing this to any final payments made in respect of these provisions; and
- ▶ Reviewing other available information to ensure there are no other unrecorded liabilities.

Other areas of audit focus (continued)

What is the risk/area of focus?	What will we do?
<p>Pension Liability Valuation & other pension disclosures</p> <p>The Authority makes extensive disclosures within its financial statements regarding its membership of Cambridgeshire Pension Fund Scheme administered by Cambridgeshire County Council. At 31 March 2022 the liability totalled £3.8 million.</p> <p>The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Cambridgeshire Pension Fund.</p> <p>Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf.</p> <p>We undertake procedures on the use of management experts and the assumptions underlying fair value estimates.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Liaise with the auditors of Cambridgeshire Pension Fund, to obtain assurances over the information supplied to the actuary in relation to Cambridgeshire & Peterborough Combined Authority; ▶ Assess the work of the Pension Fund actuary (Hymans Robertson) including the assumptions they have used, by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and by considering any relevant reviews by the EY actuarial team; and ▶ Review and test the accounting entries and disclosures made within the Authority's financial statements in relation to IAS 19 considering fund assets and the Authority's liability.
<p>Group Consolidation</p> <p>The Authority prepared group accounts for the first time in 2020/21. This included undertaking an assessment of the group boundary to determine the procedures it needs to undertake to consolidate the relevant component entities.</p> <p>Given the complexity of the group structure, and an increase in activity at one of the subsidiaries, an inherent risk has been raised, to ensure that the consolidation process is performed accurately.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Review the Authority's assessment of its group boundary; ▶ Consider the need to liaise with the component auditors to understand any risks that they are recognising; ▶ Evaluate any risks at component level on the group accounts; ▶ Issue instructions to the component auditors we intend to place reliance on; and ▶ Audit the consolidation process and group accounts.

Other areas of audit focus (continued)

What is the risk/area of focus?	What will we do?
<p>Recoverability of Long-Term Investment with subsidiary entities</p> <p>As at 31 March 2022 the Authority holds a Long-term Investment of £56.4 million in the Balance Sheet in relation to the loans issued to subsidiary companies. The loans are repayable over a number of differing period ends.</p> <p>The current volatility in the housing market, in which a number of the subsidiaries operate, could have an impact on the Authority's ability to recover the loan in full. Given the material size of the loan we have considered the recoverability of the loan as an inherent risk.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Review the Authority's consideration about the recoverability of the Long-Term Investment; ▶ Test the assumptions and sensitivities used in any calculation for impairment of the Investment; and ▶ Review for adequacy and appropriateness any associated disclosures.
<p>Mayoral Allowance and Expenses</p> <p>Mayoral expenses are disclosed as £567 within the 2021/22 financial statements. Linked to our VFM significant weakness (Section 03) and our lower materiality level for Remuneration related disclosures is a need to ensure the completeness and valuation of this disclosure.</p>	<p>In order to address this risk we will carry out a range of procedures including:</p> <ul style="list-style-type: none"> ▶ Review the outcome of any Internal Audit reviews into Mayoral Expenses; ▶ Review the composition of the disclosed expenditure and test the completeness and valuation of that account item.

Our response to significant risks – Group Accounts

Property, Plant & Equipment (Group Accounts only)

Financial statement impact

The fair value of Property, Plant and Equipment (PPE) represent a material balances in the Group Accounts and are subject to valuation changes, impairment reviews.

Management at each of the Subsidiary Entities are required to make judgemental inputs and apply estimation techniques to calculate the year-end balances within the Subsidiary Entities, which are then recorded in the Group Balance Sheet.

What is the risk?

The Group Balance Sheet contains a material Property, Plant & Equipment Balance (£6.61 million), as a result of increased activity at one of the subsidiary companies.

We need to gain sufficient appropriate assurance over the completeness and valuation of this balance, through group instructions issued to the component auditor (Azets).

What will we do?

In order to address this risk we will carry out a range of procedures including:

- ▶ Issue Group Instructions to the Component Auditor; and
- ▶ Reviewing the Component Auditor Reporting pack and authorised subsidiary entity financial statements.



03

Value for Money Risks



Authority's responsibilities for value for money

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.

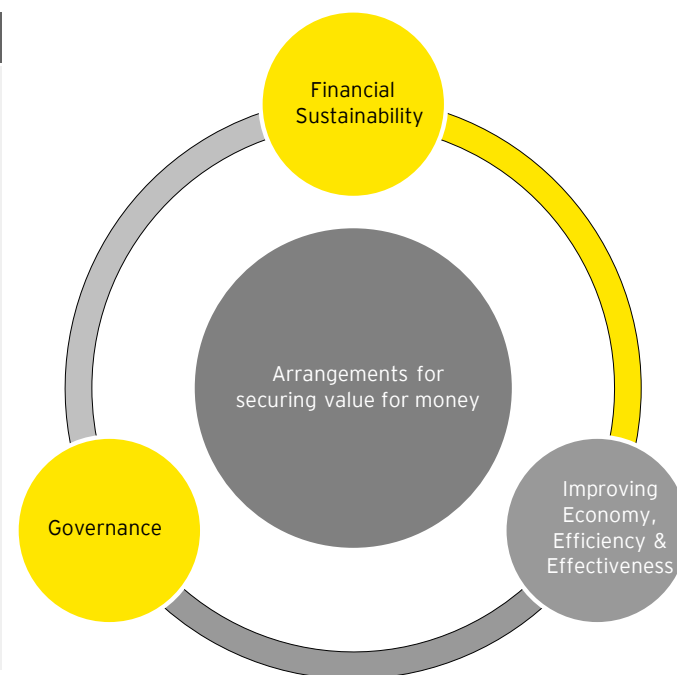
As part of the material published with the financial statements, the Authority is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Authority tailors the content to reflect 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 arrangements for securing value for money from the use of resources.

Auditor responsibilities

Under the NAO Code of Audit Practice we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 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.
- ▶ 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.





Planning and identifying risks of significant weakness in VFM arrangements

The NAO's guidance notes requires us to carry out a risk assessment which gathers sufficient evidence to enable us to document our evaluation of the Authority's arrangements, in order to enable us to draft a commentary under the three reporting criteria. This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

In considering the Authority's arrangements, we are required to consider:

- ▶ The Authority's governance statement;
- ▶ Evidence that the Authority's arrangements were in place during the reporting period;
- ▶ Evidence obtained from our work on the accounts;
- ▶ The work of inspectorates and other bodies; and
- ▶ Any other evidence source that we regards as necessary to facilitate the performance of our statutory duties.

We then consider whether there is evidence to suggest that there are significant weaknesses in arrangements. The NAO's guidance is clear that the assessment of what constitutes a significant weakness and the amount of additional audit work required to adequately respond to the risk of a significant weakness in arrangements is a matter of professional judgement. However, the NAO states that a weakness may be said to be significant if it:

- ▶ Exposes - or could reasonably be expected to expose - the Authority to significant financial loss or risk;
- ▶ Leads to - or could reasonably be expected to lead to - significant impact on the quality or effectiveness of service or on the Authority's reputation;
- ▶ Leads to - or could reasonably be expected to lead to - unlawful actions; or
- ▶ Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

We should also be informed by a consideration of:

- ▶ The magnitude of the issue in relation to the size of the Authority;
- ▶ Financial consequences in comparison to, for example, levels of income or expenditure, levels of reserves (where applicable), or impact on budgets or cashflow forecasts;
- ▶ The impact of the weakness on the Authority's reported performance;
- ▶ Whether the issue has been identified by the Authority's own internal arrangements and what corrective action has been taken or planned;
- ▶ Whether any legal judgements have been made including judicial review;
- ▶ Whether there has been any intervention by a regulator or Secretary of State;
- ▶ Whether the weakness could be considered significant when assessed against the nature, visibility or sensitivity of the issue;
- ▶ The impact on delivery of services to local taxpayers; and
- ▶ The length of time the Authority has had to respond to the issue.



Value for Money

Responding to identified risks of significant weakness

Where our planning work has identified a risk of significant weakness, the NAO's guidance requires us to consider what additional evidence is needed to determine whether there is a significant weakness in arrangements and undertake additional procedures as necessary, including where appropriate, challenge of management's assumptions. We are required to report our planned procedures to the Audit & Governance committee.

Reporting on VFM

Where we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources the Code requires that we should refer to this by exception in the audit report on the financial statements.

In addition, the Code requires us to include the commentary on arrangements in the Auditor's Annual Report. The Code states that the commentary should be clear, readily understandable and highlight any issues we wish to draw to the Authority's attention or the wider public. This should include details of any recommendations arising from the audit and follow-up of recommendations issued previously, along with our view as to whether they have been implemented satisfactorily.

Status of our 2021/22 VFM planning

We have yet to complete our detailed VFM risk planning.

However, we have identified a significant weakness in the Authority's arrangements, which we reported in a letter to the Authority's Chair of Audit & Governance Committee on the 1 June 2022. The content of the letter is set out on the following pages.

We will complete our overall VFM risk planning as part of our procedures and review the Authority's response to our letter. The identification of significant weakness in arrangements will lead us to report by exception within our audit report, at the conclusion of our audit.



Identified risks of significant weakness

We have commenced our audit work for the financial year ended 31 March 2022 and have identified a significant weakness in Cambridgeshire & Peterborough Combined Authority's (the Authority) governance arrangements. We believe this weakness is pervasive as it could lead to a significant impact on the quality or effectiveness of services or on its reputation and could expose the Authority to financial risk or loss.

Governance - How the Authority ensures that it makes informed decisions and properly manages its risks

Judgement on the nature of the significant weakness identified

We consider that there are significant weaknesses in the Authority's governance arrangements for the specific reasons set out below. As a result of these weaknesses, we are concerned that the Authority has insufficient capacity, capability and an inappropriate culture to support the effective governance and operation of the organisation and how it discharges its statutory services

Our concerns are as follows:

- ▶ Investigations into key individuals in the Mayor's office following a whistleblower notification;
- ▶ Increased number of employment related claims against the Authority;
- ▶ Current vacancies in the Authority's senior management team, particularly at Chief Executive level, and the prospect that this could increase further from July 2022;
- ▶ Weaknesses we have observed in how the extraordinary meeting of the Authority Board makes informed decisions; and
- ▶ That the nature of the whistleblower allegations and initial findings of independent investigation reports raises significant questions on the culture, behaviour and integrity of key individuals in the Mayor's office.

The evidence reviewed on which our view is based

As part of our audit procedures performed to date, we have held discussions with management, attended the Extraordinary Meeting of the Authority Board (both public and private session elements) and reviewed relevant documentation.

The possible future impact on the Authority

The Authority is responsible for discharging the devolution deal, which was the award of a single pot of investment. This single pot for the Authority initially comprised of a devolved, multi-year transport settlement and an additional long-term investment fund grant, worth up to £600 million over 30 years. Other funding streams have since been secured, linking through to the overall strategic objectives make the Authority area a leading place in the world to live, learn and work.



Identified risks of significant weakness

The Authority Board has considered and agreed a settlement package for the current Chief Executive, who is expected to leave her post on the 31 May 2022. There is the potential for further employment related risks against the Authority, which pose a significant financial risk, given the specific project-based funding nature of the Authority's business, and its ability to service any revenue based financial obligations outside of these projects.

These risks equally have the potential to significantly impact the Authority's senior leadership capacity, which is already undermined by previous resignations and unfilled vacancies at Management Team Level. The Authority could find itself without incumbents to statutory officer posts as from the 1 July 2022, without immediate and urgent action, and even with such action, one would have to question the nature of such appointments at short notice.

Without appropriate leadership capacity with the requisite skills, knowledge and experience, there is significant doubt as to the Authority's ability to discharge its statutory obligations as set out in The Cambridgeshire and Peterborough Combined Authority Order 2017, Local Government Act 1999 and other relevant pertinent legislation.

The action required by the Authority to address the significant governance weakness

Addressing the significant employee related matters emanating from the whistleblowing notification and ensuring that all Authority employees are appropriately safeguarded is of paramount importance. The Authority also needs to be mindful of the impact that implementing these safeguarding actions has on the Senior Management employees taking those actions.

However, the Authority needs to urgently ensure that it has sufficient appropriate leadership capacity to be able to deliver its objectives and statutory responsibilities. In order to do so, we believe more formal intervention is required, and expeditious discussions with the Authority's sponsoring department to this end are time critical.

These actions would support the Authority in achieving value for money through appropriate governance arrangements and safeguard the future delivery of services.

Other audit reporting considerations

Without fettering our future discretion, we will, alongside our work on VFM arrangements, continue to review how the Authority responds to our concerns and the significant weaknesses set out in this letter. Depending on the action taken by the Authority to address our concerns, we may consider the need for us to discharge our other statutory responsibilities in relation to:

1. Section 24 and Schedule 7 of the 2014 Act which provide that a local auditor should consider whether, in the public interest, they should report on any matter that comes to their notice during the course of the audit, so that it may be formally considered by the body concerned or brought to the public's attention.
2. Written recommendations - the auditor should consider whether to use the powers Schedule 7 of the Act provides to make written recommendations to the audited body which need to be considered by the body and responded to.



04

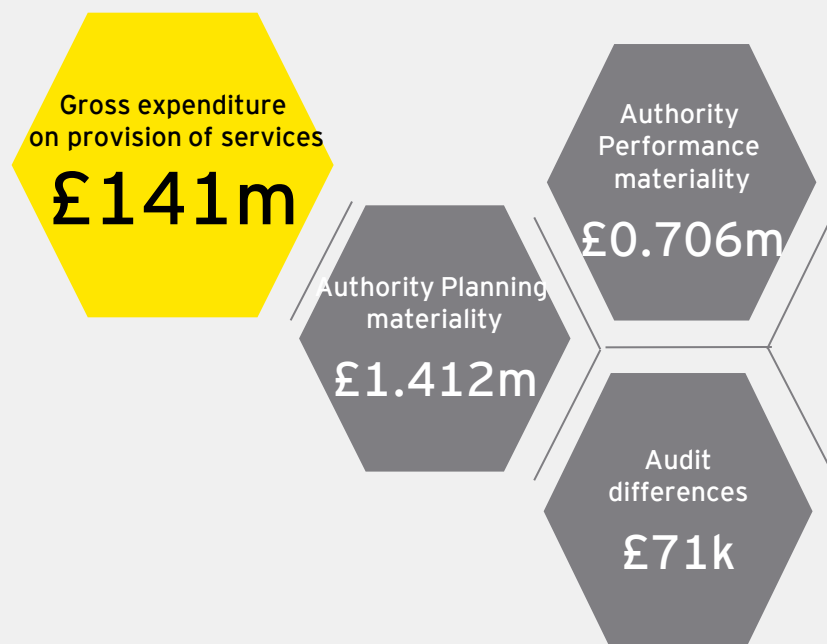
Audit materiality



Materiality - Single Entity Authority

Materiality

For planning purposes, materiality for 2021/22 has been set at £1.412 million. This represents 1% of the Authority's gross expenditure on provision of services. It will be reassessed throughout the audit process. We consider that gross expenditure on the provision of services is the area of biggest interest to the users of the Authority's accounts. We have provided supplemental information about audit materiality in Appendix C.



We request that the Audit & Governance Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.706 million which represents 50% of planning materiality. This reflects the relatively higher level of risk associated with the audit in 2021/22 as a result of the identified VFM Significant weakness and the impact on the Authority's control environment as set out on page 10 of this plan.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, that have an effect on income or that relate to other comprehensive income.

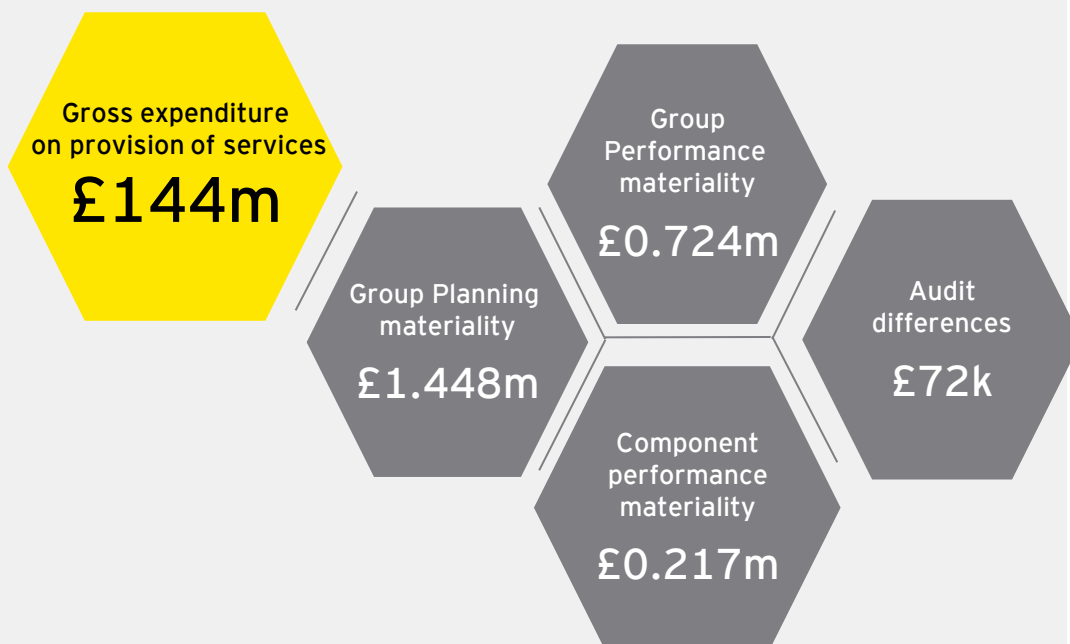
Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit & Governance committee, or are important from a qualitative perspective.

Specific materiality - We have set a materiality threshold of £5,000 for related party transactions and £1,000 for Mayoral and Members' allowances and expenses. For officers remuneration including exit packages we will apply materiality of £5,000 in line with bandings. This reflects our understanding that an amount less than our materiality would not influence the economic decisions of users of the financial statements in relation to these disclosures.

Materiality - Group

Materiality

For planning purposes, materiality for 2021/22 has been set at £1.448 million. This represents 1% of the Group's gross expenditure on provision of services. It will be reassessed throughout the audit process. We consider that gross expenditure on the provision of services is the area of biggest interest to the users of the Group's accounts. We have provided supplemental information about audit materiality in Appendix C.



We request that the Audit & Governance Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality - the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality - the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.724 million which represents 50% of planning materiality. This reflects the relatively higher level of risk associated with the audit in 2021/22 as a result of the identified VFM Significant weakness and the impact on the Authority's control environment as set out on page 10 of this plan.

Component performance materiality range - we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group - this being 15% of Group Planning Materiality.

Audit difference threshold - we propose that misstatements identified below this threshold are deemed clearly trivial. The same threshold for misstatements is used for component reporting. We will report to you all uncorrected misstatements over this amount relating to the comprehensive income and expenditure statement, balance sheet, that have an effect on income or that relate to other comprehensive income.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow statement and movement in reserves statement or disclosures, and corrected misstatements will be communicated to the extent that they merit the attention of the Audit & Governance committee, or are important from a qualitative perspective.

Materiality

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

We also identify areas where misstatement at a lower level than our overall materiality level might influence the reader and develop an audit strategy specific to these areas, including:

- ▶ Remuneration disclosures including Member allowances: we will agree all disclosures back to source data, and Member allowances to the agreed and approved amounts.
- ▶ Related party transactions we will test the completeness of related party disclosures and the accuracy of all disclosures by checking back to supporting evidence.



05 Scope of our audit



Our Audit Process and Strategy

Objective and Scope of our Audit scoping

Under the Code of Audit Practice, our principal objectives are to undertake work to support the provision of our audit report to the audited body and to satisfy ourselves that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- ▶ whether the financial statements give a true and fair view of the financial position of the audited body and its expenditure and income for the period in question; and
- ▶ whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- ▶ whether other information published together with the audited financial statements is consistent with the financial statements; and
- ▶ where required, whether the part of the remuneration report to be audited has been properly prepared in accordance with the relevant accounting and reporting framework.

Other procedures required by the Code:

- ▶ Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the NAO.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

As outlined in Section 03, we are required to consider whether the Authority has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Our Audit Process and Strategy (continued)

Audit Process Overview

Our audit involves:

- ▶ Identifying and understanding the key processes and internal controls; and
- ▶ Substantive tests of detail of transactions and amounts.

For 2021/22 we plan to follow a substantive approach to the audit as we have concluded this is the most efficient way to obtain the level of audit assurance required to conclude that the financial statements are not materially misstated.

Analytics:

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit & Governance Committee.

Internal audit:

We will review internal audit plans and the results of their work. We will reflect on these when designing our overall audit approach and when developing our detailed testing strategy. We may also reflect relevant findings from their work in our reporting, where it raises issues that could have a material impact on the financial statements.

Scoping the group audit

Group scoping

Our audit strategy for performing an audit of an entity with multiple locations is risk based. We identify components as:

- 1. Significant components:** A component is significant when it is likely to include risks of material misstatement of the group financial statements, either because of its relative financial size to the group (quantitative criteria), or because of its specific nature or circumstances (qualitative criteria). We generally assign significant components a full or specific scope given their importance to the financial statements. There is one entity that meets this criteria (Peterborough R&D Property Company Ltd)
- 2. Not significant components:** The number of additional components and extent of procedures performed depended primarily on: evidence from significant components, the effectiveness of group wide controls and the results of analytical procedures. There are 7 such components which meet this criteria. For all other components we perform other procedures to confirm that there is no risk of material misstatement within those entity's. These procedures are detailed below.

Scoping by Entity

Our preliminary audit scopes by number of locations we have adopted are set out below. We provide scope details for each component within Appendix A.

1	A	Full scope audit - Cambridgeshire & Peterborough Combined Authority
1	B	Specific scope audits - Peterborough R&D Property Company Ltd
7	C	Review scope audits
0	D	Specified procedures
0	E	Other procedures

Scope definitions

Full scope: Entities where a full audit is performed to the materiality levels assigned by the Group audit team for purposes of the consolidated audit. Procedures performed at full scope locations support an interoffice conclusion on the reporting package. These may not be sufficient to issue a stand-alone audit opinion on the local statutory financial statements because of the materiality used and any additional procedures required to comply with local laws and regulations.

Specific scope: Entities where the audit is limited to specific accounts or disclosures identified by the Group audit team based on the size and/or risk profile of those accounts.

Review scope: Entities where procedures primarily consist of analytical procedures and inquiries of management. On-site or desk top reviews may be performed, according to our assessment of risk and the availability of information centrally.

Specified Procedures: Entities where the component team performs procedures specified by the Group audit team in order to respond to a risk identified.

Other procedures: For those component entity's that we do not consider material to the Group financial statements in terms of size relative to the Group and risk, we perform other procedures to confirm that there is no risk of material misstatement within those locations.

Scope of our audit

Group scoping coverage

At the time of writing this report we are awaiting further information to be able to conclude on our group scoping.

However, based on our discussions with management and the provided scope assessment by the Authority, and knowledge from the 2020/21 audit we anticipate:

- ▶ Performing specific scope procedures, via the component auditor, under Group Instructions, for the significant balance that is consolidated (Property, Plant & Equipment).
- ▶ Performing our own analytical procedures in respect of specific balances each of the 7 component entities.

We will update the Committee if there are any changes to our scoping coverage throughout the audit.

Details of specified procedures

We are performing specified procedures over the Property, Plant & Equipment balance reported within the Group Accounts.

Group audit team involvement in component audits

Auditing standards require us to be involved in the work of our component teams. We have listed our planned involvement below where we should need to rely on the work of a component auditor.

- ▶ We provide specific instruction to component team and our expectations regarding the detailed procedures;
- ▶ We set up initial meeting with component team to discuss the content of the group instructions;
- ▶ We will consider the need to perform a file review of component team's work where appropriate; and
- ▶ We will attend a closing meeting with component team to discuss their audit procedures and findings.

At present, we are intending to rely on the work of the component auditor (Azets) for the specified procedures over the Property, Plant & Equipment balance, as above.



06

Audit team



Audit team

Audit team structure:

Janet Dawson
Audit Partner

Mark Hodgson
Audit Partner

Dan Cooke
Senior Audit Manager

Jacob McHugh
Audit Manager

Claire Sulam
Senior

PwC (consulting
actuary) and EY
Actuaries

Working together with the Authority

The Audit Team reflects the safeguards that we have put in place, following the designation for the audit as 'close monitoring'. Details are set out on page 10 of this plan.

We are working together with officers to identify continuing improvements in communication and processes for the 2021/22 audit.

We will continue to keep our audit approach under review to streamline it where possible.

Use of specialists

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where specialists are expected to provide input for the current year audit are:

Area	Specialists
Pensions disclosure	EY Actuaries Hymans Robertson - Actuary to Cambridgeshire Pension Fund

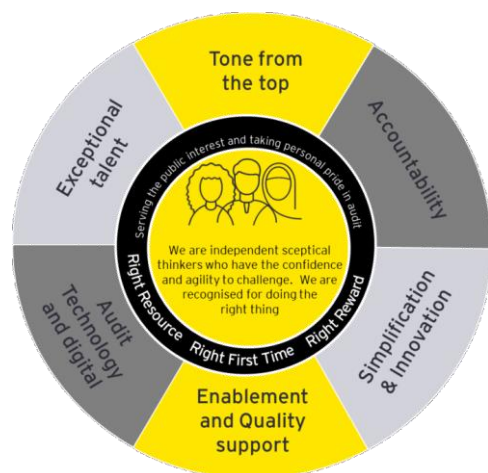
In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Authority's business and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the specialist to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

Developing the right Audit Culture

In July 2021, EY established a UK Audit Board (UKAB) with a majority of independent Audit Non-Executives (ANEs). The UKAB will support our focus on delivering high-quality audits by strengthening governance and oversight over the culture of the audit business. This focus is critical given that audit quality starts with having the right culture embedded in the business.

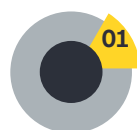


Our audit culture is the cement that binds together the building blocks and foundation of our audit strategy. We have been thoughtful in articulating a culture that is right for us: one that recognises we are part of a wider, global firm and is clear about whose interests our audits serve.

There are three elements underpinning our culture:

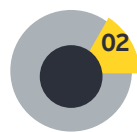
1. Our people are focused on a **common purpose**. It is vital we foster and nurture the values, attitudes and behaviours that lead our people to do the right thing.
2. The essential attributes of our audit business are:
 - ▶ **Right resources** – We team with competent people, investing in audit technology, methodology and support
 - ▶ **Right first time** – Our teams execute and review their work, consulting where required to meet the required standard
 - ▶ **Right reward** – We align our reward and recognition to reinforce the right behaviours

3. The six pillars of **Sustainable Audit Quality** are implemented.



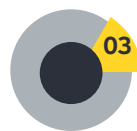
Tone at the top

The internal and external messages sent by EY leadership, including audit partners, set a clear tone at the top - they establish and encourage a commitment to audit quality



Exceptional talent

Specific initiatives support EY auditors in devoting time to perform quality work, including recruitment, retention, development and workload management



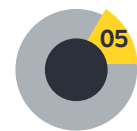
Accountability

The systems and processes in place help EY people take responsibility for carrying out high-quality work at all times, including their reward and recognition



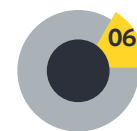
Audit technology and digital

The EY Digital Audit is evolving to set the standard for the digital-first way of approaching audit, combining leading-edge digital tools, stakeholder focus and a commitment to quality



Simplification and innovation

We are simplifying and standardising the approach used by EY auditors and embracing emerging technologies to improve the quality, consistency and efficiency of the audit



Enablement and quality support

How EY teams are internally supported to manage their responsibility to provide high audit quality

A critical part of this culture is that our people are **encouraged and empowered to challenge and exercise professional scepticism** across all our audits. However, we recognise that creating a culture requires more than just words from leaders. It has to be reflected in the lived experience of all our people each and every day enabling them to challenge themselves and the companies we audit.

Each year we complete an audit quality culture assessment to obtain feedback from our people on the values and behaviours they experience, and those they consider to be fundamental to our audit quality culture of the future. We action points that arise to ensure our culture continues to develop appropriately.

2021 Audit Culture Survey result

A cultural health score of 78% (73%) was achieved for our UK Audit Business

We bring our culture alive by investing in three priority workstreams:

- Audit Culture with a focus on professional scepticism
- Adopting the digital audit
- Standardisation

This investment has led to a number of successful outputs covering training, tools, techniques and additional sources. Specific highlights include:

- Audit Purpose Barometer
- Active Scepticism Framework
- Increased access to external sector forecasts
- Forensic risk assessment pilots
- Refreshed PLOT training and support materials, including embedding in new hire and trainee courses
- Digital audit training for all ranks
- Increased hot file reviews and improved escalation processes
- New work programmes issued on auditing going concern, climate, impairment, expected credit losses, cashflow statements and conducting effective group oversight
- Development of bite size, available on demand, task specific tutorial videos

"A series of company collapses linked to unhealthy cultures.....have demonstrated why cultivating a healthy culture, underpinned by the right tone from the top, is fundamental to business success."

Sir John Thompson
Chief Executive of the FRC



07

Audit timeline





Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2021/22.

From time to time matters may arise that require immediate communication with the Audit & Governance Committee and we will discuss them with the Audit & Governance Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.

Our audit timeline has been deferred from our planned timeline. The Authority did not publish its draft financial statements by the 31 July 2022. The Authority published its draft financial statements on the 30 November 2022 - 4 months after the due date. This was also after our planned date for commencing the audit at the end of October 2022. Given our commitments to other Authority's and our working approach to all of audited bodies, as the Authority were not able to service the audit at the planned time, the audit was deferred in line with those working arrangements communicated to the Chief Finance Officer.

Audit phase	Timetable	Audit & Governance Committee timetable	Deliverables
Planning: Risk assessment and setting of scopes.	January - March 2023	Audit & Governance Committee	Initial Audit Plan
Walkthrough of key systems and processes	April - August 2023		
Year end audit	April - August 2023		
Year end audit Audit Completion procedures	September 2023	Audit & Governance Committee	Audit Results Report Audit opinion and completion certificates
Audit conclusion	October - December 2023		Auditor's Annual Report



08

Independence



Introduction

The FRC Ethical Standard and ISA (UK) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard, as revised in December 2019, requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit/additional services provided and the fees charged in relation thereto; ▶ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▶ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner ▶ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▶ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence; and ▶ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Janet Dawson and Mark Hodgson, your audit engagement partners and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in the Authority. Examples include where we have an investment in the Authority; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2019 (FRC ES), and we will comply with the policies that you have approved.

When the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you. We do not plan to perform any non-audit work. No additional safeguards are required.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with Ethical Standard part 4.

There are no other self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of the Authority. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decision based on that work.

There are no management threats at the date of this report.

Other communications

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

EY Transparency Report 2022

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 2022: https://www.ey.com/en_uk/about-us/transparency-report-2022.



09

Appendices



Appendix A

Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

	Planned fee 2021/22	Final Fee 2020/21
	£'s	£'s
Total Fee - Code work	26,950	26,950
Determined Scale Fee Variation - Note 1	-	30,362
Baseline increase in Scale Fee from 2019/20 - Note 2	49,408 (Note 1)	N/A
Additional Work from 2021/22 - Note 3	(Note 2)	N/A
Total audit	TBC	57,312

In addition, we are driving greater innovation in the audit through the use of technology. The significant investment costs in this global technology continue to rise as we seek to provide enhanced assurance and insight in the audit.

The agreed fee presented is based on the following assumptions:

- Officers meeting the agreed timetable of deliverables;
- Our accounts opinion and value for money conclusion being unqualified;
- Appropriate quality of documentation is provided by the Authority; and
- The Authority has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Authority in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

All fees exclude VAT

Note 1 - PSAA Ltd determined the final 2020/21 Audit Fee in October 2022.




Note 2 - The 2021/22 Code work includes an additional fee of £49,408 and will be uplifted for 2021/22 price increases. This relates to uplifts to the base scale fee, as communicated during our 2019/20 and 2020/21 audits.

Note 3 - For 2021/22, the scale fee will be impacted by a range of factors which will result in additional work, specifically in relation to the identification of the significant weakness in Value for Money arrangements and the resultant impact on the audit risk level, designation as close monitoring and reductions in Planning Materiality and Performance Materiality as a result of that designation and safeguards to the audit. See Section 2 and 3 of this report for further areas that are likely to lead to additional fees.

Appendix B




Required communications with the Audit & Governance Committee

We have detailed the communications that we must provide to the Audit & Governance Committee.

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Terms of engagement	Confirmation by the Audit & 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. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Initial Audit Plan, January 2023 meeting of the Audit & Governance Committee
Significant findings from the audit	<ul style="list-style-type: none"> ▶ 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, September 2023 meeting of the Audit & Governance Committee; and Auditor's Annual Report, November 2023




Appendix B

Required communications with the Audit & Governance Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ 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 - September 2023 - Audit & Governance Committee
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ 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 - September 2023 - Audit & Governance Committee
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiries of the Audit & Governance Committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements 	Audit Results Report - September 2023 - Audit & Governance Committee
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the Audit & Governance Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ 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 entity, any identified or suspected fraud involving: <ul style="list-style-type: none"> 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 & Governance Committee responsibility 	Audit Results Report - September 2023 - Audit & Governance Committee

Appendix B

Required communications with the Audit & Governance Committee (continued)

		 Our Reporting to you
Required communications	 What is reported?	 When and where
Related parties	<ul style="list-style-type: none"> ▶ Significant matters arising during the audit in connection with the entity'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 entity 	Audit Results Report - September 2023 - Audit & Governance Committee
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ 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 <p>Communication whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p>	<p>Initial Audit Plan - January 2023 - Audit & Governance Committee; and</p> <p>Audit Results Report - September 2023 - Audit & Governance Committee</p>
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	Audit Results Report - September 2023 - Audit & Governance Committee
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ 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 & Governance 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 & Governance Committee may be aware of 	Audit Results Report - September 2023 - Audit & Governance Committee

Appendix B

Required communications with the Audit & Governance Committee (continued)

Our Reporting to you		
Required communications	What is reported?	When and where
Internal controls	<ul style="list-style-type: none"> Significant deficiencies in internal controls identified during the audit 	Audit Results Report - September 2023 - Audit & Governance Committee
Group audits	<ul style="list-style-type: none"> 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 	Initial Audit Plan - January 2023 - Audit & Governance Committee; and Audit Results Report - September 2023 - Audit & Governance Committee
Representations	Written representations we are requesting from management and/or those charged with governance	Audit Results Report - September 2023 - Audit & Governance Committee
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit Results Report - September 2023 - Audit & Governance Committee
Auditors report	<ul style="list-style-type: none"> Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - September 2023 - Audit & Governance Committee Auditor's Annual Report - November 2023
Fee Reporting	<ul style="list-style-type: none"> Breakdown of fee information when the audit plan is agreed Breakdown of fee information at the completion of the audit Any non-audit work 	Initial Audit Plan - January 2023 - Audit & Governance Committee; and Audit Results Report - September 2023 - Audit & Governance Committee
Value for Money	<ul style="list-style-type: none"> Risks of significant weakness identified in planning work Commentary against specified reporting criteria on the VFM arrangements, including any exception report on significant weaknesses. 	Initial Audit Plan - January 2023 - Audit & Governance Committee; Audit Results Report - September 2023 - Audit & Governance Committee Auditor's Annual Report - November 2023

Additional audit information

Objective of our audit

Our objective is to form an opinion on the Group's consolidated financial statements under International Standards on Auditing (UK) as prepared by you in accordance with with International Financial Reporting Standards as adopted by the EU, and as interpreted and adapted by the Code of Practice on Local Authority Accounting.

Our responsibilities in relation to the financial statement audit are set out in the formal terms of engagement between the PSAA's appointed auditors and audited bodies. We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Audit & Governance Committee. The audit does not relieve management or the Audit & Governance Committee of their responsibilities.

Other required procedures during the course of the audit

In addition to the key areas of audit focus outlined in section 2, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Our responsibilities required by auditing standards

- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- ▶ Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Authority's internal control.
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Concluding on the appropriateness of management's use of the going concern basis of accounting.
- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, the Audit & Governance Committee reporting appropriately addresses matters communicated by us to the Audit & Governance Committee and reporting whether it is materially inconsistent with our understanding and the financial statements; and
- ▶ Maintaining auditor independence.

Additional audit information (continued)

Other required procedures during the course of the audit (continued)

Procedures required by the Audit Code	<ul style="list-style-type: none">▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement.▶ Examining and reporting on the consistency of consolidation schedules or returns with the Authority's audited financial statements for the relevant reporting period (WGA Return).
Other procedures	<ul style="list-style-type: none">▶ We are required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

We have included in Appendix B a list of matters that we are required to communicate to you under professional standards.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines the level of work performed on individual account balances and financial statement disclosures.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2019 EYGM Limited.
All Rights Reserved.

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 7

Climate Action Plan

To: Audit & Governance Committee

Meeting Date: 27 January 2023

Public report: Yes

From: Adrian Cannard
Strategic Planning Manager

Recommendations: The Audit & Governance Committee is recommended to:

- a) Note the revised Terms of Reference for the Climate Working Group.

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 To update members on the governance of the Climate Working Group that developed and is now implementing the Climate Action Plan.

2. Background

- 2.1 The Independent Commission on Climate examined the risks and opportunities of the changing climate and made recommendations to the Combined Authority and other stakeholders in its report of October 2021.
- 2.2 The Combined Authority established a multi-sector Climate Working Group to develop an Action Plan. The Climate Action Plan 2022-2025 was agreed at Board in March 2022. The Climate Action Plan notes that many climate-related actions are being undertaken by organisations across the Combined Authority area – the intention of the Action Plan was to identify collaborative actions that would add value to this existing activity.

- 2.3 The governance arrangements of the Climate Working Group were reported to Audit & Governance Committee in March 2022.
- 2.4 In November 2022 the Climate Working Group considered activity to date on the Climate Action Plan. As part of this, the Group considered updates to its Terms of Reference to reflect moving from the stage of developing the Action Plan to the delivery phase. These are attached as Appendix A and B.
- 2.5 The substantive changes to the Terms are to give a clearer focus on adaptation/resilience as an essential component of its work. The group also considered that Climate Partnership is a name that better reflects its ways of working and its membership. This name also avoids confusion with the supporting programme management arrangements (including multi-agency officer working groups). Other minor changes update the Terms to reflect the fact that the Action Plan has been approved.

3. Next Steps

- 3.1 A full monitoring report on the Action Plan, any revised actions, and the governance changes will be considered at the Combined Authority Board in March 2023.
- 3.2. It is anticipated that Climate activity will in future be a focus of the proposed Environment and Sustainable Communities Committee (subject to January Board decision on changes to Combined Authority committee structures).

Significant Implications

4. Financial Implications

- 4.1 The Combined Authority made provision in the MTFP for capital and revenue projects to take forward specific actions in the Climate Action Plan. Progress on the Business Cases for these projects was considered by Overview & Scrutiny Committee in November 2022, per link below.

5. Legal Implications

- 5.1 This report is for progress update only; there are no legal implications.

6. Public Health Implications

- 6.1 Evidence work highlights risks to the area from climate-change related impacts, particularly flooding and drought. Actions to reduce emissions and increase resilience to impacts will support public health.

7. Environmental and Climate Change Implications

- 7.1 The Climate Action Plan is delivering action on both mitigation of greenhouse gases emissions and adaptation to the impact of climate change.

- 7.2 In June 2022 the government published the latest estimates of end-user greenhouse gas emissions for local authority areas in the UK. Overall UK emissions in 2020 fell by 9% largely attributed to reductions in road traffic and business activity as a result of the coronavirus (COVID-19) pandemic and the resulting restrictions. The Combined Authority area was estimated at 8039 ktCO₂e in 2020, a drop of 6.4% on the previous year. This was a smaller drop than the UK average, partly reflecting the larger proportion of land-use emissions in the area, which were less affected by the pandemic.
- Item 7

8. Appendices

- 8.1 Appendix A – Updated Terms of Reference for the Climate Working Group – clean version
- 8.2. Appendix B – Updated Terms of Reference for the Climate Working Group – tracked changes version.

9. Background Papers

- 9.1 Audit & Governance meeting: [March 2022](#)
- 9.2 Overview & Scrutiny meeting: [November 2022](#)
- 9.3 Combined Authority Board meeting: Climate Action Plan approval: [March 2022](#)

Appendix A: Revised Terms of Reference (clean version)

Climate Partnership

Why do we have a Climate Partnership?

The Climate Partnership is a collaboration across the public, private and third sector to champion the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate and to share progress on their implementation.

Mission: to demonstrate local leadership and system-wide action on tackling the causes and effects of climate change. This will be managed through collaborative working across Cambridgeshire and Peterborough that is fair, long lasting and appropriately timed to deal with the climate crisis.

Ways of working

The Cambridgeshire and Peterborough Climate Partnership brings together representatives of key decision makers across the public, private and third sector to promote and champion collective local action on climate issues, recognising that decisions by one organisation can have impacts for others.

Each organisation, and each sector, is responsible for mitigating and adapting to climate change. They will have their own plans and strategies to do that, and control over their own resources. However, some climate change responses are bigger than any one organisation and require collaboration to scope and deliver effectively at a required scale.

The Climate Partnership is not a separate organisation with its own budget or powers but its strength comes from the alignment of the groups collective powers, resources and skills of its memberships.

Objectives

1. To work collectively to deliver Cambridgeshire and Peterborough Independent Commission for Climate's findings and recommendations
2. Members plan for early reductions in greenhouse gas emissions and to remain within the global carbon allowance¹;
3. To identify, resource and implement system-wide actions that will achieve long term reductions in greenhouse gas emissions, to reach the target of Net Zero² emissions as soon as possible;
4. To work collectively to minimise the risk to Cambridgeshire and Peterborough from the extremes of climate change, and to develop adaptation measures to build resilience to these impacts;
5. To undertake its activities in a way that enables a fair transition to a low carbon future;
6. To suggest actions to better articulate climate change challenges, to increase understanding both within organisations and from a public perspective;

7. To support opportunities to co-design and develop pilot projects to test effective responses;
8. To establish and keep science-based targets up to date; and
9. To monitor, review progress against these objectives (ongoing structures to keep under review the local implications of climate change to be considered following Independent Commission's second report) and recommend corrective actions if required.
10. To monitor progress of the Climate action plan 2022-25 and to help problem solve when there are systemic barriers to delivery
11. to align mitigation and adaptation measures from the outset in order to minimise the risk of costly and damaging maladaptation

Operation

To meet a minimum three times per year.

To be chaired by the Mayor.

To be supported by a Climate Programme Board that coordinates and drives the Climate Action plan 2022-25 through the range of sub-groups and specialist working groups, and task and finish groups in place to deliver.

Secretariat to be provided by CPCA.

Membership of Climate Partnership

Role	Organisation
Mayor (Chair)	Combined Authority
Climate Commission Chair	Independent Commission
Representative of Combined Authority Board member	South Cambs District Council
Representative of Combined Authority Board member	Cambridge City Council
Representative of Combined Authority Board member	Cambridgeshire County Council
Representative of Combined Authority Board member	East Cambridgeshire District Council
Representative of Combined Authority Board member	Fenland District Council
Representative of Combined Authority Board member	Hunts District Council
Representative of Combined Authority Board member	Peterborough City Council
Chair of CPCA Business Board	Anglian Water
Partnership member	Integrated Care System, NHS
Partnership member	Chair of Natural Cambridgeshire
Partnership member	Chair of Anglian (Great Ouse) Regional Flood and Coastal Defence Committee
Partnership member	Independent Chair of Water Resources East
Partnership member	Director of Health, Safety, Sustainability & Connections, UKPN
Partnership member	Area Director for the Environment Agency's East Anglia Area
Partnership member	Chair, Cambridgeshire and Peterborough Climate Action Coalition
Partnership member	Director for Cities, HBF
Partnership member	Chairman, NFU East Anglia
Partnership member	Nature Friendly Farming Network UK Chair
Partnership member	Engineering Director, Stagecoach
Partnership member	Cambridge Cleantech
Partnership member	Regional Director, East, Highways England
Partnership member	Vice Chancellor's adviser on climate, Cambridge University
Partnership member	DLUHC

Climate Partnership

Why do we have a Climate Partnership?

The Climate Partnership is a collaboration across the public, private and third sector to champion the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate and to share progress on their implementation ~~which addressed recommendations to actors across the public and private sector and keep progress on the recommendations under review.~~

Mission: to demonstrate local leadership and ~~ensure coherent~~ system-wide action on tackling the causes and effects of climate change. This will be managed, and through collaborative working ensure an effective and immediate response across within Cambridgeshire and Peterborough that is fair, long lasting and appropriately timed to deal with the climate crisis.

Ways of working

The Cambridgeshire and Peterborough Climate Working Group brings together representatives of key decision makers across the public, private and third sector to promote and champion collective local action on climate issues, recognising that decisions by one organisation can have impacts for others.

Each organisation, and each sector, is responsible for mitigating and adapting to climate change. They will have their own plans and strategies to do that, and control over their own resources. However, some climate change responses are bigger than any one organisation and require collaboration to scope and deliver effectively at a required scale. There are also existing collaborative groups that focus on specific themes (such as the Resilience Forum, or Natural Cambridgeshire) who will need to take climate implications into account.

The Climate Partnership is not a separate organisation with its own budget or powers but its strength comes from the alignment of the groups collective powers, resources and skills of its memberships.

Terms of Reference Objectives

1. To work collectively to deliver Cambridgeshire and Peterborough Independent Commission for Climate's findings and recommendations ~~identify and implement action that can term~~
2. Members plan for to deliver early reductions in greenhouse gas emissions and to remain within the global carbon allowance¹;
3. To identify resource and implement system-wide actions that will achieve long term reductions in greenhouse gas emissions, to reach the target of Net Zero² emissions as soon as possible;
4. To work collectively to reduce minimise the risk to Cambridgeshire and Peterborough from the extremes of climate change, and to develop adaptation measures to build resilience to these minimise impacts;
5. To undertake its activities in a way that enables a fair transition to a low carbon future;

6. To suggest actions to better articulate climate change challenges, to increase understanding both within organisations and from a public perspective;
7. To support opportunities to co-design and develop pilot projects to test effective responses;
8. To establish and keep science-based targets up to date; and
9. To monitor, review progress against these objectives (ongoing structures to keep under review the local implications of climate change to be considered following Independent Commission's second report) and recommend corrective actions if required.
10. To ~~monitor deliver an initial progress of the Climate action plan 2022-25 in time to be tabled at the March 2022 meeting of the Combined Authority and to help problem solve when there are systemic barriers to delivery~~
11. To align mitigation and adaptation measures from the outset in order to minimise the risk of costly and damaging maladaptation

Operation

To meet a minimum three times per year.*

To be chaired by the Mayor.

To be supported by a Climate ~~Working Group (Senior Officers Group)~~ Programme Board ~~that coordinates and drives the Climate Action plan 2022-25 through the range of , providing governance link to subsub-groups and specialist working groups, and task and finish groups in place to deliver. as required.~~

Secretariat to be provided by CPCA.

(no changes to Membership).

Report title: Review of Corporate Risk Register & Risk Register Improvements

To: Audit and Governance Committee

Meeting Date: 27 Jan 2023

From: Chris Bolton
Head of Programme Management Office

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) Note the Risk Management process update following the recent Internal Audit report of Risk Management.
- b) Note the full Risk Register and accompanying narrative.

Voting arrangements: A simple majority of all Members present and voting

1. Purpose

- 1.1 The purpose of this paper is to provide an update on the Risk Management process following a recent Internal Audit report.
- 1.2 The Committee has received the full risk register for review that includes details on the top five risks and a summary of the movement of risks over time.

2. Background

- 2.1 The Corporate Risk Register is populated by reference to individual project risk assessments and over-arching corporate risks and is reviewed by the Executive Team of the Combined Authority at the Performance and Risk Committee. Any risks which arise, or which become more significant between their meetings are escalated to the next Executive Team or Performance and Risk Committee meeting. (PaRC).

- 2.2 Risks are reviewed monthly at PaRC where the performance and risks of all projects across the CPCA are reviewed. Monthly highlight reports are reviewed at the meeting with performance dashboards being available at corporate and directorate levels. Actions now have recognised owners and dates for implementation, the proximity of risks are now noted, as well as an associated narrative including direction of travel. Mitigations for each risk are in place.
- 2.3. A recent Internal audit review found that the necessary updates to strengthen the risk management processes were in progress with areas such as the provision of training and the development of the risk appetite exercises being delivered or in planning.

The review noted that the control framework does require further strengthening to ensure that all areas of risk can be consistently identified, managed, reviewed, and reported.

It was also noted that the updated Risk Management Strategy was yet to be approved, (it is due to follow as part of the Improvement Plan Workstream E Performance Management work), and inconsistencies in the completeness of a sample of two Programme and two Portfolio risk registers were noted. (action owner and risk scores were missing).

Though it was noted that some improvements and progress has been made since our last review in 2020/21, it was evident that further work is required to ensure that a fully robust and effective risk management framework is in place.

3. Risk Management process and escalations

- 3.1 Risk management processes are structured to include:
- a. risk identification and assessment to determine and prioritise how the risks should be managed at project, programme and portfolio levels. (classification and scoring)
 - b. the selection, design and implementation of risk treatment options that support achievement of intended outcomes and manage risks to an acceptable level. (mitigations)
 - c. the design and operation of integrated, insightful, and informative risk monitoring; (regular monitoring), and
 - d. timely, accurate and useful risk reporting to enhance the quality of decision-making and to support management and oversight bodies in meeting their responsibilities. (reporting)
- 3.2 Risk Promotion or escalation is the term used when a project risk is deemed to be a programme/portfolio or even a corporate risk.

A risk should be promoted from a project to a programme risk when the project risk is deemed to have an impact on a programme.

Project risks can move up the promotion process to programme then to portfolio and then to corporate risk, there is also opportunity for a project risk to go direct to portfolio level.

Project risks can be escalated to programme level at forums such as the Skills Programme Board. Equally, programme risks can in follow be escalated to the corporate risk register at the monthly Performance and Risk Committee or at any time by the relevant risk owner or Director.

It is the decision of the relevant Risk Owner (as per the Roles and Responsibility table within the Risk Management Strategy) to decide to promote the risk. (Appendix 2).

A risk can be deemed to have project, programme, portfolio and corporate significance and therefore might stay on all three risk registers with different levels of action / mitigation and different risk owners.

4. Risk Register Top 5 risks

4.1 It is noted that the top 5 risks in the register are as follows:

- Future Funding
- Strategy Gap
- Future Viability of the CA
- Governance - VfM risk relating to governance
- Inflation

4.2. Most of the risks are related to the Governance issue highlighted by the EY Audit letter and value for money risks.

4.3 Future Funding

4.3.1 A lack of guaranteed future funding streams especially with existing streams coming to an end such as Transforming Cities Fund, housing investment funds and Local Growth Funding could affect the financial stability of schemes impacting on delivery on the devolution deal. Additionally, the pause on core funding as a consequence of the EY Audit letter could impact on the ability of the CPCA to make a balanced budget 2023/24.

4.3.2 In mitigation, the CA will look to share risk with partners, liaise with government, Department for Levelling Up Housing and Communities, and M10 on potential opportunities for future funding and reconsider the use of CA financial freedom powers.

4.4 Strategy Gap

4.4.1 An insufficient focus on priorities and their alignment to resources has led to the risk that there will be a lack of strategic agreement and fitting of resources against new strategies. This potentially could lead to not meeting strategic objectives as per devolution deal and any associated performance measures.

4.4.2 As such, mitigations will be pursued including governance review, including informal policy work as noted in the CA Improvement plan Workstream B, Governance, Ways of Working.

4.5 Future Viability of the CA

4.5.1 Poor governance practice as identified by external auditor, DLUHC and BEIS and poor delivery in some areas of the Combined Authority work has been noted. This has led to loss of confidence from our regulatory stakeholders, the withholding of funding in two areas, (The Mayoral Capacity Fund and LEP core fund), and the risk that further funding could be withheld.

4.5.2 To mitigate the risk to the future viability of the CA an improvement plan has been developed to build confidence with central government. Integral to the Improvement plan is a move to

more networked decision making and delivery with increased stakeholder involvement and improved communications between partners.

4.6 Governance - VfM risk relating to governance

- 4.6.1 The external auditor identified that there were weaknesses in the Authority's governance arrangements. As a result of these weaknesses, there was a risk that the Authority would have insufficient capacity, capability, and an inappropriate culture to support the effective governance and operation of the organisation and how it discharges its statutory services. Both the A&G and O&S Committees have been briefed on the issues and have made their own recommendations to the board and will work to support the CPCA in resolving the issues raised by EY.
- 4.6.2 It is to be noted that an interim CEO and Senior Management Team have been appointed to directly address these issues and an improvement plan has been developed to address the points raised in the EY letter.

4.7 Inflation

- 4.7.1 The risk that RPI Inflation is to rise to 10% in the short term, with staffing inflation is likely to be circa 4% was registered. As such inflation on core running costs, (including approx. £8m staffing costs) will exceed available funding over time. Inflation could impact on programme delivery with our buying power decreasing over time with the ability to deliver strategic objectives impacted. It is noted that inflation is a live issue for our delivery partners, thus they may be less likely to take on the inflation risks in fixed contracts.
- 4.7.2 To mitigate this risk several actions are being pursued including lobbying government to highlight our position and what will happen without a more sustainable funding solution and a reconsideration of the use of CA powers to use financial freedoms. All these issues will be built into the development of the 2023/24 budget, improvement plan and MTFP.

- 4.8 The full Risk Register is available in Appendix 1.

5. Financial Implications

- 5.1 There are no financial implications.

6. Legal Implications

- 6.1 Effective audit and risk management assist in good governance and probity of the Combined Authority's actions.

7. Appendices

- 7.1 Appendix 1: Updated Risk Register December 2022 [Corporate Risk Register Dec 2022.xlsx](#)
- 7.2 Appendix 2: Cambridgeshire and Peterborough Combined Authority Risk Management Strategy [CPCA Risk Management Strategy.pdf](#)

Risk Title												Cause & Effect		Inherent Score	Risk Control		Residual Score	Action required					Risk cost	Target Score
Risk Ref	Risk Title	Date Identified	Risk type	Priority	Risk Status	Risk Owner	Risk Lead	Last Updated	Last Review Date	Last Reviewed By	Last Review Comments	Cause	Effect	Inherent Score	Control (mitigation action)	Control Owner	Residual Score	Action required	Person responsible	Trend	Date to be implemented by	Date action closed (if applicable)	Cost of risk control (£k)	Target Score
2	Future funding	07/03/2022	Financial	Care	Open	JA	CFO	02/11/2022	02/11/2022	PMO/CFO		a) Lack of guaranteed future funding streams especially with existing schemes coming to an end such as Transforming Cities Fund, housing investment funds and Local Growth Funding b) Lack of local funding in support funds c) Wider financial pressures on Local Government impacting the ability of the area to deliver new projects d) Lower than anticipated allocation of UK RPI to the area e) Reduction in Business Board funding	Effect financial stability of schemes. Impact on delivery on the devolution deal Pressure on core funding could impact on the ability of the CPCA to make a balanced budget 2023/24 Lack of future funding may impact on the CA's ability to prepare accounts on a going concern basis	25	a) Sharing risk with partners (how will we share risk with partners) b) Workshops with partners to work out alternative funding sources c) Liaison with government and M10 on potential opportunities d) Reconsideration of the use of CA financial freedom powers as per Workstream D Improvement Plan e) Effective programme management to take into account funding deadlines f) manage stakeholder expectations regarding CA resources available to deliver strategic objectives	Section 73 officer in liaison with Improvement Plan workshop D lead - Tim Baskery	22	Discuss with DLHPC or central government opportunities for future funding and a recent Devolution Deal Development of action plan for approval by the Independent Improvement Board	Interim CEO	→	End of Dec 2022			13
5	Strategy gap	07/03/2022	Strategic	Investment	Open	MP	Director of C	22/11/2022	22/11/2022	Director of Corporate Services		Insufficient focus on priorities and their alignment to resources - Lack of strategic agreement - Flipping resources against new strategies	Not meeting strategic objectives as per devolution deal and associated performance measures	25	a) agreement GGAS - agreed including Communication strategy b) agreement Business Plan - c) agreement performance metrics - agreed d) governance review - including internal policy pipeline work as noted in the CA Improvement Plan e) agreement on the need for a new internal review process for the CA Board Business Board workshops - one already held, next due in Dec f) CA Board member away days - two already held	Wider strategy team	16	Business plan agreed at June 2022 Further Business Board away day planned for (8th July) Communication strategy discussed by ET, needs to be refined and implemented New CSEA Group has had an initial meeting. CSEA Group will meet monthly Improvement Plan Workstream A Practical Strategy and Ambition work	Director of Corporate Services	→	End of Dec 2022			5
7	Future viability of the CA	07/03/2022	Strategic	Investment	Open	GM	CEO	20/08/2022	20/08/2022	CEO/Chief of Corporate Services		Poor governance practice identified by external auditor, DLHPC and BEIS Poor delivery in some areas of the Combined Authority Epistemic support from local stakeholders and limited understanding of the CPCA agenda	Loss of confidence from our regulatory stakeholders Withdrawing funding Limiting our effectiveness in leading major local issues including fuel poverty, homelessness, demand for housing, emergency from Covid, cost of living issue etc.	25	Developing an improvement plan in order to build confidence with central government Move to more relevant decision making and delivery with stakeholder involvement Improved communications between partners	CEO	17	Under the leadership of the interim CEO an improvement plan is being developed	Interim Director of Transformation - Angela Probert	→	End of Dec 2022	£750,000.00	5	
15	Governance - V&V risk relating to governance	15/06/2022	Strategic	Investment	Open	GM	CEO	06/07/2022	16/08/2022	CFO/PMO		The external auditor has identified that there are: - Weaknesses in the Authority's governance arrangements. As a result of these weaknesses, we are concerned that the Authority has insufficient capacity, capability and an inappropriate culture to support the effective governance and operation of the organisation and how it discharges its statutory services. - Weaknesses in the Authority's senior management team, particularly at Chief Executive level, and the prospect that the cost increase further from July 2022. - Weaknesses in the Authority's internal controls, particularly in relation to the management of the Authority's financial resources. - That the nature of the white-blower allegations and initial findings of independent investigation reports raise significant questions on the culture, behaviour and integrity of key individuals in the Mayor's office	Risk to delivering Value for Money based on the external auditors concerns which are as follows: - Increased number of employment related claims against the Authority - Current resources in the Authority's senior management team, particularly at Chief Executive level, and the prospect that the cost increase further from July 2022. - Weaknesses in the Authority's internal controls, particularly in relation to the management of the Authority's financial resources. - That the nature of the white-blower allegations and initial findings of independent investigation reports raise significant questions on the culture, behaviour and integrity of key individuals in the Mayor's office	25	Both the A&O and O&S Committees have been briefed on the issues and are making their case recommendations to the board and will work to support the CPCA in resolving the issues raised by EY. It is to be noted that an interim CEO has been appointed to directly address these issues Regular engagement with external auditors, DLHPC and BEIS Board to action a plan to satisfy EY concerns leading to DLHPC to release funds	CEO	17	Under the leadership of the interim CEO an improvement plan is being developed to address the points raised in the ET letter Under the leadership of the interim CEO an improvement plan is being developed to address the points raised in the ET letter Under the leadership of the interim CEO an improvement plan is being developed to address the points raised in the ET letter	Interim Director of Transformation - Angela Probert	→	End of Dec 22			5
1	Inflation	07/03/2022	Financial	Investment	Open	JA	CFO	02/11/2022	02/11/2022	CFO		RPI inflation may rise to 10% in the short term, staffing inflation is likely to be circa 4%	Potential to apply risk a) inflation on core running costs - against this staffing costs, will be exacerbated available funding over time b) inflation impact on programme delivery - delivery of strategic objectives. Our buying power decreases over time due to inflation, the ability to deliver strategic objectives impacted c) need to review all areas of the budget to reflect on individual programme programme expenses to inflation, and impact on programme delivery d) we currently have a balanced and affordable budget for the period of the MTPP e) inflation is a key issue for our delivery partners, this may be less likely to take on the inflation risks in fixed contracts	a) Lobby government to highlight our position and what will happen when across sustainable funding solution b) Project delivery - enter into fixed price contracts, i.e. transferring inflationary risk to contractors c) Project delivery delays mitigated by active project management to minimise slippage d) Reconsideration of the use of CA powers to use financial freedoms All of these issues will be built into the development of the 2023/24 business plan	Chief Finance Officer	25	To go through each line of MTPP to understand inflationary risk against each type of budgetary expenditure - part of development of budget and MTPP	CFO	↑	End of Jan '23			12	
16	Culture	14/08/2022	Reputation	Investment	Open	CEO	CEO	14/09/2022	14/09/2022	CEO/Chief of Corporate Services		The A&O Committee have asked that Member behaviour is to be included on the corporate risk register	Impact on delivery of decisions, demotivation of officers	25	Governance review underway as part of Improvement Plan Assessing the TCF funding programme around deliverability and cost considerations. Where schemes will no longer be delivered and there will be a focus on the remaining schemes to be delivered ET have advised that they will be undertaking a "test" early in the New Year on TCF and progress to date. TCF - programme continues to be delivered through GPAs and	CEO	16	Ongoing engagement with Member and staff to display appropriate behaviour	CEO	→	End of Dec 22			
12	Transforming Cities Fund (TCF)	04/04/2022	Financial	Investment	Open	TS	Interim Head of Transport	14/12/2022	14/12/2022	Interim Head of Transport		Delays to specific projects not meeting the timeline for TCF funding which is March 2023	Not spending full allocation of TCF and therefore may have a reputational impact	21	Assessing the TCF funding programme around deliverability and cost considerations. Where schemes will no longer be delivered and there will be a focus on the remaining schemes to be delivered ET have advised that they will be undertaking a "test" early in the New Year on TCF and progress to date. TCF - programme continues to be delivered through GPAs and	Interim Head of Transport	13	a) CCC and PCC to assess their TCF programme - complete b) Identify funding plan (onward) - complete c) Develop alternative schemes for TCF - complete d) Plan to be written for consideration by TCF and	TS	→			5	
17	Subsidiary Companies	30/09/2022	Financial	Care	Open	CFO	CFO	14/10/2022	14/10/2022	CFO/PMO		Currently there is no member oversight of the operational and financial of the subsidiary companies as highlighted in the recent RSM annual audit of subsidiary companies which gave a minimal rating	Failure of subsidiary companies can have material financial and reputational damage to the CA. This could result in the strategic objectives that the companies have been set up to deliver, not being met	21	Action plan to address the internal audit recommendations have been developed. Early actions are being addressed	Director of Corporate Services	13			→				
9	Public Health	07/03/2022	Strategic	Investment	Open	MJ	HR	02/11/2022	02/11/2022	HR		Covid and possible future strains	Impact on project delivery timelines / resourcing. Staff absence in health, education and other parts of public service is rising and causing capacity issues	25	Business continuity plan	HR	16	To be kept on regular, given annual cycle, including broader job. Next potential peak period coming up Winter 2022	MJ	↓	31/12/2022			11
11	University of Peterborough project	07/03/2022	Financial	Approaching	Open	RT	Director of Housing	02/11/2022	02/11/2022	Director of Housing		Long term strategic review of CPCA investment beyond phase 3 leading to the creation of an multi awarded company in under review	Concern over the route to create and deliver the wider university campus and sustainability of the wider A&O/Peterborough project	25	The wider CA finances are insulated from the performance of Prop Co as the wider CA finances are being separated from the wider CA. A review of the future campus business case is to be undertaken	Housing Director	16	Paper in Forward plan to Board in November 2022 and Jan 23 Report on the review on the future campus business case	RT	→	31/03/2023	TBC	No	13
14	University of Peterborough project	14/06/2022	Reputation	Approaching	Open	Business & Skills	Director of Housing	26/09/2022	26/09/2022			Review of original business case objectives and targets against current numbers under review	Risks regarding programme delivery of all 3 phases to original target	25	Phase 1 Continued promotion of the new University and its courses (in new academic block) Phase 2 Marketing strategy to seek to identify tenants. Review of Phase 3 2020 of funding, needed to be completed by March 2024. Procurement complications, earliest completion now October 2024	Housing Director	16	Continued ongoing support for existing phases through the Development Management Agreement and Governance Arrangements in place		→			13	
11	University of Peterborough project	26/06/2022	Reputation	Care	Open	RT	Director of Housing	02/11/2022	02/11/2022	Director of Housing		Phase 2 (Shareholder and Anchor Tenant) looking to change their commitments under the shareholder agreement and agreement for lease	This may result in reputational impact and require a readjustment of the strategy to generate interest from future tenants for the building	25	Early engagement with shareholder and anchor tenants to identify potential impacts and strategy for their replacement. With a view to minimising reputational impact and any risk of a negative financial impact to the company Lastestly steering group formed to review the issues	Prop Co 2 Board	16	Review of original business case with a view to make the requirements regarding tenants as new anchor tenant can be identified	RT	→	Ongoing	TBC	Yes	13
20	Net Zero Hub	22/09/2022	Reputation	Approaching	Open	RM	Director of Corporate Services	31/10/2022	31/10/2022	PMO/HR		Performance review in early December shows a 17% achievement against target and an improving trend. New monitoring should be being developed to track and monitor performance. One used in the new year being used in the monthly data reports to BEIS to sign the narrative	Further underperformance of project against newly agreed forecasts for delivery, alongside the scheme does not deliver at least 50% of combined 2023 target for November, October and November (combined £1m target)	16	Project Team monitoring and steering delivery through the Local Authorities and the combined delivery partners Discussions held fortnightly with BEIS to align expectations Discussion between project sponsor, lead member and BEIS minister and Director for Net Zero to account for progress (date TBC expected in December)	Director of Corporate Services	13	Review the September - November performance in early December Develop and agree a narrative on the performance, forecast and reputational expectations of a meeting with BEIS minister Continue dialogue with BEIS on performance and present transparent reports on delivery Align reporting and account for information from meeting as well as supplier data reports	Director of Corporate Services	→	Early Dec 22			5
3	Workforce/HR	07/03/2022	Financial	Approaching	Open	MJ	HR	02/11/2022	02/11/2022	MJ		Current funding ending - temporary in nature	Impact of workforce potential job losses and redundancy costs	17	a) Workforce planning - redeployment of staff / temporary contracts	HR	13	Recruitment register being discussed fortnightly at ET and is intended to include planned leavers to enable us to take a more strategic view on vacancies Develop workforce strategy plan to align with Business Plan (this needs to be reviewed in context of improvement work), including specific approach for fixed term contracts linked to funding and effects of inflation Financial implications of funding stream coming to an end, for example, cost payments	HR	↓	31/12/2023			5

18	Net Zero Hubs	22/09/2022	Reputational	Approaching	Open	RH	Director of Corporate Services	31/10/2022	31/10/2022	PMORH	<p>First Project Board held 28/11/22. Next scheduled for 20/12/22. Feedback from project team in meeting says that there was a good level of engagement and useful discussions however reporting quality needs to improve. PMO support required to assist with monitoring and reporting feedback.</p> <p>Although recent extreme weather events have highlighted the expected consequences of the changing climate, there are no new policy changes to be reported to.</p>	<p>Project Controls for delivery are not fully in place for Sustainable Warmth delivery and there is a lack of alignment between GSE NZH currently implemented MAU with BEIS, the newly drafted MAU from BEIS, and the ownership/persnship of the MAU from within CPCA.</p> <p>Lack of senior CPCA representation at Net Zero Hub Strategic discussions for GSE NZH and CPCA are not aligned. Approach to future extreme (drying and delivery) are not agreed. Delegations are not clear or in place.</p>	17	Design and implement new governance arrangements for the project in line with CPCA improvement plan	Director of Corporate Services	9	<p>Governance review underway and new governance arrangements implemented.</p> <p>Sign off from relevant Directors and Head Monitor achieved.</p> <p>Implementation of governance changes started.</p> <p>Monitoring and support of new governance arrangements required.</p>	Director of Corporate Services	↓	End of Dec 22			9
8	Climate change	07/03/2021	Strategic	Approaching	Open	AC	Director of Corporate Services	16/08/2022	16/08/2022	Strategic Planning Manager	<p>Although recent extreme weather events have highlighted the expected consequences of the changing climate, there are no new policy changes to be reported to.</p>	<p>Changing national policy or new evidence requires compromises the sustainability of current projects or of the decarbon deal objectives.</p> <p>Change in government carbon calculations.</p>	13	<p>Keeping Climate action plan up to date, keeping evidence base current.</p> <p>Monitoring independent climate change commission to provide advice.</p> <p>Maintaining effective networks and national and regional level to enable action learning.</p>	Director of Delivery & Strat	8	Climate Working Group to meet in autumn to review progress.	Strategic Planning Manager	↓	End of Nov 22		No	8
19	Net Zero Hubs	22/09/2022	Reputational	Approaching	Open	RH	Director of Corporate Services	31/10/2022	31/10/2022	PMORH	<p>H432 bid submitted, re-inclusion of CPCA. Approach to future evidence and testing through GSE NZH will be discussed and monitored although this is unlikely to be a priority in the short term.</p>	<p>Lack of clarity on whether CPCA consented Local Authorities should bid for H432 phase 2</p> <p>Create a disconnect between accountability for delivery responsibilities, rating governance and decision-making complex</p>	12	CPCA to develop a position on the use of the GSE/NZH as a vehicle for delivery in line with the proposed MAU from BEIS.	Director of Corporate Services	18	<p>CPCA to decide on the requirement to bid and monitor through GSE/NZH for funding streams related to Net Zero from BEIS. This may be a case through mechanisms for self delivery or accepting delivery via GSE/NZH capabilities.</p>	Director of Corporate Services	→	End of Dec 22			14



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Risk Management Strategy

Cambridgeshire and Peterborough Combined
Authority (CPCA)



Contents

1. Introduction	4
2. Risk Policy	4
3. Risk Management Aims and Objectives.....	5
4. Roles and Responsibilities.....	6
Table 1: Roles and Responsibilities – Project Level	6
Table 2: Roles and Responsibilities – Governance Level	7
5. Arrangements for Managing Risk	8
6. Monitoring Arrangements	8
7. Training and Communication Arrangements to Support Implementation of the Strategy.....	9
8. Review of the Risk Management Strategy	9
9. Appendices:.....	9
10. Version Control	10
11. References	10
Appendix 1. Risk Management Methodology	12
1. The Risk Management Cycle	12
Diagram 1: Risk Management Cycle (IIAPI).....	12
2. Initiate	12
3. Risk Identification (what can happen and how can it happen?).....	12
Table 1: Risk Identification Techniques	13
4. Risk Assessments (Determine the likelihood and impact)	14
Table 2: Likelihood vs Impact definitions.....	14
Table 3: Overall RAG Status	15
5. Mitigation and Risk Control	16
Table 4: Risk Events and Responses.....	16
6. Implement Risk Responses	17
7. Risk Promotion from Project to Corporate	17
Diagram 2: Risk Promotion Process	18
8. Review Monitoring and Review	19
Appendix 2: Issue Management Strategy	20
1. Introduction	20
2. Issue Register	20
3. Issue Management Methodology	20
Diagram 1: Issue Management Cycle.....	21
1. Capture.....	21
2. Examine.....	21

3. Propose Course of Action.....	22
4. Decide	22
Table 1: Roles and Responsibilities	22
5. Implement.....	23

1. Introduction

This Risk Management Strategy outlines the approach taken by Cambridgeshire and Peterborough Combined Authority (CPCA). This guide describes the specific management activities that will be undertaken for the organisation and the individual portfolios within CPCA.

Risk management is the effective way to manage risk before it becomes an issue. It also implements processes to deal with risk escalation, promotion and issue management.

A risk can be either a threat (i.e. uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e. an uncertain event that could have a favourable impact on objectives or benefits)

The benefits gained from effectively managing risk include:

- Encouraged proactive management – strategic, operational and financial;
- Increased likelihood to deliver against objectives and targets;
- Improved identification of opportunities and threats;
- Improved operational effectiveness and efficiency;
- Improved CPCA learning;
- Improved CPCA resilience.

Issues are risk events that have happened. These were not planned and require immediate management actions. Risks when they occur become issues or as otherwise known “become realised”.

The Risk Management Strategy implements section 6.3 of the Assurance Framework. “It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests”.

2. Risk Policy

CPCA recognises the need for risk management to feature in our strategic, operational planning and decision-making governance. CPCA is committed to managing and minimising risk by identifying, analysing, evaluating and treating risks that may impact the future success of the organisation. The approach has the following aims:

- All staff obtain a sound understanding of the principles of risk management;
- Issues are avoided or if realised they have a reduced financial impact by an increased understanding of risk and quickly identifying mitigation responses;
- Risk management is embedded in decision making by providing visibility of risks.

The approach is based on: thinking logically; identifying key risks and what to do about each risk; deciding who is responsible and accountable for the risk; recording the risks and changes in risk exposure; monitoring the risks and learning from events.

CPCA is a complex organisation with different portfolios, these include:

- Business & Skills.

- Corporate Services.
- Housing.
- Transport & Strategy.

When dealing with particular projects within these portfolios, guidance is used through Supplementary Green Book Guidance for Optimism Bias.

3. Risk Management Aims and Objectives

The aim of risk management is to ensure that CPCA has an effective process to support better decision making through good understanding of risks and the likely impact these risks may have. In general terms, “risk management” refers to the architecture (principles, framework and process) for managing risks effectively, while “managing risk” refers to applying that architecture to particular risks.

In order for CPCA’s Risk Management Strategy to be effective, all employees at CPCA should understand risk management. The core principles of the Risk Management Strategy are:

- Integral part of all CPCA processes.
- Part of decision making.
- Explicitly addresses uncertainty.
- Based on the best available information.
- Tailored approach.
- Takes human and cultural factors into account.
- Transparent and inclusive.
- Dynamic, iterative and responsive to change.
- Facilitates continual improvement of CPCA.

These principles will be achieved by:

- Establishing clear roles, responsibilities and reporting lines within CPCA for risk management;
- Following the Risk Management Methodology (Appendix 1);
- Effective communication with all CPCA employees;
- Monitoring progress in implementing the strategy and reviewing the risk management arrangements on an on-going basis.

As stated within the Assurance Framework, “at project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight report”.

Within CPCA, we have defined risk into four groups. This is to effectively implement the risk management strategy. The four risk groups are:

- Project
- Programme
- Portfolio
- Corporate

4. Roles and Responsibilities

The table below outlines the key roles within the Risk Management Strategy: -

Table 1: Roles and Responsibilities – Project Level

Role	Responsibility / Action
Corporate Risk Owner / Chief Executive	<ul style="list-style-type: none"> • Authorises the risk and issue management strategy and its adjustment, improvement and enforcement • Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. • In charge of monitoring the strategy / corporate risk register. • Define clear rules for escalation and promotion. • Deploys a consistent language of risk management across the corporate, portfolio, programme and its projects.
Portfolio Director	<ul style="list-style-type: none"> • Ownership of portfolio-level risk and issues. • Assures portfolio adherence to the risk management principles • Define clear rules for escalation and promotion. • Deploys a consistent language of risk management across the portfolio, programme and its projects. • Escalates items across the programme boundaries to Corporate Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the portfolio. • Coordinates risk and issue management interfaces with programmes. • Provides support and advice on risks and issues to programmes. • Allocates risk and issues as appropriate.
Programme Risk Owner	<ul style="list-style-type: none"> • Ownership of programme-level risk and issues. • Assures programme adherence to the risk management principles. • Deploys a consistent language of risk management across the programme and its projects. • Escalates items across the programme boundaries to Portfolio Director for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the programme. • Coordinates risk and issue management interfaces with projects. • Provides support and advice on risks and issues to projects. • Allocates risk and issues as appropriate.
Project Risk Owner	<ul style="list-style-type: none"> • Ownership of project-level risk and issues. • Assures the project adherence to the risk management principles. • Deploys a consistent language of risk management across the projects.

	<ul style="list-style-type: none"> • Escalates items across the programme boundaries to Programme Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the project. • Allocates risk and issues as appropriate.
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Table 2: Roles and Responsibilities – Governance Level

Role	Responsibility / Action
Combined Authority Board	<ul style="list-style-type: none"> • Adopt and review the Risk Management Strategy. • Receive recommendations from the Audit and Governance Committee as to the Authority's arrangements for the management of risk and on the any concerns that risks are being accepted which the Authority may find unacceptable.
Business Board	<ul style="list-style-type: none"> • Review and challenge mitigation and exploitations at the appropriate level (in relation to matters directly controlled or indirectly accessible by the Business Board).
Audit and Governance Committee	<ul style="list-style-type: none"> • Initiates assurance reviews of risk and issue management effectiveness. • Reviews the Authority's risk management arrangements. The Committee will consider the Risk Management Strategy on an annual basis and will make appropriate recommendations to the Combined Authority Board. • Monitors the Authority's risk and performance management arrangements including reviewing the corporate risk register on a quarterly basis together with progress with mitigating actions and assurances.
Internal Audit	<ul style="list-style-type: none"> • Responsibility to undertake sufficient work to establish whether the CA has "adequate and effective" risk management, control and governance processes. • The Chief Internal Auditor provides an annual opinion on the overall systems of internal control and their effectiveness.
Monitoring Officer	<ul style="list-style-type: none"> • Manages and coordinates the resolution of risks relating to operational performance and benefits achievement. • Ensures that risk management cycle includes operational risks. • Manages risks that impact on business performance and transition. • Identifies operational issues and ensures that they are managed by the programme. • Identifies opportunities from the business operations and raises them for inclusion in the programme. • Contributes to impact assessments and change control. • Monitors and reports on business performance issues that may require the attention of the programme during transition.
Section 73 Officer	<ul style="list-style-type: none"> • The Chief Finance Officer is appointed under Section 73 Officer of the Local Government Act 1985 to ensure that proper administration of the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is

	<p>responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds under the Cambridgeshire and Peterborough Investment.</p> <ul style="list-style-type: none"> • The S73 office is also required to report to, and provide assurances to, the Audit and Governance Committee in relation to the Combined Authority's risk management and assurance mapping arrangements and has overall responsibility for maintaining adequate and effective internal control arrangements.
Project Management Office (PMO)	<ul style="list-style-type: none"> • Manages and coordinates the information and support systems to enable efficient handling of the programmes risk and issues. • Maintains the risk register for each programme. • Maintains the issue register for each programme. • Establishes, facilitates and maintains the risk management cycle. • Establishes, facilitates and maintains the issue management cycle. • Maintains the configuration management system (document control). • Facilitates the change control steps.

The Assurance Framework states that "Senior Officers of the Combined Authority (Chief Executive and S73 Officer) are responsible for the identification and management of risk. The Combined Authority has an Assurance Manager, to support this activity".

5. Arrangements for Managing Risk

The Risk Management Methodology to be employed at CPCA is outlined in Appendix 1, with a copy of the Issue Management Strategy within Appendix 2. The project risk and opportunity templates and guidance notes can also be found in Appendix 3 and Appendix 4. Dealing with risk events that have become issues are documented in Issue Log Appendix 5.

6. Monitoring Arrangements

To ensure that informed decisions are made, it is essential to identify key strategic risks. Strategic risks will be reviewed monthly by the Combined Authority Management Team, as per the Assurance framework and will be documented in the Corporate Risk Register.

Progress in managing strategic risks will be monitored and reported on to ensure that identified actions are delivered and risks managed.

The Corporate Risk Register will be reviewed by the Audit & Governance Committee on a quarterly basis as per the Assurance Framework.

Internal Audit will carry out a periodic review of the CPCA's risk management arrangements to provide independent assurance as to their effectiveness.

In carrying out audits throughout the year, Internal Audit will also:

- Identify and report weaknesses in the controls established by management to manage/monitor risks;
- Provide advice on the design/operation of the controls established by management to manage/monitor risk.

In order to ensure risk management is effective, CPCA will:

- Measure risk management performance against indicators, which are periodically reviewed for appropriateness.
- Periodically measure progress against, and deviation from the risk management plan.
- Periodically review whether the Risk Management Methodology, policy and plan are still appropriate given CPCA internal and external context.
- Report on risk, progress with the risk management plan and how well the risk management policy is being followed.
- Review effectiveness of Risk Management Methodology.

7. Training and Communication Arrangements to Support Implementation of the Strategy

Training of the Risk Management Methodology (Appendix 1) will be provided to those employees with direct responsibility for involvement in the risk management process:

- Corporate Risk Owner;
- Portfolio Director;
- Programme Risk Owner;
- Project Risk Owner;
- PMO;
- Board;
- Internal Auditor;
- Monitoring Officer;
- Section 73 Officer;
- All employees.

8. Review of the Risk Management Strategy

This strategy will be reviewed every three years.

9. Appendices:

Appendix 1: Risk Management Methodology

Appendix 2: Issue Management Strategy

Appendix 3: Risk Register and Guidance Notes

Appendix 4: Opportunity Register and Guidance Notes

Appendix 5: Issue Log and Guidance Notes

10. Version Control

Any amendments to the Risk Management Strategy should all be logged in the box below:

Version	Date	Comments
1.0	07/11/2019	First draft of Risk Management Strategy
2.0	05/12/2019	Finalised for inclusion to Audit and Governance Committee for 16 th December 2019
2.1	16/12/2019	Approved with minor amendments from Audit and Governance Committee
2.2	29/01/2020	Adopted by Combined Authority Board

11. References

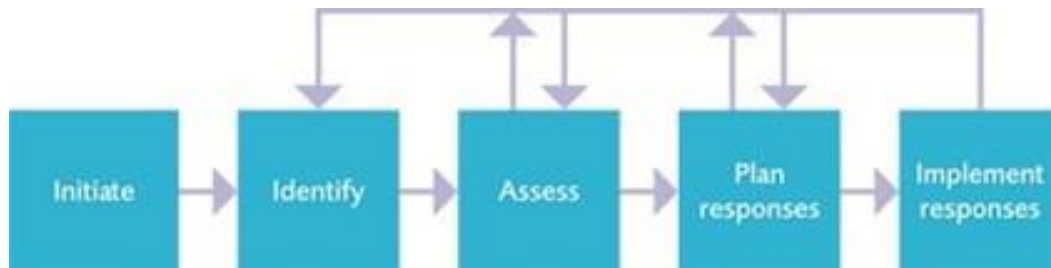
1. Association for Project Management (APM) Book of Knowledge, 2014.
2. Managing Successful Programmes (MSP) Best Practice Management, 2011.
3. Cambridgeshire & Peterborough Combined Authority (CPCA) Risk Management Strategy, 2018.
4. British Standard – Risk Management – Principles and guidelines, BS ISO 31000:2009.
5. Supplementary Green Book Guidance, Optimism Bias, HM Treasury.
6. Cambridgeshire & Peterborough Combined Authority (CPCA) Constitution, 2019.
7. Cambridgeshire & Peterborough Combined Authority (CPCA) Assurance Framework, 2019.

Appendix 1. Risk Management Methodology

1. The Risk Management Cycle

There are 5 key stages in the risk management cycle, Initiate, Identify, Assess, Plan and Implement (IIAPI) as illustrated in the diagram below:

Diagram 1: Risk Management Cycle (IIAPI)



The 5 stages of risk management are part of a cycle. Risk management is dynamic and so the identification phase needs to be carried out continuously. As the process is repeated throughout the project/programme/portfolio lifecycle, the assessment or response planning can lead to the identification of further risks and planning and implementing responses can trigger a need for further analysis and so on.

A key output from the initiation step is the risk management plan, which details how risk will be managed throughout the life cycle.

An individual risk is defined as “either a threat (i.e. uncertain event that could have a negative impact on objectives or benefits) or an opportunity (i.e. an uncertain event that could have a favourable impact on objectives or benefits)”

2. Initiate

The main output for the initiation phase is the Risk Management Plan or Risk Management Strategy which is available on the Combined Authority website.

This describes the key elements on how risk management will be implemented:

1. Scope;
2. Objectives;
3. Roles and Responsibilities;
4. Process;
5. Tools.

3. Risk Identification (what can happen and how can it happen?)

Risk identification starts with uncertain events being articulated as threats and opportunities. To help identify whether an uncertain event is a project, programme, portfolio or corporate risk, definition for these risk groups can be found below:

Project – has a specific impact on a single project only.

Programme – has common attributes across multiple projects (within an interdependent group of projects) and may affect the delivery of those associated projects.

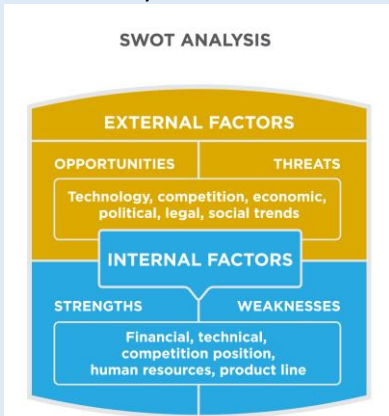
Portfolio – distinct directorial area, made up of a collection of individual projects and programmes that are not necessarily interdependent of each other e.g. Business & Skills, Housing, Transport & Strategy.

Corporate – refers to the liabilities and opportunities that positively or negatively impact CPCA as an organisation.

Identification techniques draw on various sources of information. Identification of risks from previous projects, programmes and portfolios involves looking at lessons learned reports and risk registers.

The aim of the risk identification process is to generate a comprehensive list of risks, with relevant and up to date information important in identifying these risks. A variety of risk identification processes may be used as exemplified in the table below.

Table 1: Risk Identification Techniques

Risk Identification Techniques	
Technique	Description
Risk Gap Analysis	Using a list of common risks as a discussion point in risk reviews.
Workshops & Brainstorming	Collection and sharing of ideas that could impact the objectives of the project / objective.
Audits and Inspections	Physical inspections of premises and activities and audits of compliance with established systems and procedures. Flowcharts and dependency analysis of the processes and operations within the organisation to identify critical components that are the key to success.
SWOT analysis	<p>Considering a project/programme/organisation's Strengths Weaknesses Opportunities Threats (SWOT) – opportunities and threats are usually external risks, while strengths and weakness are normally internal risks.</p>  <p>The diagram is titled 'SWOT ANALYSIS' and is shaped like a shield. The top half is yellow and labeled 'EXTERNAL FACTORS'. It is divided into 'OPPORTUNITIES' on the left and 'THREATS' on the right. Below these is a box containing the text 'Technology, competition, economic, political, legal, social trends'. The bottom half is blue and labeled 'INTERNAL FACTORS'. It is divided into 'STRENGTHS' on the left and 'WEAKNESSES' on the right. Below these is a box containing the text 'Financial, technical, competition position, human resources, product line'.</p>

PESTLE analysis

Considering potential sources of risk arising from six possible elements: Political, Economic, Social, Technological, Legal & Environment (PESTLE)



4. Risk Assessments (Determine the likelihood and impact)

The assessment of risk can be broken down into how likely it is that a risk might become an issue, and what impact that issue would have. These are defined as likelihood and impact:

- The probability of an event occurring and when they might happen – **likelihood**.
- The potential severity of the consequences (positive and negative) should such an event occur – **impact**.

The following table below provides likelihood and impact descriptors to assist with this process:

Table 2: Likelihood vs Impact definitions

Likelihood	
1	Rare – This event may occur but only in exceptional circumstances (0-5%)
2	Unlikely – Not likely to not occur under normal circumstances (6-20%)
3	Moderate - Given time likely to occur (21-50%)
4	Likely – The event will probably occur in most circumstances (51-80%)
5	Almost Certain – This event is expected to occur soon (81-99%)

Impact	
1	Negligible – Risks may have minimal damage / gain or long-term effect
2	Marginal – Risks may have minor loss / gain but little overall effect
3	Significant – Risks may have considerable loss / gain.
4	Major – Risks may have significant loss / gain.
5	Monumental – Risks may have extensive loss / gain and long-term effect.

When discussing the impact of risks, it is important that we are not just focusing on the impact to the individual project/programme and that we also consider the impact that can affect the strategic objectives of CPCA. It should be noted that, while the likelihood assessment should not change, the

impact assessment may change when risks are escalated from project to programme to portfolio to corporate risks: this reflects that a risk may be critical to a project's outcomes, but that project may not be critical to the CPCA's outcomes as a whole.

When discussing the impact (positive or negative) a risk can have on a project, programme, portfolio or corporate, it is important to remember to use the following criteria. These are:

- Cost
- Time
- Quality
- Safety
- Operational Impact
- Reputation

Once every risk has been given a score for its likelihood x Impact, it is given an overall score and corresponding RAG status (Red Amber Green Rating).

Table 3: Overall RAG Status

Overall RAG Status		Impact				
		1	2	3	4	5
Likelihood		Negligible	Marginal	Significant	Major	Monumental
5	Almost Certain	5	10	15	20	25
4	Likely	4	8	12	16	20
3	Moderate	3	6	9	12	15
2	Unlikely	2	4	6	8	10
1	Rare	1	2	3	4	5

The RAG rating is an indicator to determine the severity of a risk.

Priority will be given according to the RAG Status:

- Red – Require immediate action plans
- Amber – Require action plans and / or to be closely monitored as appropriate.
- Green – Can be “Accepted” and may not require action plans.

This determines the Risk Tolerance. Risk Tolerance is the measure of the degree of uncertainty that a stakeholder/organisation accepts in respect of the project/programme/portfolio risk assessment.

However, these risks will need to be monitored to ensure that controls remain operational in order to manage them. Just because a risk is deemed as “Accepted” does not mean that this risk is forgotten about. For example, risks are to be monitored and reviewed to ensure that a green risk does not escalate to an amber risk and therefore would require more action. Similarly, it is also important to ensure that amber risk does not escalate to a red risk.

Just as risks can increase in RAG status, they can also decrease with the right mitigation or change in circumstance. A risk that was deemed as red at the beginning of the project can be moved down to green throughout the project lifecycle. The current RAG rating is called the Project/Programme/Portfolio/Corporate Risk Status.

Risks are recorded on the Risk and Opportunity Register for that project, programme or portfolio. Templates and guidance for this is found in Appendix 3 and 4. Corporate Risks are stored on the Corporate Risk Register (Appendix 6).

5. Mitigation and Risk Control

Having prioritised the risk, it is now necessary to determine a potential response for the higher risk events. There are two things to do here:

1. Determine what can be done to reduce the probability of the risk occurring (therefore, reducing its likelihood).
2. Determine a plan and set aside contingencies to deal with if it does become realised. (therefore, reducing its impact)

This process is called mitigation. An example of risk events and planned responses are shown below:

Table 4: Risk Events and Responses

Risk Event	Consequences	Mitigation action to reduce probability	Contingency actions to deal with the event if it occurs
Bad weather happens on a key date	There may be delays in replacing the roof, thereby causing delays and potential overspend	Do roofing work during drier months	Erect protective sheeting above roof while work takes place. Stop work and move workers inside during bad weather
The new server does not arrive in time	The software testing cannot take place	Make sure it is purchased from a reputable supplier	Provide a delay between planned delivery and testing starting Purchase two as a spare
The staff do not accept the new working practices	Poor customer service and morale	Make sure staff are communicated with early in the process	Have a long transition phase Hire temporary staff while changes and alterations are made

Risk Control is the process of acting to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. This will be applied on risk and opportunities. There are 8 main options to consider, 4 for risk and 4 for opportunities.

Risk

1. **Accept** – Here we accept the risk and take no proactive action other than putting monitoring processes in place to make sure that the potential for damage does not change. Once the risk is accepted it is generally necessary to provide for some form of contingency to provide funds / time to accommodate the risk should it happen (despite its lower likelihood / impact)

2. **Avoid** – The only real way to avoid a risk is to change the project scope or approach – what we do or the way we do it.
3. **Transfer** – We seek to move the risk from our risk register onto someone else’s risk register. We seek to transfer the potential for harm to another. Usually through an insurance policy or a contract.
4. **Reduce** – either the likelihood or impact.

Opportunity

1. **Reject** – Choose not to take the advantage of the opportunity, possibly because it is worth too little or requires too much work to capitalise on.
2. **Enhance** – Take proactive steps to try and enhance the probability of the opportunity being able to be exploited.
3. **Exploit** – This involves changing the scope of the project /programme to encompass some aspect that wasn’t previously discussed that will achieve some extra benefit.
4. **Share** – Seek partners with whom can actively capitalise on the circumstances such as a Joint Venture.

Care is needed when arriving at any response to risk because regardless of what action is taken, it has the potential to generate other risks.

When a risk can no longer be mitigated and the risk becomes realised, it is then called an “Issue”. This requires a different management strategy, and this can be found in Issue Management Strategy (Appendix 5).

6. Implement Risk Responses

The primary goal of the implement element is to ensure that the planned risk management (mitigation and control) actions are monitored as to their effectiveness and corrective action is taken where responses do not match expectation.

An important part of this is to understand the roles and responsibilities outlined in Table 1 of the Risk Management Strategy. This ensures that at least one individual is always clearly identified as the risk owner, and another individual is identified as the risk actioner. The key roles are:

- **Risk Owner** – Responsible for the management and control of all aspects of risk assigned to them, including managing, tracking and reporting the implementation of the selected actions to address the threats or to maximise the opportunities.
- **Risk Actioner** – Responsible for the implementation of risk response actions. They support and take direction from the risk owner.

Anyone can raise a risk. Just because an employee and or stakeholder raises a risk, this does not necessarily make them the Risk Owner. A Risk Register can have many risk owners.

7. Risk Promotion from Project to Corporate

Risk Promotion is the term used when a project risk is deemed to be a programme/portfolio or even a corporate risk. The decision to promote a project risk to a programme risk is taken by the

Programme Risk Owner. A risk should be promoted from a project to a programme risk when the project risk is deemed to have an impact on a programme.

For example, if a project needs to deliver a particular output in order for another project within that programme to be completed. This also works the same for when a programme risk has impact on a portfolio. The risk will then be promoted by the Portfolio Risk Owner. Another example is that at project level, a small risk can have limited effect, but when a project risk is combined with other risks in adjacent projects, it can produce a significant impact on a programme or portfolio.

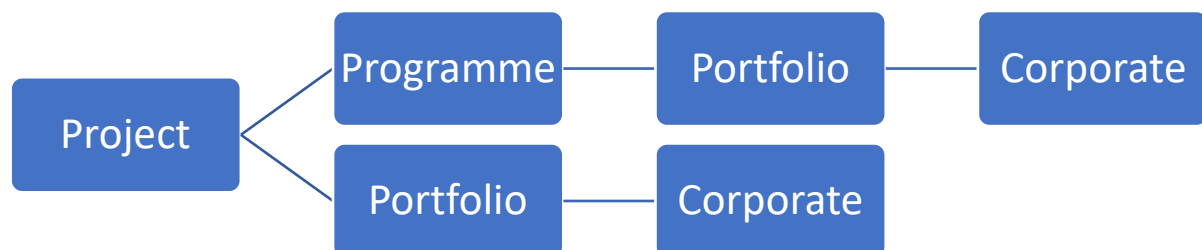
Therefore project, programme, portfolio and corporate risks can:

- Accumulate to critical loss and or damages
- Grow (where the sum of the risks is bigger than individual parts)
- Reduce (where the sum of the risks is smaller than individual parts)

As project risks can move up the promotion process to programme then to portfolio and then to corporate risk, there is also opportunity for a project risk to go direct to portfolio level. As previously defined the difference between a programme and a portfolio is that a programme is a collection of projects which have an interdependent link; while a portfolio is a collection of individual projects and programmes not necessarily having that interdependent link. Therefore, a project risk can have significance on that individual project but also have the opportunity to affect the delivery of the portfolio.

Below is a diagram showing this Risk Promotion process.

Diagram 2: Risk Promotion Process



It is the decision of the relevant Risk Owner (as per the Roles and Responsibility table within the Risk Management Strategy) to decide to promote the risk. A risk can be deemed to have project, programme, portfolio and corporate significance and therefore might stay on all three risk registers with different levels of action / mitigation and different risk owners.

It is important to remember that no matter which level the risk sits, that the risk is managed effectively and review on a regular basis to ensure no escalation.

8. Review Monitoring and Review

Risk is managed as a cycle as it's a continual process. It should involve regular checking or surveillance, and this will be done periodically (via meeting such as Risk Reviews, Programme Reviews etc) or ad hoc. A combination of both ensures that risks are reviewed regularly, and the mitigation and action plan are up to date.

Monitoring and review ensures that we continually learn from experience. The objectives of our monitoring and review process are as follows:

- Ensuring the controls are effective in both design and operation;
- Obtaining further information to improve risk assessment;
- Analysing and learning lessons from previous event;
- Detecting changes in the external and internal context;
- Identifying emerging risks.

Open culture tool for improvement – good mission statement.

Appendix 2: Issue Management Strategy

1. Introduction

An issue is a relevant event that has happened, was not planned and requires management actions. The action may be to fix the problem that has caused the event to happen in the first place, or to change the boundary of the project/programme.

Issue management is the process of identifying and resolving issues. Problems with staff or suppliers, technical failures, material shortages for example all have a negative impact on your project. If the issue goes unresolved, you risk creating unnecessary conflicts, delays, or even failure to produce project objectives.

Issues and risks are not quite the same thing, however the exact nature of both is largely unknown at the start of a project. The Risk Management Methodology (Appendix 1) highlights how to identify and assess all potential risks. Issues, however, have to deal with as they happen. Issue management is therefore a planned process for dealing with an unexpected issue – whatever that issue may be – if and when one arises.

Issues can typically be classified into one of the following three types:

1. A previously identified risk that has now materialised and requires appropriate issue management action.
2. A request for change to some aspect of the programme, an operation or a project
3. A problem affected all or part of the programme/project in some way.

2. Issue Register

Issues are recorded in the Issue Register (Appendix 5). The Issue Register is similar to the Risk Register and is a repository that focuses on all identified issues that have occurred. It includes former risks if they have materialised from previous projects / programmes / programmes to ensure a Lessons Learned approach. On the Project Risk Register template (Appendix 3), under column “Risk Status” it allows the risk status to be updated to “realised”. Once the risk becomes realised, these are then migrated to the Issue Register (Appendix 5).

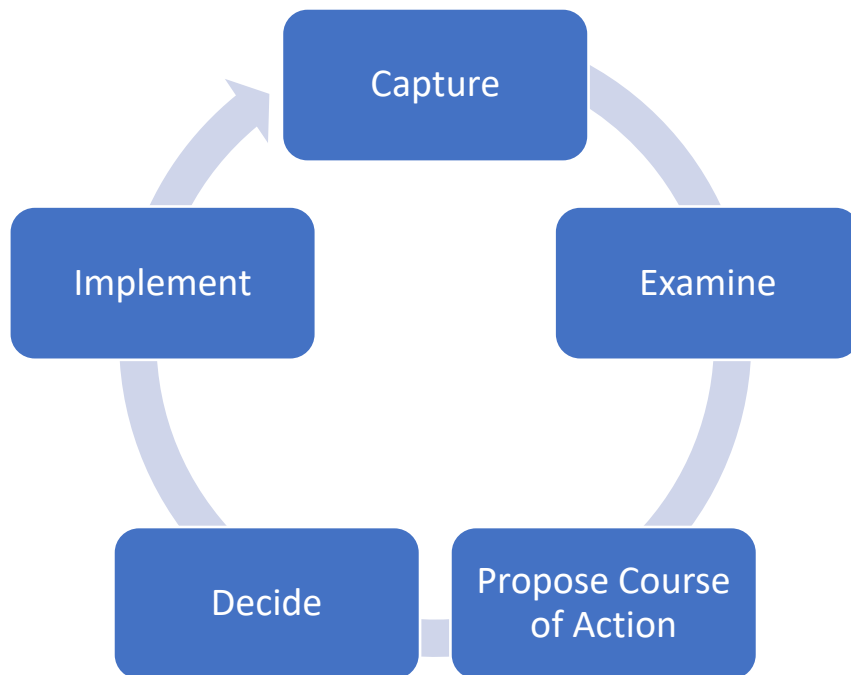
Having an Issue Register allows CPCA to:

- Have a safe and reliable method for the team to raise issues.
- Track and assign responsibility to specific people for each issue.
- Analyse and prioritize issues more easily.
- Record issue resolution for future reference and project learning.

3. Issue Management Methodology

Like the Risk Management Methodology (Appendix 1) the Issue Management Methodology is a cycle with 5 steps, shown below:

Diagram 1: Issue Management Cycle



Within these 5 steps there are two ongoing activities. These are:

1. **Monitor and Control** ensures that the decision can be achieved within the estimates of time and cost and that the impact of the overall risk profile is not greater than anticipated.
2. **Embed and Review** ensures that issue management is being appropriately and successfully handled within each programme and ultimately across the organisation. It looks at each individual step of the cycle to determine its contribution to the overall quality of issue management.

1. Capture

The first step is to undertake an initial analysis to determine the type of issue that has been raised. When capturing the issue, it should be assessed by its severity and impact on the portfolio/programme/project and also allocated to an individual or group of people for examination.

When allocating an issue, the initial decision might be to direct the issue to where it can most appropriately be managed. Some issues will be managed by the Programme, and major issues might need to be managed at Portfolio level when outside the authority of the programme. Smaller issues might need to be managed at project level.

2. Examine

The next step is to examine the issue by undertaking impact analysis. The analysis should consider the impact that the issue, and the options for its resolution, will have on:

- The portfolio/programmes performance, especially how benefits are realisation will be affected.
- The portfolio/programmes/projects business case.

- The portfolio/programme risk profile – the impact on the overall risk exposure.
- The operational performance of the organisation and existing plans.
- Supplier contact or service level agreements.

Impact analysis must include a broader view, the portfolio, the programme, its projects, operations and strategic objectives. As a minimum, an issue should always be assessed against the impact on the projects/programmes objects and benefits.

3. Propose Course of Action

Alternative options should be considered before proposing a course of action to take. The action chosen should maintain an acceptable balance between the advantage to be gained (benefits) and the impact on cost, time and risk. When the concurrent change initiatives affect the same operational areas, this acceptable balance may require an assessment across these other portfolio, programme and projects.

Some changes may be mandatory, for example to comply with new legislation. Therefore, the action might be to then achieve compliance with minimum impact. However, in such cases the analysis work should explore where the mandatory change opens up other opportunities to improve the portfolio/programmes/projects performance and benefits.

4. Decide

As per the Risk Management Strategy Section 4, the roles and responsibilities in terms of Risk and Issues have been defined. A table below demonstrates these roles and responsibilities set out relating to Issue Management:

Table 1: Roles and Responsibilities

Role	Responsibility / Action
Corporate Risk Owner	<ul style="list-style-type: none"> • Authorises the risk and issue management strategy and its adjustment, improvement and enforcement • Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. • In charge of monitoring the strategy / corporate risk register. • Define clear rules for escalation and promotion. • Deploys a consistent language of risk management across the corporate, portfolio, programme and its projects.
Portfolio Director	<ul style="list-style-type: none"> • Ownership of portfolio-level risk and issues. • Assures portfolio adherence to the risk management principles • Define clear rules for escalation and promotion. • Deploys a consistent language of risk management across the portfolio, programme and its projects. • Escalates items across the programme boundaries to Corporate Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the portfolio.

	<ul style="list-style-type: none"> • Coordinates risk and issue management interfaces with programmes. • Provides support and advice on risks and issues to programmes. • Allocates risk and issues as appropriate.
Programme Risk Owner	<ul style="list-style-type: none"> • Ownership of programme-level risk and issues. • Assures programme adherence to the risk management principles. • Deploys a consistent language of risk management across the programme and its projects. • Escalates items across the programme boundaries to Portfolio Director for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the programme. • Coordinates risk and issue management interfaces with projects. • Provides support and advice on risks and issues to projects. • Allocates risk and issues as appropriate.
Project Risk Owner	<ul style="list-style-type: none"> • Ownership of project-level risk and issues. • Assures the project adherence to the risk management principles. • Deploys a consistent language of risk management across the projects. • Escalates items across the programme boundaries to Programme Risk Owner for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the project. • Allocates risk and issues as appropriate.

The Programme / Project Risk Owner may be able to resolve or delegate minor issues without reference to any other role for a decision. Some issues however, may need to be referred to the Corporate Risk Owner or Portfolio Director or the proposal may need to be referred to a specialist role (monitoring officer or Section 73) when it involves business change.

If a decision for change is made, then this change should be planned with appropriate recognition of the need for contingency, additional resources and a fall-back plan should the change cause unexpected problems.

When a decision is made there will also need to be an issue owner, issue actioner and a response action plan identified. The Issue Register should also be updated.

5. Implement

The decision and response action plan will be communicated to the appropriate stakeholder for several reasons:

- So that personnel, especially each issue actioner, are aware of changes to their work schedules and can undertake their assigned tasks to fix the problems and implement the changes.

- To inform those who raised the issue and what course of action is being perused.
- To inform stakeholders who may be affected by the change (suppliers, contractors etc)
- To demonstrate effective management of the project/programme/portfolio.

The issue register is updated, and all other documents are revised whether the decision affects the content. In majority of cases the programme plan will need to be updated as well.

The change is then applied, and the impact of the change monitored, and lessons learned from its introduction. The impact of these should be used for the assessment of future changes/issue management.

As stated previously this a continual cycle and should be monitored and reviewed regularly to ensure compliance.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 9

Code of Conduct, Social Media and Monitoring Officer Protocols

To:	Audit and Governance Committee
Meeting Date:	27 January 2023
Public report:	Yes
Lead Member:	Cllr Edna Murphy (Governance Lead Member):
Report Author:	Edwina Adefehinti- Interim Chief Officer (Legal and Governance) and Monitoring Officer
Key decision:	No
Recommendations:	<p>The Audit & Governance Committee is recommended to:</p> <ul style="list-style-type: none"> a. note the Code of Conduct complaint information b. support and recommend to the Board the Social Media Protocol c. support and recommend to the Board the Monitoring Officer Protocol
Voting arrangements:	A simple majority of all Members present and voting

1. Purpose

- 1.1 It is good practise for the Combined Authority to review the complaints received about Members on a regular basis and consider any action required to address the issues raised.

2. Background

- 2.1 The Committee should monitor complaints. This Committee has the duty to implement the obligation to ensure high standards of conduct amongst Members; and
- Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members.
 - Assist the Members and Co-opted Members to observe the Code of Conduct.
 - Advise the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation.
 - Advise on training and oversee the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct.

3. Complaints

- 3.1 Four complaints have been received during this municipal year. These relate to two Members of the Combined Authority.
- 3.2 Due to data protection laws, the Monitoring Officer is unable to disclose the details of these complaints, however, when the decisions have been made on these complaints, a further report will be produced for the Committee. The matter may be dealt with in a closed session or at a hearing.

4. Social Media Protocol

- 4.1 This Committee will find attached a Social Media Protocol. Social Media is a key communication tool used by the Authority and many Councillors; it is also used by service users and key stakeholders. It has a significant role in the reputational management of the Authority and the personal reputation of Members. The Authority has developed and adopted a suite of documents giving guidance to staff and Councillors which the Committee has asked to review.

5. Monitoring Officer Protocol

- 5.1 The Protocol is to further explain the role and functions of the Monitoring Officer and to support their overview and implementation of effective governance arrangements for the Combined Authority. It supplements the roles and functions already detailed in the Authority's Constitution.
- 5.2 Under section 5 Local Government and Housing Act 1989 the Authority is required to appoint an officer to act as the Monitoring Officer who is responsible for reporting to the Authority any matters which are unlawful, amount to maladministration or create injustice. The Monitoring Officer also has further statutory responsibilities, most notably in relation to standards and ethics.
- 5.3 Although there are many individual functions and responsibilities assigned to the Monitoring Officer both via legislation and the Constitution, they mainly centre around governance, ethics and standards which underpin the above functions. This Committee has responsibility for supporting the Monitoring Officer in discharging her role in respect of standards of conduct and behaviour and receive reports relating to maladministration causing injustice it is considered that the Committee is the appropriate body to support and recommend the Protocol to the combined authority board.

- 5.4 The protocol sets out operational arrangements and understandings which are intended to support working relations and the flow of information.

6. Financial Implications

- 6.1 Costs associated with the Code of Conduct investigation are being monitored and will be charged to the Combined Authority's Change Management budget.

7. Legal Implications

- 7.1 The use of social media can have legal ramifications is used inappropriately or misused. Councillors can also face allegations that they have breached the Code of Conduct and can face sanctions as a consequence. Clear guidance is important in ensuring that members can use social media safely and effectively.

8. Public Health Implications

- 8.1 There are no public health implications to this report.

7. Environmental and Climate Change Implications

- 7.1 There are no environmental implications to this report.

8. Other Significant Implications

- 8.1 None

9. Appendices

- 9.1 Appendix A: Social Media Protocol
- 9.2 Appendix B: Monitoring Officer Protocol

10. Background Papers

- 10.1 None

SOCIAL MEDIA PROTOCOL FOR MEMBERS

1. This Protocol applies to Combined Authority Members and Co-opted members. It gives guidelines on how to use social media, sets out how we can effectively manage social media usage and indicates how any risks or pitfalls can be minimised or mitigated. The Combined Authority encourages Members' use of new technology, including social media. This protocol is intended to help with use of social media in a way that avoids legal and reputational risk. This protocol sets out what is and is not acceptable usage of social media and complements the general rules under the Code of Conduct for Members. The Monitoring Officer and the Communications team are happy to help Members by providing additional advice and guidance as appropriate. Training could also be provided to individual Members or Groups if required.

2. What is social media?

- Social media describes a range of website and online tools which allow people to interact. This includes blogs and postings on a wide range of social media platforms including (but not limited to) Facebook, Twitter, LinkedIn, Instagram, TikTok and Snapchat.
- Social media is all about sharing information and people use social media platforms to give opinions, create interest groups and build online communities and networks which encourage participation and engagement.

3. It is not a requirement for Members to have a Facebook or Twitter account or to use other forms of social media to fulfil their role as a councillor. Social media can help you to:

- increase your local profile as an active and engaged councillor
- perform better as a community leader by reaching out to local residents
- keep in touch with or obtain local views and opinion
- be more approachable
- campaign on local issues

4. A useful rule of thumb when using social media is that if you would not give out a piece of information or make a comment to a room full of people, then don't say it on social media.

5. Remember that, whenever you act or appear to act in your official capacity on social media, you must comply with the Combined Authority Members' Code of Conduct. The overarching rules are that you should not bring the Combined Authority into disrepute and must respect confidentiality. If you have any questions or concerns, you should speak to the Communications team in the first instance.

6. Things to bear in mind:

- Any communication is capable of being misinterpreted and this includes social media. There is something about the immediacy of social media and the lack of face-to-face contact which seems to magnify the problem.
- Things happen quickly on social media and sometimes people express emotional reactions without careful consideration.

7. Comments can be misinterpreted or misrepresented particularly with regard to something that might be perceived as being more controversial than it was expected to be:

- Remember that information and comments that you and others make can be broadcast to a large number of people more quickly than other media, which is a double-edged sword.
- Even if you withdraw a comment, someone may have taken a screenshot.
- The same rules apply to social media that govern the rest of your behaviour as a councillor, but you need to take extra care given their immediacy and ease of dissemination on social media.
- Although the best use of social media is conversational in tone, publishing to the web is still publishing. What you've said on the web is recorded and it is permanent so make sure that your online content and comment is accurate, informative and thought through. Think of it as speaking in public. Think before you commit each word.
- This doesn't mean that Members cannot, in the appropriate context, communicate politically but you should be careful not to say anything that you wouldn't be prepared to stand by under scrutiny or that you would not feel comfortable repeating or justifying, for example, at a public meeting.
- Be clear if you are expressing personal views. Consider adding this in your profile description.

8. Risks

- Virus or other malware (malicious software) infection from infected sites.
- Disclosure of confidential information.
- Damage to the Authority's reputation.
- Social engineering attacks (also known as 'phishing').
- Bullying or "trolling". An internet "troll" is a person who starts arguments or upsets people, by posting inflammatory or off-topic messages online with the deliberate intent of provoking readers into an emotional response or of otherwise disrupting normal discussion, often for their own amusement.
- Civil or criminal action relating to breaches of legislation.
- Breach of safeguarding through the use of images or personal details leading to the exploitation of vulnerable individuals.
- Breach of the code of conduct for members through inappropriate use.

9. In light of these risks, the use of social media sites should be regulated to ensure that such use does not damage the Authority, its employees, councillors, partners and the people it serves. As such this policy aims to ensure:

- A consistent and corporate approach is adopted and maintained in the use of social media.
- Authority information remains secure and is not compromised through the use of social media.
- Users operate within existing policies, guidelines and relevant legislation.
- The Authority's reputation is not damaged or adversely affected without just cause.

10. Some legal issues:

- Libel – If you publish an untrue statement about a person which is damaging to their reputation, they may consider it as defamatory and consider legal action. The same thing may happen if, for example, someone else publishes something defamatory on your website; you know about it and don't take swift action to remove it. A successful legal claim could result in the award of damages against you.
- Copyright – Placing images or text on your site from a copyrighted source (for example extracts from publications or photos), without obtaining permission, is likely to breach copyright laws. Therefore, don't publish anything you are unsure about, or obtain prior permission. Again, a successful claim for breach of copyright would be likely to lead to an award of damages against you.
- Data Protection – Do not publish the personal data of individuals unless you have their express permission. Personal information in an email or personal exchange should not be presumed to imply any consent to pass it on to others. If you place personal information on a public forum you should expect it to be published by others.
- Bias and Predetermination – if you are involved in making decisions, do not say anything through social media (or indeed anywhere) that suggests you have made your mind up on an issue that is due to be formally decided. While your likely view on a particular application may be well known, you need to be able to show that you attended the committee or hearing prepared to take on board and weigh all the evidence, and were genuinely persuadable to a different view, otherwise the decision may be later challenged as invalid. If a person has suffered some sort of detriment as a result of such an invalid decision, they may have a claim against the Authority for damages.

11. **Social Media and the Code of Conduct for Members generally:**

- Aspects of the Code of Conduct for Members will apply to your online activity in the same way as they do to any other communication you use. The key to whether your online activity is subject to the Code is whether you are, or appear to be, acting in your capacity as a councillor rather than as a private individual.

It is therefore advisable that you make it clear that any views expressed are your personal view. However, in some instances you may still be deemed as acting in your capacity as a councillor depending on the circumstances.

- Although you may be clear in your mind that you are acting in a private capacity it may be less clear to others, so to avoid doubt, it is better to spell out clearly whether you are stating personal, party or the Combined Authority corporate positions or views.
- One way of avoiding any confusion and avoiding some of the potential problems related to the Code of Conduct, may be to consider keeping your online accounts as a councillor separate from those where you communicate in a personal capacity. You should include this information in your profile. This is an individual decision for each member and some Members may find the convenience of having one account outweighs the advantages of separate accounts.

12. Principles of the Members' Code of Conduct that may apply:

- Treat others with respect - do not use social media to make personal attacks or indulge in rude, disrespectful or offensive comments.
- Comply with equality laws – do not publish anything that might be seen as racist, sexist, ageist, homophobic or anti-faith.
- Never bully or harass anyone – do not say anything, particularly if it is part of a series of similar comments about a person or on a theme that might be construed as bullying or intimidation.
- Do not bring the Combined Authority into disrepute – you should not publish anything that could reasonably be perceived as reflecting badly upon or lowering the reputation of you or the Combined Authority.
- Do not disclose confidential information - you must not, in your use of social media, just as in any other circumstances, disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature. Apply exactly the same standards to your social media communications as you would to statements made in a more formal context.

13. Staying out of Trouble - Some Do's and Don'ts

Do:

- set and check you have the appropriate privacy settings for your blog or networking site –especially if you have a private, non-political blog. Do you want anyone to see it, or selected people? Remember that sites like Facebook often change the parameters of settings.
- keep an eye out for defamatory or obscene posts from others on your blog or page and remove them as soon as possible to avoid the perception that you condone such views. Be aware that the higher your profile as an elected member, the more likely it is you will be seen as acting in your official capacity when you blog or network.

- consider keeping your personal and elected member profile on social networking sites separate.
- maintain appropriate professional boundaries.
- ensure you use the Authority's facilities appropriately; if you use an Authority provided blog site or social networking area, any posts you make will be viewed as being made in your official capacity.
- be aware that you will be seen as acting in your official capacity if you publish information that you could only have accessed by being an elected member.
- feel able to make political points but be careful about being too specific or personal if referring to individuals. General comments about another party or comments on policy or position are less likely to be viewed as a personal attack.

Don't:

- post social media content in haste, particularly in circumstances where your judgement might be impaired; for example, if you are angered by a comment, tired or have consumed alcohol.
- never post comments that you would not be prepared to make on paper or face to face.
- use council facilities for personal or political blogs.
- request or accept a Combined Authority employee or contractor providing services to the council as a "friend" on a social networking site where this suggests close personal association.
- use social media in any way to attack, insult, abuse, defame or otherwise make negative, offensive or discriminatory comments about council staff, service users, their family or friends, colleagues, other professionals, other organisations, or the Authority.
- publish confidential information that you may have learned or had access to as part of your role as an elected member. This includes personal information about service users, their families or friends, contractors, authority staff as well as information related to the Authority.
- represent your personal views, or those of any political party or interest group you belong to, as being those of the Authority, on any social medium.
- browse, download, upload or distribute any material that could be considered inappropriate, offensive, defamatory, illegal or discriminatory.
- make conspicuous or excessive use of social media technology during the course of an Authority committee meeting so that you give the impression to the public of not being respectful of the proceedings and, more seriously, taking decisions that are not based on full engagement with the facts and arguments.

14. Members have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider, or the police. This also applies to fellow members, where action could then be taken under the Councillor Code of Conduct, and the Combined Authority employees, where concerns should be raised in line with the Combined Authority member- officer protocol.

- 15.** The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate, or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

MONITORING OFFICER PROTOCOL

1.0 Statutory Responsibilities

- 1.1 The Monitoring Officer is a statutory appointment pursuant to section 5 of the Local Government and Housing Act 1989. This protocol is to enable Members to make use of the Monitoring Officer's ability to provide them with practical advice on legality and conduct, by setting out how the Monitoring Officer will carry out his/her functions.
- 1.2 The Monitoring Officer is responsible for ensuring that the Authority and its Members act lawfully, do not cause maladministration, and comply with the Code of Conduct for Members. The Monitoring Officer is the Combined Authority's primary source of advice on all legal issues, and to Members on their legal obligations, but he/she also has specific statutory duties, such as investigating complaints of Member misconduct and making public report to the Council in cases of illegality.
- 1.3 The Combined Authority recognises that an effective Monitoring Officer, positively engaged in the discharge of the Authority's business, is essential to the effective running and sound corporate governance of the Council.
- 1.4 Section 5(1) Local Government and Housing Act 1989 requires the Combined Authority to appoint an Officer as the Council's Monitoring Officer and gives that Officer personal responsibility:
 - to report on actual, and anticipated, illegality within the Authority
 - to report cases where the Ombudsman has found maladministration on the part of the Authority
 - to maintain the Register of Members' Interests; and
 - to administer, assess and investigate complaints of Members' misconduct.

2.0 Working Arrangements

- 2.1 The law does not prescribe exactly how the Monitoring Officer is to carry out these functions. Therefore, this protocol describes the way the Combined Authority expects the Monitoring Officer to discharge these functions and how it expects Officers and Members to co-operate with the Monitoring Officer to enable him/her to discharge these functions effectively.
- 2.2 In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on the Mayor, Members and Officers:
 - complying with all the relevant law and any relevant codes of conduct.
 - complying with any general guidance and advice provided from time to time, by the Monitoring Officer.

- making lawful and proportionate decisions; and
 - generally not taking action that would bring the Combined Authority, their Offices or professions into disrepute.
- 2.3 The Monitoring Officer undertakes to discharge their statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the Combined Authority. In doing so, they will also safeguard, so far as is possible, the Mayor, Members and Officers, whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.
- 2.4. Having excellent working relations with the Mayor, Members and Officers will assist in the discharge of the statutory responsibilities of the Monitoring Officer and keep the Combined Authority out of trouble. Equally, a speedy flow of relevant information and access to debate (particularly at the early stages of any decision-making by the Mayor or the Combined Authority) will assist in fulfilling those responsibilities. The Mayor, Members and Officers must, therefore, work with the Monitoring Officer in discharging these responsibilities.
- 2.5 The Monitoring Officer issues guidance to Officers to assist them in understanding the nature, breadth and requirements that the Monitoring Officer puts upon all Officers. This protocol also explains how the Monitoring Officer will approach the role. The Monitoring Officer considers that the role is a positive and preventative one, related to legality, avoidance of maladministration and observance of codes of conduct /practice where there is actual / potential transgression by the Mayor and/or the Combined Authority.
- 2.6 The Monitoring Officer gives authoritative advice and guidance on these issues which will be conducive to a culture of propriety and integrity. This will provide comfort for Officers, the Mayor and Members alike. However, although the Monitoring Officer will seek to be positive about the role, it must be recognised that the role imposes a personal duty to make a public, statutory report where it appears to be necessary. This might ultimately force the Mayor and/or the Combined Authority to consider issues they/it might not wish to.
- 2.7 The Monitoring Officer and the Mayor and/or the Combined Authority should co-operate in every way possible so as to reduce the need for the Monitoring Officer to issue a formal report. In support of this, the Monitoring Officer places significant reliance upon the advice and support given by colleagues in Legal Services, Human Resources and Democratic Services, but particularly those in the Legal Services team who will, in providing corporate legal advice do so in an enabling manner, but also identify areas of particular risk and concern, assisting Officers, the Mayor and Members to achieve their objectives, but ultimately in a lawful and proper manner.
- 2.8 The following arrangements and understandings between the Monitoring Officer, the Mayor, Members and Chief Officers are designed to ensure the effective discharge of the Combined Authority's business and functions.

2.9 The Monitoring Officer will:

- be alerted by the Mayor, or by Members or by Officers to any issue(s) that may become of concern to the Combined Authority, including, in particular issues around legal powers to do something or not, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to arise.
- have advance notice of at least five working days (including receiving agendas, minutes, reports and related papers) of all relevant meetings of the Combined Authority at which a binding decision of the Combined Authority may be made) at or before the Combined Authority's meetings or any binding decision to be made by the Mayor, including in both cases, a failure to take a decision where one should have been taken.
- have the right to attend any meeting of the Combined Authority before any binding decision is taken by the Combined Authority or to be notified and where necessary meet with the Mayor before he/she makes any binding decision, including in both cases, a failure to take a decision where one should have been taken)
- in carrying out any investigation have unqualified access to any information held by the Mayor and/or the Combined Authority and to any Officer who can assist in the discharge of these functions.
- ensure the other statutory Officers are kept up to date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to arise.
- report to the Combined Authority, from time to time, on the Constitution and any necessary or desirable changes.
- as per the statutory requirements, make a report to the Combined Authority, as necessary on the staff, accommodation, and resources they require to discharge their statutory functions
- have a special relationship of respect and trust with the Mayor, and chairs of the Combined Authority's committees, sub-committees and working groups with a view to ensuring the effective and efficient discharge of Mayoral and/or Combined Authority business
- develop effective working liaison and relationship with the Internal and External Auditor, BEIS, DLHUC and the Local Government Ombudsman (including having the authority, on behalf of the Mayor or the Combined Authority, to complain to the same, refer any breaches to the same or give and receive any relevant information, whether confidential or otherwise, through appropriate protocols, if necessary)
- maintain and keep up-to-date relevant statutory registers for the declaration of Members' interests, gifts and hospitality.

- give informal advice and undertake relevant enquiries into allegations of misconduct; defer the making of a formal report under s5 Local Government and Housing Act 1989 where another investigative body is involved
- have sufficient resources to enable them to address any matters concerning their Monitoring Officer functions
- be responsible for preparing any training programme for Members on ethical standards, Code of Conduct issues, data protection, confidentiality, and general governance of the Combined Authority.
- ensure that the Mayor and Members and Officers of the Combined Authority are fully aware of their obligations in relation to probity.

2.9 To ensure the effective and efficient discharge of these arrangements, the Mayor, Members and officers will report any breaches of statutory duty or Combined Authority policies or procedures and other vices or constitutional concerns to the Monitoring Officer, as soon as practicable.

2.10 The Monitoring Officer is also available for the Mayor, Members and Officers to consult on any issues in respect of possible maladministration, impropriety and probity issues, or general advice on the constitutional arrangements. Monitoring the Protocol

3. Monitoring the Protocol

3.1 The Monitoring Officer will report to the Combined Authority as to whether the arrangements set out in this protocol have been complied with and will include any proposals for amendments in the light of issues which have arisen.

4. Conflicts and Interpretation

4.1 Where the Monitoring Officer has received a complaint or is aware of an event which may lead to them issuing a statutory report relating to a matter upon which they have previously advised the Mayor and/or the Combined Authority, they shall consult the Head of Paid Service who may then either:

- i. refer the matter to another Officer for investigation and report to the Head of Paid Service; or
- ii. ask another authority to make their Monitoring Officer available to investigate the matter and report to the Head of Paid Service and/or the Combined Authority as appropriate; or
- iii. instruct another qualified person to undertake the investigation and report to the Head of Paid Service and / or the Combined Authority as appropriate.

4.2 Questions of interpretation of this guidance will be determined by the Monitoring Officer.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 10

Name of Report: Information Governance Update

To: Audit & Governance Committee

Meeting Date: 27 January 2023

Public report: Yes

From: Sue Hall
Acting Data Protection Officer

Recommendations: The Audit & Governance Committee is recommended to:

- a) Consider and note the contents of this report

Voting arrangements: N/A

1. Purpose

- 1.1 To update the Audit and Governance Committee on the current position with regards to Information Governance, and to provide data related to Freedom of Information requests, Environmental Information requests, Data Breaches and complaints for the period of 01 January 2022 – 31 December 2022.
- 1.2 This report outlines the key Information Governance activities undertaken by the CA during this period and provides assurance that the CA across all of its work areas and functions remains compliant with its legal obligations and follows good practice.

2. Background

2.1 The Committee agreed that six-monthly reports should be presented on the number of data breaches and how they were handled, number of complaints received, timings of FOI's and cases referred to the ICO. This report includes information for the full year.

2.2 Freedom of Information (FOI)/Environmental Information Regulations (EIR) requests

Freedom of Information requests (FOI)

56 x FOIs received from 01/01/22 – 31/12/22

0 x late responses

0 x FOI reviews received from 01/01/22 – 31/12/22

0 x ICO reviews received from 01/01/22 – 31/12/22

1 x FOI from a Councillor

3 x FOIs from Press

Subjects received:

- Transport: e-scooters, bus lanes, Ting, bus stops, bus franchising, public transport – spend on subsidised bus services, plans and drawings for cycleway, zero emission buses
- Business and Skills: market town funding, green home grants, AEB contract information, AEB allocations
- Climate Change: chalk stream projects, planning – climate change, buildings and energy – climate change, governance and funding – climate change
- General: maternity and paternity policy, settlement agreements information, payments to suppliers of the website, branding, researchers/analysts, IT equipment information, mayor hosting events, names of external consultants, trainers and advisors

Environmental Information Regulations (EIR)

1 x EIR received from 01/01/22 – 31/12/22

0 x late responses

0 x EIR reviews received from 01/01/22 – 31/12/22

0 x ICO reviews received from 01/01/22 – 31/12/22

Subjects received:

- Highways

2.3 Data Breaches

The following data breaches occurred between July 2022 – December 2022. The only breach which was reportable to the ICO was the Growth Co payroll issue.

- Growth Co is a company wholly owned by the Cambridgeshire and Peterborough Combined Authority. As part of the ESF StarHub Project, Growth Co are required by Central Government to submit evidence of Invoice (Payslip) and defrayal (BACS Run) for the staff cost element of the project expenditure. This project includes employees from CPCA and employees from Growth Co (5 in total across both organisations). The information for Growth Co employees is obtained from Azets, the external payroll provider, and the information for CPCA employees is obtained from the CPCA HR/payroll.
The CPCA HR/payroll team have been providing Growth Co with a BACS folder for the CPCA payroll so that evidence could be provided to central government for funding that was being cross charged to the salaries of some individuals working in the CPCA. Information regarding 114 employees of CPCA has been sent unredacted to a member of Growth Co.

This breach was reported to the ICO

ICO's Decision - the ICO considered the information provided and decided that no further action was necessary on this occasion.

- The wrong email address had become attached to the applicant's record and emails meant for the person were sent to a third party.
This was not reportable to the ICO
- External person was cc'd into an email. The email contained some personal data (name and address).
Not reportable to the ICO

2.4 Corporate Complaints

No complaints were received from 01 January 2022 to 31 December 2022.

2.5 RSM Audit

RSM Action 1: Employee Contracts/Code of Conduct forms for Business Board Members, Committee or Sub-Committee Members. Employee Contracts contain a section on Data Protection. The Code of Conduct forms for Business Board Members, Committee or Sub-Committee Members need to be updated to cover GDPR and Data Protection.

The form will be revised to include information on Data Protection. The revised form will be sent out in May 2023 after the elections when there is a changeover of members.

Deadline 30 May 2023.

RSM Action 2: Staff Communications and Awareness of Data Protection. A

Communications Plan needs to be established which includes routine reminders through materials such as staff emails/newsletters, team meetings, posters and screen savers to support awareness of data protection.

A Communications Plan is being created to support the awareness of data protection. This will include posters, bulletins, lunch and learn sessions.

Deadline – 31 January 2023

RSM Action 3a: Data Protection Training. There is no process in place for ensuring that Members are trained on data protection.

Members do not undertake Data Protection training with the CPCA. All Constituent Councils were approached and asked to provide information on what training is provided to their members who sit on CPCA Boards/Committees. Two of the constituent councils do not provide regular mandatory training for members. Data Protection training is to be added to the induction programme for new members which takes place in May 2023 after the elections when there is a changeover of members.

Deadline – 30 May 2023

RSM Action 3b: Data Protection Training. A formal process to be implemented for managing overdue Data Protection training. This will include a suitable escalation route for non-compliance.

A section on Data Protection Training/Information Security Training has been included in the draft Learning and Development Policy. It states the following:

- training is mandatory for permanent, temporary, contractors, agency staff, student and trainees
- training is to be undertaken in the first week of employment
- all employees need to complete refresher training every 12 months
- the process is set out
- consequences of non-compliance – this may result in failure of their probationary period.

A section on mandatory training will also be put into the appraisal form.

Action complete

RSM Action 4a – Induction. A mandatory Training Policy to be documented which covers areas such as the deadlines for completion by new starters, the process for managing non-compliance with training.

A section on Data Protection Training/Information Security Training has been included in the draft Learning and Development Policy. (see above).

Action complete

RSM Action 4b – Induction. A process to ensure records are retained for Data Protection training completed by staff who have subsequently left the authority.

The on-line course has been upgraded to include this option.

Action Complete

RSM Action 5 – Checking Awareness of Data Protection. A process to be in place for checking staff awareness/understanding of data protection.

The on-line course has a quiz at the end of the training.

Action complete

RSM Action 6 – Data Protection Policy. The Data Protection Policy is to be updated to cover potential fines for non-compliance, the right of individuals to claim compensation for damages caused by a breach, the right to object and the details of the new Data Protection Officer.

All following policies have been updated to reflect the RSM request. A Data Retention Schedule has also been created.

- Data Protection Policy – Appendix 1
- Retention Policy – Appendix 2
- Data Retention Schedule – Appendix 3

RSM Action 7 – Data Protection Roles and Responsibilities. The roles and responsibilities of the Data Protection Officer are to be recorded in their job description. The following to be included – that they do not determine the purposes and means of the processing of personal data in the organisation or have decision-making responsibilities which may cause a conflict of interest and that the DPO operates independently.

A job description has been created.

Deadline – complete.

RSM Action 8a – Data Breaches. The Data Incident Report Policy to be revised to include

- reporting and recording of near misses in addition to actual data breaches;
- how to determine whether a data breach requires reporting to the ICO, for instance, where a risk is likely to affect people's rights and freedoms;
- post-breach review, including lessons learnt;
- what information a data breach notification to the ICO should contain in line with ICO guidance;
- how the data breach is to be notified to the ICO;
- what to do if all information is not available to report to the ICO within 72 hours;
- the requirement to notify an individual affected by the breach under certain circumstances;
- what information to provide to individuals when notifying them about a data breach in line with ICO guidance;
- disciplinary information for breach of the Policy; and
- the new Data Protection Officer details.

A copy of the following are attached:

- Data Protection Reporting Policy – Appendix 4
- Data Protection Reporting Form – Appendix 5

Deadline - complete

RSM Action 8a – Data Breaches. The log for GDPR breaches to be updated to include details of near miss (in addition to actual breaches); date of when the breach occurred; content of data lost/impacted; format of data lost/impacted; source of data lost/impacted; categories of those affected by the breach, root cause of the breach; consequences, whether the breach was notifiable to the ICO.

The log has been updated.

Deadline – complete

RSM Action 9 – Password Protected Communications. The Password and Authentication Policy to be updated to provide specific guidance in relation to utilising password protected communications where personal data is involved.

Action – outstanding.

2.6 Information Risk Group Meeting

An Information Risk Group meeting is held monthly. Attendees are Data Protection Officer, Senior Information Risk Officer, Head of Digital Services at SOCITM, PMO Manager, Programme Co-ordinator, Finance rep

Standard agenda items are Data Protection update report, FOI/ EIR/SAR/Complaints update, SIRO update, Information Security update. Action notes are taken at each meeting.

2.7 Other work

- Sharepoint Redesign Project - storage of digital documents being moved to a team share site to make data more secure.
- Storage of physical documents to an off-site storage location.

Significant Implications

3. Financial Implications

3.1 There are no financial implications

.

4. Legal Implications

- 4.1 The Combined authority is under a duty to ensure that it processes, holds and releases any information in line with a range of legislative provisions including General Data Protection Regulation, Data Protection Act 2018, Freedom of Information Act, Privacy and Electronic Communications Regulations and the Human Rights Act.
- 4.2 The CA also has a duty to publish information wherever possible, and in accordance with its own publication scheme. However, regard should be had to not publishing any information of a confidential or sensitive nature, in accordance with the relevant legislation and public interest tests.
- 4.3 Ineffective information governance arrangements have a number of inherent risks in the context of organisational management, the use of resources and service delivery. Addressing any issues raised in this report is a means of mitigating such potential risks and maximising opportunities for effective information management and use to support decision making and service delivery.

5. Public Health Implications

5.1 There are no Public Health implications

6. Environmental and Climate Change Implications

6.1 There are no environmental and climate change implications.

7. Appendices

- 7.1 Appendix 1 - Data Protection Policy
- Appendix 2 - Retention Policy
- Appendix 3 - Data Retention Schedule
- Appendix 4 - Data Protection Reporting Policy
- Appendix 5 - Data Protection Reporting Form



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

DATA PROTECTION POLICY

Type of document:	Policy
Document produced by:	Cambridgeshire & Peterborough CA Data Protection Officer
Document approved by:	Cambridgeshire & Peterborough Combined Authority Board
Version :	Version 2
Issue date:	
How is this shared?	Email
Date due for review:	Annually April
Reviewer:	Sue Hall

Data Protection Contact		
Contact Details	Email	Phone
Sue Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

CONTENTS

“If you only read this page then...”	5
Introduction.....	6
Why do we have a policy?	6
Who does the policy cover?	7
What are our responsibilities?	7
Lawful basis for processing.....	8
What are your responsibilities?	9
People have rights	9
The Right to be Informed	9
The Right of Access	10
The Right of Rectification	10
The Right to Erasure	10
The Right to Restrict Processing	10
The Right to Data Portability	10
The Right to Object	11
Rights related to automated decision-making including profiling.....	11
What does ‘it’ mean?.....	11
Personal Information	11
Special Categories of Personal Information.....	11
Data Controller	12
Joint Data Controller	12
Data Processor	12
Data Controller-Data Processor Relationship - Contracts	12
When data is lost or goes missing.....	12
Keeping Information	13
Location of our information.....	13
How we handle information.....	13
The Sharing of Personal Information	13
Disclosures permitted by law	14
Information sharing agreements	14
Testing of systems	14
Privacy and the value of information	14
Data Protection Impact Assessments (DPIA)	14
Only use what you need to use.....	15
Anonymisation of data.....	15
Pseudonymisation	15
Information as an asset.....	15
Roles	15
Chief Executive	15
Senior Information Risk Owner (SIRO).....	15
Data Protection Officer	16

Information Risk Group 16

Responsibilities of Managers 16

 Additional responsibilities for Managers - Temporary Staff 16

Responsibilities of Members 16

Responsibilities of all staff 16

Policy Review 17

Monitoring Compliance 17

Potential fines for non-compliance with GDPR 17

Compensation 17

ICO address 17

“If you only read this page then....”

Do ask for only the information you need to do the job and only keep it for as long as you need to

Do be clear about why you are collecting the data

Do only use information for the reason it was collected and seek advice if you need to use it for something else

Do dispose of paper records and emails securely

Do use strong passwords to protect devices and data

Do use secure and encrypted devices

Do make sure you know who you are talking to and check their identity if you need to

Do check someone's email or postal address before you send anything and make sure you always update records to make sure they are accurate

Do check what is in an envelope or email before you send

Do use the report if any data is lost/misplace/misused, for advice or if someone asks to see information held about them or wants their information deleted

Don't share personal information unless you are sure you can and you know who is asking

Don't assume that someone's consent last forever and covers everything

Don't leave PCs, laptops and phones unlocked or share your passwords

Don't leave personal information on show on desks or in vehicles - make sure it's secure

Don't open emails or click on links if you don't recognise the sender - speak to IT

Don't write comments about an individual that we cannot defend - they have a right to see them

Don't ignore a possible data breach - the sooner it is reported, the sooner it can be dealt with

Don't think data protection does not matter, it does!

Introduction

We need to collect and use different types of information about people that we provide services for and communicate with in order to deliver those services. These could include current, past and prospective employees, contractors, and suppliers.

In addition, we may occasionally be required by law to collect and use certain types of information to comply with the requirements of government departments for business data.

The UK General Data Protection Regulation and Data Protection Act 2018 are pieces of law which will call ("UK GDPR") and ("DPA 2018") respectively, together, "**data protection legislation**". These explain the requirements and safeguards which we must be applied to personal data to ensure the rights and freedoms of living individuals are not compromised.

Data protection means when we record and use personal information then we must be open about how the information is used and keep it secure. It applies to how we collect, use, share, keep, delete and destroy personal information we use and decide how we use personal information, we have to ensure we comply with data protection legislation.

This policy applies to all personal data held by or on our behalf. It includes manual/paper records and personal data that is electronically processed by computer systems.

Why do we have a policy?

The purpose of this policy is to make sure that we:

- Comply with the law in respect of the data we hold about people
- Protect our customers, employees and other individuals
- Protect the organisation when a data breach happens
- Follow good practice

We recognise we have a responsibility to make sure we comply with all of our data protection duties. We also have to ensure that all of our employees and suppliers not only understand but comply with data protection legislation.

Who does the policy cover?

This policy applies to anyone accessing or using personal information, including for example: employees, temporary or contract staff, volunteers, work placements, contractors, suppliers, service providers or other partners or agencies.

We have to make sure that anyone delivering a service on our behalf complies with this policy and others to make sure our data is safe.

What are our responsibilities?

There are seven Data Protection Principles with which we must comply with in relation to personal information. In summary these are that personal information will be:-

- 1. Processed fairly and lawfully in a transparent way**
- 2. Obtained only for one or more specified and lawful purposes and not further processed in a manner incompatible with that purpose**
- 3. Adequate, relevant and limited to what is necessary**
- 4. Accurate and where necessary, kept up to date**
- 5. Not be kept for longer than is necessary**
- 6. Protected by appropriate technical and organisational measures**
- 7. We are accountable and take responsibility for what we do with personal data**

This means that we will:-

- a) make sure that when we ask for information then we are fair to the people whose information we ask for and use,
- b) explain why we are asking for the information and what we will do with it,
- c) make sure we only ask for the information we need,
- d) make sure the information we hold is up to date and accurate,
- e) make sure we only keep it for as long as we need to,
- f) ensure that we have processes in place to protect the information whether it is on paper or electronic,
- g) ensure that we won't send information abroad unless there are the proper safeguards,
- h) make sure that people can exercise their data protection rights.

In addition we will also:-

- have someone with specific responsibility for data protection (Data Protection Officer, or DPO),
- make sure all employees know that they are responsible for data protection and know what good practice is,
- train staff to manage and handle information correctly,
- support staff to manage and handle personal information correctly,
- respond to any queries about handling personal information promptly and courteously,
- review how we use personal information to make sure we are always complying,
- ensure staff know when they can share information with others.

Lawful basis for processing

We must have a lawful reason to use personal information and special category data. This will be one of the six legal bases in Article 6 of the UK GDPR for personal information:

- (a) Consent:** the individual has given clear consent for you to process their personal data for a specific purpose.
- (b) Contract:** the processing is necessary for a contract you have with the individual, or because they have asked you to take specific steps before entering into a contract.
- (c) Legal obligation:** the processing is necessary for you to comply with the law (not including contractual obligations).
- (d) Vital interests:** the processing is necessary to protect someone's life.
- (e) Public task:** the processing is necessary for you to perform a task in the public interest or for your official functions, and the task or function has a clear basis in law.
- (f) Legitimate interests:** the processing is necessary for your legitimate interests or the legitimate interests of a third party, unless there is a good reason to protect the individual's personal data which overrides those legitimate interests. (This cannot apply if you are a public authority processing data to perform your official tasks.)

For special category data then this will be one of the ten legal bases in Article 9 of the UK GDPR:

- (a) Explicit consent:** the individual has given clear consent for you to process their special category data for a specific purpose.
- (b) Employment, social security and social protection:** if authorised by law and we have identified a condition in Part 1 of Schedule 1 of the DPA 2018.
- (c) Vital interests:** the processing is necessary to protect someone's life.
- (d) Not-for-profit bodies:** who process special category data in connection to the activities of charity, clubs, political parties, churches etc.
- (e) Made public by the data subject.**
- (f) Legal claims or judicial acts** if necessary to establish, exercise or defend legal claims.
- (g) Reasons of substantial public interest** with a basis in law and we have identified one of the 23 specific substantial public interest conditions set out in Part 2 of Schedule 1 of the DPA 2018.
- (h) Health or social care** with a basis in law and we have identified a condition in Part 1 of Schedule 1 of the DPA 2018.
- (i) Public health** with a basis in law and we have identified a condition in Part 1 of Schedule 1 of the DPA 2018.
- (j) Archiving, research and statistics** with a basis in law and we have identified a condition in Part 1 of Schedule 1 of the DPA 2018.

We should be able to say which applies. If you are not sure, then you should speak to the Data Protection Officer.

What are your responsibilities?

All of us, whether permanent or temporary, are required to read, understand and accept any policies and procedures that relate to the personal data that we may handle in the course of our work.

All of us must:

- understand the main points of the Data Protection legislation,
- identify and report any risks their line manager,
- make sure that customers understand their rights,
- identify any breaches or loss of data and report them,
- identify and report any rights requests to the Data Protection Team.

People have rights

Data protection legislation has introduced a set of rights for people. These are explained below and how we meet these.

All requests received should be directed to:

The Data Protection Officer
2nd Floor Pathfinder House

St Mary's Street

Huntingdon

Cambs

PE29 3TN

Telephone: 07706 341719

Email: dpo@cambridgeshirepeterborough-ca.gov.uk

The Right to be Informed

This means that people have a right to be told what we are doing with their information. We need to be clear and transparent about what we do because this helps build understanding and trust about what we do.

The way we normally tell people about what we do is in what we call a privacy notice. Our privacy notice is available on our website at the link <https://cambridgeshirepeterborough-ca.gov.uk/wp-content/uploads/documents/governance/transparency/codes-ofconduct-and-policies/Data-Protection-Policy.pdf> so that people can easily find it.

The Right of Access

If we hold information about a person, then they have a right to see their own information. There are a few exceptions to this rule, such as data held for child protection or crime detection / prevention purposes, but most individuals will be able to have a copy of the data held on them. We may have to redact some of the information if we cannot share something with a person.

The Right of Rectification

If a person believes that any of the information that we hold about them is inaccurate, then they have a right to request that we restrict the processing of that information and to rectify the inaccurate personal information. Please note that if the request is to restrict processing their information, we may have to suspend the services provided. We have to respond with a month.

The Right to Erasure

This is popularly known as the “right to be forgotten”. It means that people can ask us to delete or remove information if there no strong reason for us to keep it.

We don't have to delete information. The below table indicates when we may agree to delete and when we will not

To delete...	Or not to delete...
We no longer need the information	to exercise the right of freedom of expression and information
We should not have the information	We need to keep it to comply with a legal obligation
Our customer withdraws their consent	We need to keep for public health purposes
Legally we should have deleted it	It is of public interest for scientific/historical research or statistical purposes
Our customers object to what we are doing, and we cannot justify keeping the information	We need to keep it for the defence of legal claims

We always need to listen and understand why someone is asking us to delete. We may have to keep some information, for example it is about safeguarding or health and safety. We should still take into account the customer's concerns and look what we can do to help reduce any distress or concerns they may have.

The Right to Restrict Processing

A person has the right to block or suppress the use of their information. If someone does ask us to restrict the use of their information, then it means that we can retain the information but not use it any further.

We will need to keep some information to ensure that we maintain the restriction.

The Right to Data Portability

Where we have requested a person's permission to process their personal information or they have provided us with information for the purposes of entering into a contract with us, then they have a right to receive the personal information you provided to us in a portable format.

The Right to Object

An individual can object to what we are doing with their data where if it is based on:

- our legitimate interests or
- public interest or statutory duty or
- direct marketing or
- purposes of scientific/historical research and statistics.
- **if the processing is for the exercise of official authority vested in the Authority**

The objection must relate to the person's particular situation.

Rights related to automated decision-making including profiling

A person has the right to not be the subject of a decision if it is based on automated processing and it produces a legal effect or significant effect on them.

The right does not apply where processing is necessary for the performance of a contract, authorised by law (including fraud) or there is explicit consent.

What does 'it' mean?

Personal Information

Personal information is information about a living individual who you can identify directly or indirectly from that information. It may also be possible to identify an individual from that and other information which is in the possession of, or likely to come into our possession. It also includes any expression of opinion about the individual and any indication of our intentions.

It is also important to note that information to identify a living person is not limited to names and full addresses. Mapping point data can also potentially identify a person as can limiting the address to postcode.

Special Categories of Personal Information

Special categories of personal data, formerly known as sensitive personal data, means personal data consisting of information as to -

- the racial or ethnic origin of the data subject,
- his/her political opinions,
- his/her religious beliefs or other beliefs of a similar nature,
- whether he/she is a member of a trade union
- genetics
- biometrics
- his/her physical or mental health or condition,
- his/her sexual life,
- sexual orientation

In addition, we would consider the following to be sensitive:

- the commission or alleged commission by him/her of any offence,
- any proceedings for any offence committed or alleged to have been committed by him/her, the disposal of such proceedings or the sentence of any court in such proceedings,
- credit card/debit card details pertaining to the data subject

Data Controller

The Combined Authority is a data controller and will be responsible for ensuring compliance with data protection legislation. It means, on some occasions, that we determine what data is collected and how it is used.

Where someone acts completely on behalf of the authority then we are still the data controller.

You should refer to the contract for providing a service to understand who the data controller is.

Joint Data Controller

There will be occasions where two or more controllers jointly determine what information is collected and why. This could be with Cambridgeshire County Council or Peterborough City Council for example. We need to make sure that customers understand when this is the case.

You should refer to the contract for providing a service to understand when joint controllers exist.

Data Processor

A data processor is the person/service who use the information as per the controller's instructions. A data processor does not own the data and cannot use it for purposes other than stated in the contract or where permitted. Any use or sharing of data should not be done without the written consent of the data controller.

You should refer to the contract for providing a service to understand who the data processor is.

Data Controller-Data Processor Relationship - Contracts

Where the controller and processor are not the same ie the Combined Authority and Cambridgeshire County Council, the relationship must be underpinned by a contract.

It is very important that we have a contract in place for us to deliver services or for something to be done our behalf. The contract has a really important role to play because it makes sure that all concerned understand what should be delivered.

Any contract must contain detailed schedules of the data to be processed as well as the clauses regarding the arrangements for the use, storage, retention and deletion of data by that external party. In all cases, Legal Services will review every contract and ensure that it meets requirements. The contract between the authority and suppliers will make clear that the liabilities and duties of data protection legislation which must be complied with

This kind of terms will be defined in the contract.

Advice on the process for buying and providing services can be obtained from the Data Protection Officer.

When data is lost or goes missing...

We hold information which can be personal and sensitive information but also, for example, commercially sensitive information or simply data.

We must take every care to avoid a data breach by protecting personal information but also by taking steps to avoid losing any data.

In the unlikely event of data being lost or shared inappropriately, it is vital that appropriate action is taken to minimise any associated risk as soon as possible. You should refer to our data incident reporting policy which covers the process and complete the data incident reporting form.

You must report any breaches, suspected or confirmed, to the Data Protection Officer.

Keeping Information

We may have to keep information, but it must only be kept for as long as we need to.

We will store personal information securely in our IT systems or in hard copy in line with our retention schedule.

We will destroy hard copy personal information securely by using confidential waste bins and electronic records via IT.

More can be found in our Retention Policy.

Location of our information

It is important that we understand where our information is. This does not mean just it's on our devices or on the authority's network. We have to think about where that information really is and the same applies to any data we share or provide to others. This means where servers are or where a cloud/data centre is.

When the UK left the EU, this meant that transfers of information needed to be *permitted* under the UK GDPR. There are provisions in the UK GDPR to enable this flow of information. In order for information to flow from EEA countries, UK needed to be provided with an *adequacy decision* by the EU which it currently has. The UK has also recognised the EU adequacy decisions for non-EEA countries - Andorra, Argentina, Faroe Islands, Guernsey, Isle of Man, Israel, Jersey, New Zealand, Switzerland., and Uruguay.

If the information is being transferred to a country where there is no adequacy decision, such as USA, then we must ensure that we have appropriate safeguards in place. If this is the case, then you should speak to the Data Protection Officer and Legal.

How we handle information

Whenever we handle information then we should do so securely. This should mean that information we store is securely in systems protected by usernames and passwords or filing cabinets that are locked. It also means making sure that only people who should see that information have access. When we share or send information then we should make sure that it is secure.

The sharing of personal information must be by secure means such as secure email or secure file sharing may also be used after review by IT and in line with our IT policy. Failure to comply with this policy will result in the appropriate action being taken under either the relevant policy or contract.

The Sharing of Personal Information

We will only share personal information where a legal gateway exists, or consent has been obtained. Sharing means telling someone some information about them or another person and sharing means giving a supplier a list of people.

You should make sure you know whether you should share personal information and consult the Data Protection Officer if you are not sure.

Disclosures permitted by law

There will be occasions where the disclosure of personal information will be permitted in law such as for the prevention and detection of crime or safeguarding of vulnerable individuals. We will always seek a written request confirming the reason for the disclosure where consent has not been obtained and will evaluate that request before responding. Equally we need to make our own requests in a lawful and proper way.

Information sharing agreements

Any sharing of personal information between organisations may be best supported by an agreement that makes clear what is being shared, why and how. It helps us ensure we are complying with data protection legislation.

Further guidance on the completion of Information Sharing Agreements can be obtained from the Legal department of the Combined Authority.

Testing of systems

We may need to test that computer systems are developed to bring greater efficiency, benefits, and security work appropriately. In order to do so then we will need to consider using personal data in that testing. The first consideration will always be whether personal data is required for testing and the default will be that it is not with anonymised or randomly generated data being used. However, this may not fully test the functionality of a system, therefore consideration must be given to the use of a data snapshot from the live or current system.

We will undertake a data protection impact assessment prior to the use of any current or identifiable data to ensure that this is appropriate and that the appropriate safeguards are in place prior to the export, import and testing. The data will only be held in the test system for the period of testing and then removed. If the testing of the system is being undertaken by a partner or a processor then the same process will apply.

Privacy and the value of information

Data protection is all about privacy. When we use information about people then we have an impact on their privacy in some way.

This could be when we think about buying a new IT system or running a new project or service. It means we need to think about the impact on our customers; how will it affect them? Will it make a change on their lives? Are there any risks that we need to think about? The changes in data protection in 2018 made it mandatory that we have to consider the impact and show that we have. Please refer to the Data Protection Impact Guidance for further information.

Data Protection Impact Assessments (DPIA)

There are two levels of a DPIA; the screening process to work out whether you do need to do a DPIA is the starting point. This should always be completed whenever there are projects, new or changed service activities, or new ICT that could potentially impact on the privacy of individuals.

The completed screening checklist should be shared with the Data Protection Officer to determine whether any further assessment is required. They will inform you as to whether a DPIA is needed.

These can be published so it is important to make sure we have assessed impact and risk.

Only use what you need to use

It can be helpful to think about what level of information you need to use. Do you need to use every bit of information we hold about a person? Can you limit what you do use? You may only need ages and post code for example rather than their name, address, date of birth, NI number, health details and ethnicity.

There are other ways of using personal information without sharing who that person is.

Anonymisation of data

Data can be anonymised ie removal of information which could lead to the identification of an individual. It should be almost statistical because there should be no way that you can identify any individual person. It is not enough to remove the name and address. You should approach the Data Protection Officer for more detailed guidance.

Pseudonymisation

Where it is not necessary to share personal data but anonymised is not sufficient, then consideration should be given to the pseudonymising approach. This means when information is supplied it is not identifiable to the user but the individual producing the information has a “key” to identify.

Information as an asset

When information is organised, stored, used, and analysed then it is an asset that we can use. This means that we need to make sure it is managed properly. This management means that we know what we hold, where it is held, how long for and its qualities. This will help us use the information we have much more efficiently and better because we will understand it more.

Each service will have an Information Asset Owner (IAO) who is responsible for understanding that information, making sure it is only disclosed appropriately and is securely held.

Roles

Chief Executive

The Chief Executive has overall accountability and responsibility for data protection. The Chief Executive is required to provide assurance that all risks relating to data protection and information security are effectively managed and mitigated.

The Chief Executive has delegated responsibility for compliance with the Data Protection Act (including the implementation of this policy and other related policies) to Senior Information Risk Owner.

Senior Information Risk Owner (SIRO)

The named SIRO is responsible for:

- leading and fostering a culture that values, protects, and uses information for the success of the organisation and benefit of its customers,
- overall ownership of the Information Governance policies,
- act as the champion for Information Governance and provide written advice to the on the status of matters within the authority,
- owning the organisation's overall information risk policy and risk assessment processes and ensuring they are implemented consistently by IAOs,

- advising the Chief Executive or relevant accounting officer on the information risk aspects of his/her statement on internal controls,
- owning the organisation's information incident management framework, and
- ensuring that they receive appropriate training to fulfil the SIRO role.

Data Protection Officer

The Data Protection Officer will:

- manage the compliance with data protection legislation and FOIA,
- maintain an awareness of all IG/IM issues within the authority,
- review and update policies in line with local and national and best practice requirements,
- review and audit all processes and procedures where appropriate and on an ad-hoc basis,
- ensure all line managers and staff are aware of the requirements of these policies and guides,
- set a list of minimum expectations for security standards for IT systems.

Information Risk Group

The authority has a group chaired by the SIRO and attended by representatives of all departments. This is a key group to determining strategy and having oversight of all things data protection.

Responsibilities of Managers

All managers are required to ensure that they and their staff understand this policy and any associated procedures. They are responsible for ensuring that staff are informed and updated on any changes made to this policy.

All managers must identify and report any risks or breaches to the Data Protection Officer.

All line managers must ensure that their staff undertake data protection training and refresher training which will be undertaken annually.

Additional responsibilities for Managers - Temporary Staff

It is a requirement that all temporary staff, agency staff, volunteers, work placement students and all managers requesting access to systems for these temporary workers, should read, and undertake to comply with these compliance guidelines. Managers should ensure that any such staff are trained and understand data protection responsibilities.

Responsibilities of Members

All Members have responsibilities in their own right and when considering the use of personal information for any particular purpose, they should take into account the context in which that information was collected to decide whether their use of the information will be fair and lawful.

Members should also refer to the relevant "Code of Conduct", which is intended to promote high standards of behaviour amongst the Members of the authority, and which is available on our website.

Responsibilities of all staff

All staff have a responsibility and a duty to abide by the authority's policies and procedures in handling personal data as well completing any mandatory training provided. They must report any risks or breaches to the Data Protection Officer.

Any breach of this policy or linked to data protection may be considered under the authority's disciplinary policies.

Policy Review

A review of this policy will take place annually to take account of any new or changed legislation, regulations or business practices.

Monitoring Compliance

Compliance with this policy and related standards and guidance will be monitored and findings will be reported to the Data Protection Officer.

Potential fines for non-compliance with GDPR

The Information Commissioner can issue a monetary penalty for failing to comply with Part 3 of the Act. There are two tiers of penalty higher maximum and the standard maximum.

The higher maximum amount is £17.5million or 4% of the total annual worldwide turnover in the preceding financial year, whichever is higher.

Compensation

The GDPR gives an individual the right to claim compensation if damage is suffered as a result of the company breaking data protection law. The ICO cannot award compensation

For further information on compensation, please click on link below:

[Taking your case to court and claiming compensation | ICO](#)

ICO address

The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, or via their website: <https://ico.org.uk/>



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Retention Policy

Type of document:	Guidance
Document produced by:	Cambridgeshire & Peterborough Data Protection Officer
Document approved by:	Cambridgeshire & Peterborough Combined Authority Board
Version :	Version 2
Issue date:	
How is this shared?	Electronically
Date due for review:	Annually April
Reviewer:	Susan Hall

Data Protection Contact		
Contact Details	Email	Phone
Susan Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

Contents

Introduction.....	4
“If you only read this...”	4
Quick questions.....	4
How do I know how long to keep a record?	4
What do I do if I am not sure?	4
Should I use email as a place to keep records?	4
How do I destroy securely?	5
Whose responsibility is records management?	5
The Retention Schedule.....	5
Storing records.....	5
Accessing Records	5
Destroying records	5
Non personal information	5
Hard copies of records	6
Electronic files	6
Changing the way we hold information	6
Missing records	6
Who does what?	6
All of us	6
Data Protection Officer	6
SIRO	7
Registers	7
Monitoring and Review.....	7

Introduction

Information can be one of our most important resources we have. We have to manage it and that means making sure we keep information for the right length of time and destroy it securely when we don't need it anymore. The implementation of good records management and records retention practices will benefit the authority in many ways.

It's not just about Data Protection Act 2018 ("DPA") or the UK General Data Protection Regulations ("UK GDPR"). The Freedom of Information Act 2000 plays a part as well and places a legal obligation on us to make available information we hold.

However, neither the Data Protection Act / UK GDPR nor the Freedom of Information Act tell you how long to keep something for. There is usually another piece of law that tells us that like HMRC rules or acts relating to children for example.

This policy applies to all records held whether they are paper copy, CD, on the network, cloud or computer systems.

"If you only read this..."

Do know how long you should keep a record

Do keep a record of what has been kept and where

Do make sure you destroy securely

Do make sure you destroy when you should

Do keep a record of what you destroy and when

Do ask the Data Protection Officer for advice and help

Don't keep personal information just because it could be useful

Don't ignore retention schedules, it is all part of good records management

Quick questions

How do I know how long to keep a record?

There is no hard and fast one timescale fits all approach. It will depend on the type of record and what legislation like HMRC rules says. Check the schedule for what the document is about and then we can determine how long we should keep it for.

What do I do if I am not sure?

Ask. It is better to double check and help make sure our retention schedule guidance is up to date.

Should I use email as a place to keep records?

No. You should not keep personal information about customers or staff you manage in your email. It should be saved to a line of business system or a network folder. If you leave, the authority still has a need to gain access to that information.

How do I destroy securely?

We have a shredding cupboard and bags at Pathfinder House where you can securely dispose of paper. Records can be deleted from a system either by the team who support the system or the provider.

Whose responsibility is records management?

All of us.

The Retention Schedule

We have a retention schedule that sets out what we have and how long we keep it for. It should also list where the information is and it is important that this is updated when we move information.

The Retention Schedule is attached to this policy.

If you become aware of a new legal requirement, or code of practice, with respect to a specific type of record then please let the Data Protection Officer ("DPO") know.

If you see that something is missing, then please let us know. This is a live document and can change as we collect new information.

The DPO will provide advice, guidance and training where necessary.

Storing records

It is important that we have a few rules about storing records:

- We should know what records we hold and who they are about
- We should know where records are
- We should make sure they are secure and safe so we know who can access them
- We have someone who knows the above and keeps the schedule updated
- If we cannot find one then we have an audit trail of who accessed it last or what the last thing done was

Accessing Records

When we give access to records then we should make sure that we know why someone has should access them. It means knowing that they have a genuine business reason to do so. Just because someone is interested does not mean that they have a reason.

If you hold paper copies then you should have a system in place for recording what file has been accessed or removed, by who and when. It should then be marked back as returned. A bit like a library book.

Destroying records

Always take care when destroying information and make sure that it is ok to destroy.

If it has personal information in then check the retention schedule. If it doesn't then you should make certain that we can destroy it.

Non personal information

This could be emails, letters, circulars or documents. It may not contain personal information but it may contain confidential or business sensitive material. You should make sure that it is not still needed for audit purposes and then destroy it securely in the same way as personal data described below.

Hard copies of records

Paper records should be destroyed securely using the confidential shredding cupboard. The authority has a shredding cupboard and shredding bags at Pathfinder House which are dealt with under a contract and ensures that the paper copies are shredded professionally. If you have large amounts then you should speak to the Data Protection Officer who will assist in identifying a way you can do this. If a company is storing them on our behalf then we will ask for a certificate of destruction.

Please keep a list of what has been destroyed, when and by who.

Electronic files

All departments will have electronic records held on secure systems. Access to these will be restricted to those who have a legitimate requirement for access and this access will have specific security processes like usernames and passwords.

Systems and databases will be subject to any policies, corporately and at departmental level, which ensures routine back ups and contingency plans are in place to maintain the records.

Where a case is closed or a record is no longer needed, it will be subject to the appropriate retention period and will then be securely deleted by either the support team or provider.

Changing the way we hold information

If any records are being transferred such as being scanned then the previous versions can be disposed of securely. You should discuss this with the DPO and consider whether a data protection impact assessment is needed. This would help you identify and manage any of the risks.

If the records are being transferred to another organisation, it is essential that secure transporting arrangements are in place regarding the transfer. Contact the DPO for further information.

Missing records

We hope that we won't lose records but sometimes it happens. If this happens then you must report this immediately following the process described in our guide to what to do if we have lost some data.

After any incident, you should review what happened and why so that we can change or update processes to prevent recurrence. The DPO will help with this and help implement changes where necessary.

.

Who does what?

All of us

We need to think about whether we need to keep information, what we keep, where we keep it and how long for.

Data Protection Officer

The DPO will provide advice and guidance as well as maintaining the retention schedule, advising on timescales and helping ensure that information is kept securely.

SIRO

The SIRO is the senior officer with responsibility for security, risk and data. This means that they will receive reports on any issues such as lost files, incorrect records, or insecure storage.

Registers

The DPO will maintain the retention schedule.

Monitoring and Review

This policy shall be reviewed annually after implementation.

Data Retention Schedule – January 2023**Financial Records**

Personal data record category	Mandated retention period	Record owner
Payroll records	Seven years after audit	HR/Finance
Supplier contracts	Seven years after contract is terminated	Finance
Chart of Accounts	Permanent	Finance
Fiscal Policies and Procedures	Permanent	Finance
Permanent Audits	Permanent	Finance
Financial statements	Permanent	Finance
General Ledger	Permanent	Finance
Investment records (deposits, earnings, withdrawals)	7 years	Finance
Invoices	7 years	Finance
Cancelled checks	7 years	Finance
Bank deposit slips	7 years	Finance
Business expenses documents	7 years	Finance
Check registers/books	7 years	Finance
Property/asset inventories	7 years	Finance
Petty cash receipts/documents	3 years	Finance

Business Records

Personal data record category	Mandated retention period	Record owner
Article of Incorporation to apply for corporate status	Permanent	Finance
Board policies	Permanent	Legal
Board meeting minutes	Permanent	Legal
Tax or employee identification number designation	Permanent	Finance
Annual corporate filings	Permanent	Legal

HR: Employee Records

Personal data record category	Mandated retention period	Record owner
Disciplinary, grievance proceedings records, oral/verbal, written, final warnings, appeals	6 years after employment ceases	HR
Applications for jobs, interview notes – Recruitment/promotion panel Internal Where the candidate is unsuccessful Where the candidate is successful	Deleted immediately after duration of employment	HR
Payroll input forms, wages/salary records, overtime/bonus payments Payroll sheets, copies	7 years	HR
Bank details – current	Duration of employment	HR
Payrolls	Duration of employment	HR
Job history including staff personal records: contract(s), Ts & Cs; previous service dates; pay and pension history, pension estimates, resignation/termination letters	All excluding pensions – 7 years after employment ceases. Pensions – 12 years after benefit ceases	HR
Expense claims	7 years after employment ceases	HR
Annual leave records	Duration of employment	HR
Accident books		HR
Accident reports and correspondence	3 Years after employment ceases	
Certificates and self-certificates unrelated to workplace injury; statutory sick pay forms	6 years after employment ceases	HR
Pregnancy/childbirth certification	3 years from the end of the tax year in which Parental Leave ends	HR
Parental leave (Unpaid)	18 years from birth of child	HR
Maternity pay records and calculations	3 years from the end of the tax year in which Parental Leave ends.	HR
Redundancy details, payment calculations, refunds, notifications	6 years from date of redundancy	HR
Training and development records	6 years after employment ceases	HR

Contracts

Personal data record category	Mandated retention period	Record owner
Signed	Permanent	Legal
Contract amendments	Permanent	Legal
Successful tender documents	Permanent	Legal
Unsuccessful tenders' documents	Permanent	Legal
Tender – user requirements, specification, evaluation criteria, invitation	Permanent	Legal
Contractors' reports	Permanent	Legal
Operation and monitoring, e.g. complaints	Permanent	Legal
Grant Funding Agreements	7 years	Legal/Business & Skills
ERDF/ESF grants	10 years	Legal/Business & Skills
Agri-tech Applications/Independent External Assessors comments/ Assessment by Agri-tech Board members/Claims/Processing of finance	7 years	Business & Skills

Customer Data

Personal data record category	Mandated retention period	Record owner
Platform data – inclusive of Video data, comments, attachments, profile picture, email address, first and second name	Retained whilst organisation remains a customer or deleted by user. Once an organisation requests all records to be deleted, data will be removed from the back-ups within 9 months	Comms
CRM data – inclusive of Name, Email address, mobile number, address, emails, and phone call summaries, DPO information	Retained whilst organisation remains a customer or deleted by user. Once an organisation requests all records to be deleted	Comms
Name, email address	Kept until person unsubscribes / requests to be removed from system	Comms
Public responses to consultations	3 years	Comms

IT

Personal data record category	Mandated retention period	Record owner
Recycle Bins	Cleared monthly	Individual employee
Downloads	Cleared monthly	Individual employee
Inbox	All emails containing PII attachments deleted after 3 years.	Individual employee
Deleted Emails	Cleared monthly	Individual employee
Teams Chats	1 year Any documents containing PII deleted after 3 years	Individual employee
Teams Project Sites (including Channels)	3 years after contract is terminated	PMO
Local Drives & files	Moved to One drive monthly, then deleted from local drive	Individual employee
Personal One Drive	Reviewed quarterly, any documents containing PII deleted after 3 years	Individual employee



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Data Incident Reporting Policy

Type of document:	Guidance
Document produced by:	Cambridgeshire & Peterborough CA Data Protection Officer
Document approved by:	Cambridgeshire & Peterborough Combined Authority Board
Version :	Version 2
Issue date:	
How is this shared?	Electronically
Date due for review:	Annually April
Reviewer:	

Data Protection Contact		
Contact Details	Email	Phone
Sue Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

Table of Contents

Introduction.....	4
“If you only read this...”	4
The important bits	4
What is a data breach?	4
What kind of incidents do you mean?	5
When does it become a breach?	5
How do I report something?	6
What happens after I report something?.....	6
Contacting those affected	6
Roles and Responsibilities	6
All staff.....	6
The Data Protection Officer.....	6
The Affected Department	7
The Department Lead	7
Contacting the ICO.....	7
Complaints about breaches	7
Information to be provided to individuals when telling them about a breach	9
Putting it right for good	9
How does the DPO assess impact and risk?	10
Monitoring and Review.....	10
Appendix A – Data Incident Reporting Form	12

Introduction

We have to protect the data that we have. We have a lot of data on different customers and staff. This can include personal and sensitive information but also, for example, commercially sensitive information or simply data. We have to have processes in place to do this but sometimes things do go wrong.

When information is lost or shared inappropriately, it is vital that appropriate action is taken to minimise the impact and risk as soon as possible.

“If you only read this...”

Do make sure that you know who you are talking to

Do make sure you only share information with the right person

Do make sure you check envelopes or emails to make sure they have the right information

Do check postal and email addresses before you send

Do know what to do if something goes wrong

Do report any concerns

Don't ignore a breach

Don't ignore a customer complaining about a breach

The important bits

If we get it wrong, then our customers and residents could be at risk

If we get it wrong, then we could be fined the equivalent of £17.5 million or 4% of total worldwide income by the Information Commissioner

If we get it wrong, then people can sue us if they suffer detriment

If we get it wrong, then we have to spend more time fixing the problem than it would have taken to make sure we were not getting it wrong

What is a data breach?

A data breach is something which affects people's rights and freedoms.

When something is reported then we will call it a data incident until we have assessed it as a breach. If we say it is a breach, then it must be reported to the Information Commissioner within 72 hours and if it's a high risk then people whose data it is.

All reports will be considered as a data incident until we can determine the risk to the data subjects.

Near misses should also be reported and recorded in the same way as an actual data breach.

What kind of incidents do you mean?

A data incident is more than if we just lose some information. It can be where:

- personal information is disclosed to someone who does not have the right to see it. It could be documents, a spreadsheet or just an email.
- The loss of information
- The corruption of information
- The unavailability of information
- The data being incorrect

It can be caused by

- Loss or theft of data or equipment on which data is stored
- Deliberate or accidental action by someone
- Not having the right access controls allowing unauthorised use
- Equipment failure
- Human error
- Unforeseen circumstances such as fire or flood or power cut
- Hacking
- 'Blagging' offences where information is obtained by deception
- Alteration of personal data without permission
- Virus attacks

If there is personal information and/or sensitive personal information as defined in this policy contained within the document, email etc. then this must be reported.

Data could also be disclosed which is not personal but reveals information of a commercially sensitive nature or is confidential. This can also have an impact on us but would not need to be reported to the ICO.

When does it become a breach?

We will consider that all incidents have an element of risk to someone and take the same actions in all cases.

Once we have the facts then we will determine what that level of risk is.

The Data Protection Officer (DPO) along with the SIRO (Senior Information Risk Owner) will determine this. This will include a risk assessment which will cover the following:

- **Whether any personal data has been lost or whether it is a loss of data**
- **The potential harm or risks to the data subject as a result of the incident**, including any distress the data subject may suffer as a result of the incident
- **The volume of the data involved** – this must be determined by the facts and extent of the breach
- **The sensitivity of the data involved** – where the data is classed as sensitive personal data and the release of that data can lead to the data subject suffering substantial harm.
- **Assess the impact of the breach such as:**
 - How could the loss of control over the personal data affect someone?
 - Could it cause discrimination?
 - Could it cause identity theft or fraud
 - Could it cause financial loss?
 - Could it cause embarrassment and upset?
 - Could it cause damage to reputation?
 - Could it cause loss of confidentiality?

The DPO along with the SIRO and Chief Executive will decide if we need to inform the Information Commissioner's Office (ICO) and/or the people concerned. The Data Protection Officer will contact the ICO with all relevant information on the breach as per the section entitled 'Contacting the ICO'.

How do I report something?

Use Appendix A and send this to dpo@cambridgeshirepeterborough-ca.gov.uk.

If it is urgent then phone to speak to the Data Protection Officer on 07706 341719.

If the incident occurs or is discovered outside normal working hours, the investigation and notification of relevant officers should begin as soon as is practicable either by text or email.

What happens after I report something?

The DPO will make an initial assessment based on what they have been told. They, in conjunction with the affected department, will determine what steps are taken.

Contacting those affected

If the breach is likely to result in a high risk of adversely affecting individuals' rights and freedoms, those individuals must be informed without undue delay (as soon as possible). The Responsible officer should do this when it is decided that people are at sufficient risk.

Roles and Responsibilities

All staff

All of us have responsibility to report a concern. The manager/lead will have responsibility for reporting an incident/breach directly to the DPO and establishing what has happened/informing the DPO of the incident details.

The manager/lead, or someone in their absence, should take immediate action to recover any documents, whether electronic or hard copy, and put measures in place to prevent future breaches.

The Data Protection Officer

They will maintain a central log of all breaches and near misses as reported and provide advice on actions to be taken.

An investigation will only be undertaken by the DPO when requested to do so by the director or Chief Executive and only in specific circumstances.

In the event of a complaint being made to the ICO, the DPO will act as the collator of information to provide the response

The Affected Department

When an incident occurs then the department affected will undertake an investigation or review. They will nominate an individual to lead on investigating and gathering information which should be at the level of manager or above. We can call them the **Department Lead**. Their role helps to add background and context to an incident that only someone from the department can give. They will need to gather information on what has happened and liaise with the DPO to determine what actions should be taken.

The Department Lead

The Department Lead will be responsible for any communication with data subjects who have been affected by the data breach. Any response must be checked by the DPO, responses should be as quickly as possible and no later than 10 working days. The department will initiate disciplinary action / provide supervision or training if required (as appropriate)

Contacting the ICO

Once we decide this then the DPO or **deputy** will complete the referral.

A notifiable breach must be reported by the DPO or the deputy to the ICO without undue delay, but not later than 72 hours after becoming aware of it. The 72 hour clock starts from the moment that a breach has been determined. If 72 hours lapses, reasons for the delay must be given.

When reporting a breach, the following must be provided:

- a description of the nature of the personal data breach including, where possible:
- the categories and approximate number of individuals concerned; and
- the categories and approximate number of personal data records concerned;
- the name and contact details of the data protection officer (if your organisation has one) or other contact point where more information can be obtained;
- a description of the likely consequences of the personal data breach; and
- a description of the measures taken, or proposed to be taken, to deal with the personal data breach and, where appropriate, of the measures taken to mitigate any possible adverse effects.

It may not always be possible to investigate a breach fully within 72 hours, The ICO must be informed within the 72 hours but the required information can be given in phases, as long as this is done without undue further delay.

Breaches we need to notify the ICO about

When a personal data breach has occurred, the likelihood of the risk to people's rights and freedoms needs to be established. If a risk is likely, you must notify the ICO; if a risk is unlikely, you don't have to report it.

Complaints about breaches

Sometimes customers make complaints about data breaches to a central complaints team or as part of a wider complaint about a department. The DPO should be made aware of such complaints however the department should take the responsibility for investigation and review as they would in any event, and liaise with the DPO on the response to this aspect of the complaint.

Complaints officers must ensure that they inform the DPO of any suspected incident as soon as they become aware of it to ensure that we can still meet our timescales.

Information to be provided to individuals when telling them about a breach

You need to describe, in clear and plain language, the nature of the personal data breach and, at least:

- the name and contact details of any data protection officer you have, or other contact point where more information can be obtained;
- a description of the likely consequences of the personal data breach; and
- a description of the measures taken or proposed to deal with the personal data breach and, where appropriate, a description of the measures taken to mitigate any possible adverse effects.

If possible, you should give specific and clear advice to individuals on the steps they can take to protect themselves, and what you are willing to do to help them. Depending on the circumstances, this may include such things as:

- forcing a password reset;
- advising individuals to use strong, unique passwords; and
- telling them to look out for phishing emails or fraudulent activity on their accounts.

Putting it right for good

Regardless of whether there was a risk or not, we have to make sure that we do not repeat mistakes.

We need to look at the processes and systems which may have caused the incident and work out what we can do to stop it repeating.

This may mean:

- Reviewing how information is held and shared
- Looking at what extra security checks we can put in place
- Introducing peer checks of envelopes
- Providing extra training on systems
- Raising awareness through meetings
- Restricting access and auditing systems, implementing technical and organisational measures, e.g. disabling autofill.

The DPO will assess the risks, impact, changes needed and discuss the implementation of changes with the Department Lead. The DPO and the Department Lead will ensure that change is implemented to prevent repeats.

How does the DPO assess impact and risk?

The impact of the breach will be assessed by the DPO using the Impact assessment. We will look at the following kinds of questions:

Was any data lost or compromised in the incident?
For example, if paperwork was in the wrong envelope or the email went to the wrong person. However, if you lost an encrypted laptop or phone then there may not be an issue unless you were logged in when you lost it.
Was personal data lost or compromised?
This means is the data about living individuals such as customers or employees. This makes a data protection incident.
If yes, was <u>sensitive</u> personal data compromised?
This is the really sensitive stuff like health, sexual life, political or religious beliefs, potential or actual criminal offences. If this happens then it is more serious.
What is the number of people whose data was affected by the incident?
Large numbers of people affected can be more serious but equally a very sensitive piece of information about one person can also be serious.
Is the data breach <u>unlikely</u> to result in a <u>risk</u> to the individual/individuals?
This means is anyone unlikely to be affected; this means that although data has been lost, it is unlikely to have an affect if we can recover the information or contain the issue.
Did people affected by the incident give the information to the authority in confidence?
People often do expect it to be confidential even if it is not particularly sensitive
Does this incident put anyone at risk of physical harm?
If it does then this makes it a more serious matter because we have to make sure customers and employees are kept safe
Is there a risk that the incident could lead to damage to individuals e.g. via identity theft/ fraud?
If we lose bank accounts details or ID documents, then these could be used by to commit crimes.
Could the incident damage an individual's reputation, or cause hurt, distress or humiliation e.g. loss of medical records, disciplinary records etc.?
Even if the loss does not put them at risk of physical harm or fraud, it can still cause distress if information about a person is made public. It can cause upset and hurt which we need to consider properly
Can the incident have a serious impact on the authority's reputation?
The authority has to keep the trust of its customers. If we don't then they may stop working with us. Media stories can also cause this as can referrals to the ICO.
Has any similar incident happened before in the section?
A one-off error may be unavoidable but repeated incidents of the same kind in a department can show that we have to change processes to stop repeats.
Do HR need to be involved or referred to?
This is maybe because the issue is one of capability, or because of deliberate and malicious actions to cause the breach.
If this incident involves the loss or theft of IT Equipment has an urgent call been logged with ICT?
The sooner we can block or wipe the device, the better.

Monitoring and Review

Post-breach review

A review of the breach should take place to discuss the details of the breach: why it happened, what impact it had, what actions were taken to resolve it, how the team can prevent it from happening again and any lessons learnt. The review should take place about 2-3 weeks after the breach.

There will be a quarterly report to the Data Protection Officer and an annual report to the CA Board.

This will inform training and risk assessments.

This policy shall be reviewed annually after implementation.

Appendix A – Data Incident Reporting Form

Once completed, please send a copy to dpo@cambridgeshirepeterborough-ca.gov.uk and retain a copy for your records.

	To be completed
Reported by	
Responsible officer	
Department	
Date and time of when the incident occurred	
Date and time reported to DPO	
Date and time you become aware of the incident	
Reason for delay if any	
Does this incident affect any other parties?	
How did you become aware of the incident?	
What kind of incident is this?	

How many individuals could this incident affect?	
Subject names and details	
What kind of people are affected?	
Are these people aware?	
Ease of identification of individuals	
Type of data lost	
Summarise the incident and the information that has been lost	
Actions Taken by department to mitigate, recover etc.	
What impact does this have on the individuals involved? What is the risk to them?	
Risk to subjects	
What is the impact on the authority and its business?	
Temporary or Permanent Loss	

Please complete the following checklist to confirm what actions you have taken:

Have you informed your director? (include name of director)	
Has an extensive search for any physical loss been undertaken?	
Have you been able to retrieve the lost data?	
Has the lost data been destroyed?	
Have you reviewed procedures to prevent recurrences?	
Is there likely to be media interest as a result?	

Data Incident Reporting Form

Once completed, please send a copy to dpo@cambridgeshirepeterborough-ca.gov.uk and retain a copy for your records.

	To be completed
Reported by	
Responsible officer	
Department	
Date and time of when the incident occurred	
Date and time reported to DPO	
Date and time you become aware of the incident	
Reason for delay if any	
Does this incident affect any other parties?	
How did you become aware of the incident?	
What kind of incident is this?	

How many individuals could this incident affect?	
Subject names and details	
What kind of people are affected?	
Are these people aware?	
Ease of identification of individuals	
Type of data lost	
Summarise the incident and the information that has been lost	
Actions Taken by department to mitigate, recover etc.	
What impact does this have on the individuals involved? What is the risk to them?	
Risk to subjects	
What is the impact on the authority and its business?	
Temporary or Permanent Loss	

Please complete the following checklist to confirm what actions you have taken:

Have you informed your director? (include name of director)	
Has an extensive search for any physical loss been undertaken?	
Have you been able to retrieve the lost data?	
Has the lost data been destroyed?	
Have you reviewed procedures to prevent recurrences?	
Is there likely to be media interest as a result?	

Report title: Revisions to the Cambridgeshire and Peterborough Combined Authority Constitution

To: Audit and Governance Committee

Meeting Date: 27 January 2023

From: Edwina Adefehinti
Chief Legal Officer and Monitoring Officer (Interim)

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) To support, and recommend the revisions to the Constitution detailed in this report to the next meeting of the Combined Authority Board

Voting arrangements: a simple majority of all Members.

1. Purpose

- 1.1 This report provides the Committee with commentary on the revisions made to the Constitution of the Combined Authority with a view that these be approved and recommended for adoption by the Combined Authority Board at their next meeting.

2. Background

- 2.1 The Combined Authority is obliged to review its Constitution on an annual basis. Officers have been undertaking a process of review, and changes recommended by this Committee on 13 January 2023 are being considered by the Combined Authority Board on 25 January 2023.
- 2.2 This review of the Constitution is an iterative process and the Audit & Governance Committee will be receiving amendments for consideration to approve and recommend revisions to the document to the Combined Authority Board until the end of this municipal year.

- 2.3 The Audit and Governance Committee is responsible for keeping under review the governance arrangements, such as the constitution, of the Combined Authority and is empowered to make recommendations to the Combined Authority Board.
- 2.4 Officers have worked with various stakeholders in preparing these proposed revisions, including the Executive Team of the Combined Authority and the Lead Member for Governance, Councillor Edna Murphy.

3. Main Issues

- 3.1 Appendix 1 of this report is the current version of the Financial Management Procedure Rules with track-changes to indicate the amendments made to the current regulations. Appendix 2 is the 'clean' version of the suggested amendments to the Financial Management Procedure Rules.
- 3.2 Attached as Appendices 3, 4 and 5 are the following protocols to be added to Chapter 19 of the revised Constitution: Policies and Protocols:
- Social Media Protocol (Appendix 3)
 - Monitoring Officer Protocol (Appendix 4)
 - Standards Committee Hearings Protocol (Appendix 5)

Social Media Protocol

- 3.2.1 The Committee will find attached a Social Media Protocol. Social Media is a key communication tool used by the Authority and many Councillors; it is also used by service users and key stakeholders. It has a significant role in the reputational management of the Authority and the personal reputation of Members. The Authority has developed and adopted a suite of documents giving guidance to staff and Councillors which the Committee has asked to review.

Monitoring Officer Protocol

- 3.2.2 The Protocol is to further explain the role and functions of the Monitoring Officer and to support the overview and implementation of effective governance arrangements for the Combined Authority. It supplements the roles and functions already detailed in the Authority's Constitution.
- 3.2.3 Under section 5 Local Government and Housing Act 1989 the Authority is required to appoint an officer to act as the Monitoring Officer who is responsible for reporting to the Authority any matters which are unlawful, amount to maladministration or create injustice. The Monitoring Officer also has further statutory responsibilities, most notably in relation to standards and ethics.
- 3.2.4 Although there are many individual functions and responsibilities assigned to the Monitoring Officer, both via legislation and the Constitution, they mainly centre around governance, ethics and standards. This Committee has responsibility for supporting the Monitoring Officer in discharging her role in respect of standards of conduct and behaviour, and to receive reports relating to maladministration causing injustice. It is considered that the Committee is

the appropriate body to support and recommend the Protocol to the Combined Authority Board.

- 3.2.5 The Protocol sets out operational arrangements and understandings which are intended to support working relations and the flow of information.

4. Financial Implications

- 4.1 The proposals contain no financial implications.

5. Legal Implications

- 5.1 The Combined Authority is obliged to adopt and maintain a constitution and standing orders.
- 5.2 The use of social media can have legal ramifications if it is used inappropriately or misused. Councillors can face allegations that they have breached the Code of Conduct and can face sanctions as a consequence. Clear guidance is important in ensuring that Members can use social media safely and effectively.

6. Appendices

Appendix 1: Current Constitution version of the Financial Management Procedure Rules (to follow)

Appendix 2: Amended Constitution version of the Financial Management Procedure Rules – January 2023 (to follow)

Appendix 3 - Social Media Protocol

Appendix 4 - Monitoring Officer Protocol

Appendix 5 - Standards Committee Hearings Protocol

SOCIAL MEDIA PROTOCOL FOR MEMBERS

1. This Protocol applies to Combined Authority Members and Co-opted members. It gives guidelines on how to use social media, sets out how we can effectively manage social media usage and indicates how any risks or pitfalls can be minimised or mitigated. The Combined Authority encourages Members' use of new technology, including social media. This protocol is intended to help with use of social media in a way that avoids legal and reputational risk. This protocol sets out what is and is not acceptable usage of social media and complements the general rules under the Code of Conduct for Members. The Monitoring Officer and the Communications team are happy to help Members by providing additional advice and guidance as appropriate. Training could also be provided to individual Members or Groups if required.

2. What is social media?

- Social media describes a range of website and online tools which allow people to interact. This includes blogs and postings on a wide range of social media platforms including (but not limited to) Facebook, Twitter, LinkedIn, Instagram, TikTok and Snapchat.
 - Social media is all about sharing information and people use social media platforms to give opinions, create interest groups and build online communities and networks which encourage participation and engagement.
3. It is not a requirement for Members to have a Facebook or Twitter account or to use other forms of social media to fulfil their role as a councillor. Social media can help you to:
- increase your local profile as an active and engaged councillor
 - perform better as a community leader by reaching out to local residents
 - keep in touch with or obtain local views and opinion
 - be more approachable
 - campaign on local issues
4. A useful rule of thumb when using social media is that if you would not give out a piece of information or make a comment to a room full of people, then don't say it on social media.
5. Remember that, whenever you act or appear to act in your official capacity on social media, you must comply with the Combined Authority Members' Code of Conduct. The overarching rules are that you should not bring the Combined Authority into disrepute and must respect confidentiality. If you have any questions or concerns, you should speak to the Communications team in the first instance.

6. Things to bear in mind:

- Any communication is capable of being misinterpreted and this includes social media. There is something about the immediacy of social media and the lack of face-to-face contact which seems to magnify the problem.
- Things happen quickly on social media and sometimes people express emotional reactions without careful consideration.

7. Comments can be misinterpreted or misrepresented particularly with regard to something that might be perceived as being more controversial than it was expected to be:

- Remember that information and comments that you and others make can be broadcast to a large number of people more quickly than other media, which is a double-edged sword.
- Even if you withdraw a comment, someone may have taken a screenshot.
- The same rules apply to social media that govern the rest of your behaviour as a councillor, but you need to take extra care given their immediacy and ease of dissemination on social media.
- Although the best use of social media is conversational in tone, publishing to the web is still publishing. What you've said on the web is recorded and it is permanent so make sure that your online content and comment is accurate, informative and thought through. Think of it as speaking in public. Think before you commit each word.
- This doesn't mean that Members cannot, in the appropriate context, communicate politically but you should be careful not to say anything that you wouldn't be prepared to stand by under scrutiny or that you would not feel comfortable repeating or justifying, for example, at a public meeting.
- Be clear if you are expressing personal views. Consider adding this in your profile description.

8. Risks

- Virus or other malware (malicious software) infection from infected sites.
- Disclosure of confidential information.
- Damage to the Authority's reputation.
- Social engineering attacks (also known as 'phishing').
- Bullying or "trolling". An internet "troll" is a person who starts arguments or upsets people, by posting inflammatory or off-topic messages online with the deliberate intent of provoking readers into an emotional response or of otherwise disrupting normal discussion, often for their own amusement.
- Civil or criminal action relating to breaches of legislation.
- Breach of safeguarding through the use of images or personal details leading to the exploitation of vulnerable individuals.
- Breach of the code of conduct for members through inappropriate use.

9. In light of these risks, the use of social media sites should be regulated to ensure that such use does not damage the Authority, its employees, councillors, partners and the people it serves. As such this policy aims to ensure:

- A consistent and corporate approach is adopted and maintained in the use of social media.
- Authority information remains secure and is not compromised through the use of social media.
- Users operate within existing policies, guidelines and relevant legislation.
- The Authority's reputation is not damaged or adversely affected without just cause.

10. Some legal issues:

- Libel – If you publish an untrue statement about a person which is damaging to their reputation, they may consider it as defamatory and consider legal action. The same thing may happen if, for example, someone else publishes something defamatory on your website; you know about it and don't take swift action to remove it. A successful legal claim could result in the award of damages against you.
- Copyright – Placing images or text on your site from a copyrighted source (for example extracts from publications or photos), without obtaining permission, is likely to breach copyright laws. Therefore, don't publish anything you are unsure about, or obtain prior permission. Again, a successful claim for breach of copyright would be likely to lead to an award of damages against you.
- Data Protection – Do not publish the personal data of individuals unless you have their express permission. Personal information in an email or personal exchange should not be presumed to imply any consent to pass it on to others. If you place personal information on a public forum you should expect it to be published by others.
- Bias and Predetermination – if you are involved in making decisions, do not say anything through social media (or indeed anywhere) that suggests you have made your mind up on an issue that is due to be formally decided. While your likely view on a particular application may be well known, you need to be able to show that you attended the committee or hearing prepared to take on board and weigh all the evidence, and were genuinely persuadable to a different view, otherwise the decision may be later challenged as invalid. If a person has suffered some sort of detriment as a result of such an invalid decision, they may have a claim against the Authority for damages.

11. **Social Media and the Code of Conduct for Members generally:**

- Aspects of the Code of Conduct for Members will apply to your online activity in the same way as they do to any other communication you use. The key to whether your online activity is subject to the Code is whether you are, or appear to be, acting in your capacity as a councillor rather than as a private individual.

It is therefore advisable that you make it clear that any views expressed are your personal view. However, in some instances you may still be deemed as acting in your capacity as a councillor depending on the circumstances.

- Although you may be clear in your mind that you are acting in a private capacity it may be less clear to others, so to avoid doubt, it is better to spell out clearly whether you are stating personal, party or the Combined Authority corporate positions or views.
- One way of avoiding any confusion and avoiding some of the potential problems related to the Code of Conduct, may be to consider keeping your online accounts as a councillor separate from those where you communicate in a personal capacity. You should include this information in your profile. This is an individual decision for each member and some Members may find the convenience of having one account outweighs the advantages of separate accounts.

12. Principles of the Members' Code of Conduct that may apply:

- Treat others with respect - do not use social media to make personal attacks or indulge in rude, disrespectful or offensive comments.
- Comply with equality laws – do not publish anything that might be seen as racist, sexist, ageist, homophobic or anti-faith.
- Never bully or harass anyone – do not say anything, particularly if it is part of a series of similar comments about a person or on a theme that might be construed as bullying or intimidation.
- Do not bring the Combined Authority into disrepute – you should not publish anything that could reasonably be perceived as reflecting badly upon or lowering the reputation of you or the Combined Authority.
- Do not disclose confidential information - you must not, in your use of social media, just as in any other circumstances, disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature. Apply exactly the same standards to your social media communications as you would to statements made in a more formal context.

13. Staying out of Trouble - Some Do's and Don'ts

Do:

- set and check you have the appropriate privacy settings for your blog or networking site –especially if you have a private, non-political blog. Do you want anyone to see it, or selected people? Remember that sites like Facebook often change the parameters of settings.
- keep an eye out for defamatory or obscene posts from others on your blog or page and remove them as soon as possible to avoid the perception that you condone such views. Be aware that the higher your profile as an elected member, the more likely it is you will be seen as acting in your official capacity when you blog or network.

- consider keeping your personal and elected member profile on social networking sites separate.
- maintain appropriate professional boundaries.
- ensure you use the Authority's facilities appropriately; if you use an Authority provided blog site or social networking area, any posts you make will be viewed as being made in your official capacity.
- be aware that you will be seen as acting in your official capacity if you publish information that you could only have accessed by being an elected member.
- feel able to make political points but be careful about being too specific or personal if referring to individuals. General comments about another party or comments on policy or position are less likely to be viewed as a personal attack.

Don't:

- post social media content in haste, particularly in circumstances where your judgement might be impaired; for example, if you are angered by a comment, tired or have consumed alcohol.
- never post comments that you would not be prepared to make on paper or face to face.
- use council facilities for personal or political blogs.
- request or accept a Combined Authority employee or contractor providing services to the council as a "friend" on a social networking site where this suggests close personal association.
- use social media in any way to attack, insult, abuse, defame or otherwise make negative, offensive or discriminatory comments about council staff, service users, their family or friends, colleagues, other professionals, other organisations, or the Authority.
- publish confidential information that you may have learned or had access to as part of your role as an elected member. This includes personal information about service users, their families or friends, contractors, authority staff as well as information related to the Authority.
- represent your personal views, or those of any political party or interest group you belong to, as being those of the Authority, on any social medium.
- browse, download, upload or distribute any material that could be considered inappropriate, offensive, defamatory, illegal or discriminatory.
- make conspicuous or excessive use of social media technology during the course of an Authority committee meeting so that you give the impression to the public of not being respectful of the proceedings and, more seriously, taking decisions that are not based on full engagement with the facts and arguments.

14. Members have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider, or the police. This also applies to fellow members, where action could then be taken under the Councillor Code of Conduct, and the Combined Authority employees, where concerns should be raised in line with the Combined Authority member- officer protocol.

- 15.** The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate, or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

MONITORING OFFICER PROTOCOL

1.0 Statutory Responsibilities

- 1.1 The Monitoring Officer is a statutory appointment pursuant to section 5 of the Local Government and Housing Act 1989. This protocol is to enable Members to make use of the Monitoring Officer's ability to provide them with practical advice on legality and conduct, by setting out how the Monitoring Officer will carry out his/her functions.
- 1.2 The Monitoring Officer is responsible for ensuring that the Authority and its Members act lawfully, do not cause maladministration, and comply with the Code of Conduct for Members. The Monitoring Officer is the Combined Authority's primary source of advice on all legal issues, and to Members on their legal obligations, but he/she also has specific statutory duties, such as investigating complaints of Member misconduct and making public report to the Council in cases of illegality.
- 1.3 The Combined Authority recognises that an effective Monitoring Officer, positively engaged in the discharge of the Authority's business, is essential to the effective running and sound corporate governance of the Council.
- 1.4 Section 5(1) Local Government and Housing Act 1989 requires the Combined Authority to appoint an Officer as the Council's Monitoring Officer and gives that Officer personal responsibility:
 - to report on actual, and anticipated, illegality within the Authority
 - to report cases where the Ombudsman has found maladministration on the part of the Authority
 - to maintain the Register of Members' Interests; and
 - to administer, assess and investigate complaints of Members' misconduct.

2.0 Working Arrangements

- 2.1 The law does not prescribe exactly how the Monitoring Officer is to carry out these functions. Therefore, this protocol describes the way the Combined Authority expects the Monitoring Officer to discharge these functions and how it expects Officers and Members to co-operate with the Monitoring Officer to enable him/her to discharge these functions effectively.
- 2.2 In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on the Mayor, Members and Officers:
 - complying with all the relevant law and any relevant codes of conduct.
 - complying with any general guidance and advice provided from time to time, by the Monitoring Officer.

- making lawful and proportionate decisions; and
 - generally not taking action that would bring the Combined Authority, their Offices or professions into disrepute.
- 2.3 The Monitoring Officer undertakes to discharge their statutory responsibilities with a positive determination and in a manner that enhances the overall reputation of the Combined Authority. In doing so, they will also safeguard, so far as is possible, the Mayor, Members and Officers, whilst acting in their official capacities, from legal difficulties and/or criminal sanctions.
- 2.4. Having excellent working relations with the Mayor, Members and Officers will assist in the discharge of the statutory responsibilities of the Monitoring Officer and keep the Combined Authority out of trouble. Equally, a speedy flow of relevant information and access to debate (particularly at the early stages of any decision-making by the Mayor or the Combined Authority) will assist in fulfilling those responsibilities. The Mayor, Members and Officers must, therefore, work with the Monitoring Officer in discharging these responsibilities.
- 2.5 The Monitoring Officer issues guidance to Officers to assist them in understanding the nature, breadth and requirements that the Monitoring Officer puts upon all Officers. This protocol also explains how the Monitoring Officer will approach the role. The Monitoring Officer considers that the role is a positive and preventative one, related to legality, avoidance of maladministration and observance of codes of conduct /practice where there is actual / potential transgression by the Mayor and/or the Combined Authority.
- 2.6 The Monitoring Officer gives authoritative advice and guidance on these issues which will be conducive to a culture of propriety and integrity. This will provide comfort for Officers, the Mayor and Members alike. However, although the Monitoring Officer will seek to be positive about the role, it must be recognised that the role imposes a personal duty to make a public, statutory report where it appears to be necessary. This might ultimately force the Mayor and/or the Combined Authority to consider issues they/it might not wish to.
- 2.7 The Monitoring Officer and the Mayor and/or the Combined Authority should co-operate in every way possible so as to reduce the need for the Monitoring Officer to issue a formal report. In support of this, the Monitoring Officer places significant reliance upon the advice and support given by colleagues in Legal Services, Human Resources and Democratic Services, but particularly those in the Legal Services team who will, in providing corporate legal advice do so in an enabling manner, but also identify areas of particular risk and concern, assisting Officers, the Mayor and Members to achieve their objectives, but ultimately in a lawful and proper manner.
- 2.8 The following arrangements and understandings between the Monitoring Officer, the Mayor, Members and Chief Officers are designed to ensure the effective discharge of the Combined Authority's business and functions.

2.9 The Monitoring Officer will:

- be alerted by the Mayor, or by Members or by Officers to any issue(s) that may become of concern to the Combined Authority, including, in particular issues around legal powers to do something or not, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to arise.
- have advance notice of at least five working days (including receiving agendas, minutes, reports and related papers) of all relevant meetings of the Combined Authority at which a binding decision of the Combined Authority may be made) at or before the Combined Authority's meetings or any binding decision to be made by the Mayor, including in both cases, a failure to take a decision where one should have been taken.
- have the right to attend any meeting of the Combined Authority before any binding decision is taken by the Combined Authority or to be notified and where necessary meet with the Mayor before he/she makes any binding decision, including in both cases, a failure to take a decision where one should have been taken)
- in carrying out any investigation have unqualified access to any information held by the Mayor and/or the Combined Authority and to any Officer who can assist in the discharge of these functions.
- ensure the other statutory Officers are kept up to date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to arise.
- report to the Combined Authority, from time to time, on the Constitution and any necessary or desirable changes.
- as per the statutory requirements, make a report to the Combined Authority, as necessary on the staff, accommodation, and resources they require to discharge their statutory functions
- have a special relationship of respect and trust with the Mayor, and chairs of the Combined Authority's committees, sub-committees and working groups with a view to ensuring the effective and efficient discharge of Mayoral and/or Combined Authority business
- develop effective working liaison and relationship with the Internal and External Auditor, BEIS, DLHUC and the Local Government Ombudsman (including having the authority, on behalf of the Mayor or the Combined Authority, to complain to the same, refer any breaches to the same or give and receive any relevant information, whether confidential or otherwise, through appropriate protocols, if necessary)
- maintain and keep up-to-date relevant statutory registers for the declaration of Members' interests, gifts and hospitality.

- give informal advice and undertake relevant enquiries into allegations of misconduct; defer the making of a formal report under s5 Local Government and Housing Act 1989 where another investigative body is involved
- have sufficient resources to enable them to address any matters concerning their Monitoring Officer functions
- be responsible for preparing any training programme for Members on ethical standards, Code of Conduct issues, data protection, confidentiality, and general governance of the Combined Authority.
- ensure that the Mayor and Members and Officers of the Combined Authority are fully aware of their obligations in relation to probity.

2.9 To ensure the effective and efficient discharge of these arrangements, the Mayor, Members and officers will report any breaches of statutory duty or Combined Authority policies or procedures and other vices or constitutional concerns to the Monitoring Officer, as soon as practicable.

2.10 The Monitoring Officer is also available for the Mayor, Members and Officers to consult on any issues in respect of possible maladministration, impropriety and probity issues, or general advice on the constitutional arrangements. Monitoring the Protocol

3. Monitoring the Protocol

3.1 The Monitoring Officer will report to the Combined Authority as to whether the arrangements set out in this protocol have been complied with and will include any proposals for amendments in the light of issues which have arisen.

4. Conflicts and Interpretation

4.1 Where the Monitoring Officer has received a complaint or is aware of an event which may lead to them issuing a statutory report relating to a matter upon which they have previously advised the Mayor and/or the Combined Authority, they shall consult the Head of Paid Service who may then either:

- i. refer the matter to another Officer for investigation and report to the Head of Paid Service; or
- ii. ask another authority to make their Monitoring Officer available to investigate the matter and report to the Head of Paid Service and/or the Combined Authority as appropriate; or
- iii. instruct another qualified person to undertake the investigation and report to the Head of Paid Service and / or the Combined Authority as appropriate.

4.2 Questions of interpretation of this guidance will be determined by the Monitoring Officer.



STANDARDS COMMITTEE HEARINGS PROTOCOL

1. This Hearing Procedure sets out how the Combined Authority("CA") deals with Sub-Committee hearings.
2. There is specific terminology used in relation to this CA function and therefore **Appendix A** gives definitions of the main terminology used in the procedure.
3. Both the member who is the subject of a complaint, and the person making the complaint will have been informed if it has been decided that the complaint should be investigated.
4. Once the Investigating Officer has carried out their investigation, the subject of the complaint and the complainant will receive a copy of the draft report and will have the opportunity to make comments. The Investigating Officer will update their report accordingly and issue the final report. The Investigator's Report may find that:
 - There has been a breach of the Code of Conduct.
 - There has been no breach of the Code of Conduct.
5. The Monitoring Officer will receive the Investigating Officer's draft report along with the subject of the complaint and the complainant to ensure that all issues have been investigated as the duty to maintain standards rests with the Monitoring officer.
6. The Monitoring Officer will, in consultation with the independent person, review the investigating officer's report. If the investigating officer concludes that there is evidence of a failure to comply with the Code of Conduct, the Monitoring Officer in consultation with the Independent Person will either:

- (a) seek a local resolution; or
- (b) send the matter for local hearing before the Hearings Panel

7. The Monitoring Officer will also seek the view of the Independent Personal before making a decision.
8. If the Monitoring Officer decides that the matter should go to a hearing, then the pre-hearing process is started.

Pre-Hearing Process

9. This process is designed to ensure that matters at the hearing are dealt with fairly and efficiently. A letter will be sent to the subject of the complaint, proposing an initial date for the hearing.
10. The Subject Member is asked to indicate any needs they may have on the day of the hearing, whether they would wish to have the matter heard in private and how many witnesses they would like to call.
11. The pre-hearing process is also used to identify disagreements in the evidence presented in the Investigating Officers report, any other evidence the Subject Member wishes the Sub-Committee to take into account and any factors that the Subject Member believes should be taken into account as mitigation, if they are found to have breached the Code.
12. A meeting may then be convened with the Chair of the Sub-Committee. At this stage, information from both the Subject Member and the Investigating Officer are considered. The Chair will make decision as to the witnesses to be called, the administrative arrangements to be made and the date of the final hearing.
13. All of the information submitted during this process assists the formulation of the agenda for the hearing. This agenda and the covering letter are then sent to the Subject Member, the complainant and the witnesses.
14. At this stage the hearing agenda is confidential. The Sub-Committee will then make a decision on the day of the hearing as to whether the hearing should be carried out in public or in private. If the hearing is carried out in public, the papers will be made openly available at this stage.

Standards Committee Hearings

15. The purpose of the Standards Sub-Committee is to allow the Sub-Committee to consider the evidence supplied by both the Subject Member and the Investigating Officer and make a decision as to:

- The findings of fact.
- Whether the Subject Member has breached the Code of Conduct; and
- Any sanction if it is found that the Subject Member has breached the Code of Conduct.

16. To hear the matter, a Sub-Committee is formed. The Sub-Committee will comprise of three members.

17. Agenda

i. Preliminary Items - Opening the Meeting of the Sub-Committee

There are a number of preliminary items which will be considered when the meeting is opened. Some of these items are standard items which are found on Sub-Committee agendas and some are unique to the hearing process.

ii. Apologies and Disclosures of Interest

At the beginning of the meeting the Chair of the Sub-Committee will ask for any apologies and will ask members of the Sub-Committee to disclose the existence and nature of any personal or prejudicial interests which they have in the case, and to withdraw from consideration of the case if so required.

iii. Quorum

The Chair will then check that the meeting is quorate to ensure that the correct members are sitting on the Sub-Committee before the hearing is commenced.

iv. Introductions

- At the start of the hearing, the Chair will introduce each of the members of the Sub-Committee, the Member, the Independent Person, the Investigator, the Legal Advisor, the Committee Support Officer and any other officers present.
- The Investigating Officer or the Subject Member may choose to be represented by a solicitor or barrister during the hearing, or with the permission of the Sub-Committee, another person. It must be noted that the Member must bear the cost of such representation.

v. The Role of the Legal Advisor

The Chair will then explain the role of the Legal Advisor. The Sub-Committee may take legal advice from its Legal Advisor at any time during the hearing or while they are considering the matters put before them in private. The substance of any legal advice given to the Sub-Committee at any stage in the proceedings will be shared with the parties present.

vi. Outline of the Hearing Procedure

- The Chair will confirm that all present know the procedure which the Sub-Committee will follow in determining the case. The Chair will remind the Sub-Committee that although this is a formal meeting, it is not judicial and evidence is not given under oath. The standard of proof to be met is on the 'balance of probabilities', as in civil proceedings and not 'beyond all reasonable doubt', as in criminal proceedings. The Chair will then ask the hearing if there are any questions, before continuing.
- At this stage the Sub-Committee will resolve any issues or disagreements about how the hearing should continue, which have not been resolved during the pre-hearing process.
- The Chair will consider whether or not there are opportunities for conciliation that would be beneficial to the process. The Chair may agree to vary this procedure in any particular instance where he/she is of the opinion that such a variation is necessary in the interests of fairness.
- If the Subject Member is not present at the start of the hearing and has not indicated his/her wish to proceed regardless:
 - (a) The Chair will ask the Legal advisor whether the Member has indicated his/her intention not to attend the hearing.

(b) The Sub-Committee will then consider any reasons which the Subject Member has provided for not attending the hearing and will decide whether it is satisfied that there is sufficient reason for a failure to attend.

(c) If the Sub-Committee is satisfied with the reasons it will adjourn the hearing to another date.

(d) If the Sub-Committee is not satisfied with the reasons, or if the Subject Member has not given any reasons, the Sub-Committee will decide whether to consider the case and make a determination in the absence of the Subject Member or adjourn the hearing to another date.

vii. Exclusion of the Press and Public

The Chair will ask the Member, the Investigator and the Legal advisor to the Sub-Committee whether they wish to ask the Sub-Committee to exclude the press or public from all or any part of the hearing. If any of them do so request, the Chair will ask them to put forward reasons for so doing and ask for responses from the others and the Sub-Committee will then determine whether to exclude the press and public from all or any part of the hearing. Further details are set out at **Appendix B**.

vii. Presentation of the Monitoring Officer's Report

At the end of the preliminary matters, the Monitoring Officer (usually also acting as the Legal Advisor to the hearing) will present their report. This report will summarise the pre-hearing process which has taken place, and outline whether or not the Subject Member has disagreed with any of the findings of fact in the Investigating Officer's report.

(a) If the Member admits that he/she has failed to comply with the Code of Conduct in the manner described in the Investigator's report, the Sub-Committee may then make a determination that the Member has failed to comply with the Code of Conduct in the manner described in the Investigator's report and proceed directly to consider whether any action should be taken.

(b) If the Member identifies additional points of difference, the Chair will ask the Member to explain why he/she did not identify these points as part of the pre-hearing process. He/she will then ask the Investigator (if present) whether he/she is in a position to deal with those additional points of difference directly or through any

witnesses who are in attendance or whose attendance at the hearing can conveniently be arranged. Where the Sub-Committee is not satisfied with the Member's reasons for failing to identify each additional point of difference as part of the pre-hearing process, it may decide that it will continue the hearing but without allowing the Member to challenge the veracity of those findings of fact which are set out in the Investigator's report but which the Member did not identify as a point of difference as part of the pre-hearing process, or it may decide to adjourn the hearing to allow the Investigator and/or any additional witnesses to attend the hearing. The Monitoring Officer will then ask the Sub-Committee to endorse the pre-hearing directions.

CONDUCTING THE HEARING

18. Findings of Fact - Are there Disputes?

Introduction

This section is concerned with agreeing the findings of fact. Any facts which are disputed by the Subject Member must normally have been stated during the pre-hearing process.

- (i) If the Subject Member disagrees with any relevant fact in the Investigator's report, without having given prior notice of the disagreement, they must give good reasons for not mentioning it before the hearing. If the investigator is not present, the Sub-Committee will consider whether it would be in the public interest to continue in their absence. After considering the member's explanation for not raising the issue at an earlier stage, the Sub-Committee may then:
 - (a) Disagree with the Subject Members explanation, accept the facts as they are presented in the Investigating Officer's report and continue with step three of the hearing.
 - (b) allow the Subject Member to make representations about the issue, and invite the investigator to respond and call any witnesses, as necessary.
 - (c) postpone the hearing to arrange for appropriate witnesses to be present, or for the Investigator to be present if they are not already.
- (ii) If there is no disagreement about the facts, the Sub-Committee can move on to the next stage of the hearing;

- (iii) On the facts, has the Code been breached?
- (iv) **Investigator's Representations (and witnesses, if appropriate)**
 - (a) If there is a disagreement on the findings of fact the Investigator, if present, should be invited to make any necessary representations to support the relevant findings of fact in the report. With the Sub-Committee's permission, the Investigator may call any necessary supporting witnesses to give evidence.
 - (b) The Sub-Committee may give the Subject Member an opportunity to challenge any evidence put forward by any witness called by the Investigator. If the Subject Member disagrees with most of the facts, it may be sensible for the Investigator to start by making representations on all the relevant facts, instead of discussing each fact individually.
- (v) **Subject Member's Representations (and witnesses if appropriate)**
 - The Subject Member should then have the opportunity to make representations to support their version of the facts and, with the Sub-Committee's permission, to call any necessary witnesses to give evidence.
- (vi) Both the Subject Member and Investigating Officer will then have an opportunity to 'sum-up' the main points of the argument.
- (vii) At any time, the Sub-Committee may question any of the people involved or any witnesses. The Investigator may be given an opportunity to challenge any evidence put forward by witnesses called by the Subject Member.

19 Decision

- (i) The Sub-Committee will usually move to another room or ask all the attendees apart from the Legal Adviser to vacate the room to consider the representations and evidence in private. On their return, the Chair will announce the Hearing Sub-Committee's findings of fact.
- (ii) The Sub-Committee will take its decision on the balance of probability based on the evidence which it has received at the hearing.
- (iii) The Sub-Committee's function is to make a determination on the findings of fact. It will do this by way of majority voting. It may, at any time, return to the main hearing room in order to seek additional evidence from the Investigator, the Member or a witness, or to seek the legal advice from or on behalf of the Legal Advisor. If it

requires any further information, it may adjourn and instruct an officer or request the Member to produce such further evidence to the Sub-Committee.

20. On the Facts, has the Code been Breached?

Introduction

- (i) The Sub-Committee then needs to consider whether, based on the facts it has found, the Subject Member has failed to follow the Code. The Sub-Committee may, at any time, question anyone involved on any point they raise in their representations.
- (ii) **Investigator's Representations (and witnesses, if appropriate)**
 - (a) The Sub-Committee should then consider any representations on whether the Code has been breached from the Investigator.
 - (b) The Investigating Officer may also, at this point, call witnesses if permission is granted by the Sub-Committee.
 - (c) The Subject Member may be given an opportunity to challenge any evidence put forward by any witness called by the Investigator.
- (iii) **Subject Member's Representations (and witnesses, if appropriate)**
 - (a) The Subject Member will be invited by the Chair to give relevant reasons why the Sub-Committee should decide that they have not failed to follow the Code.
 - (b) The Subject Member may, at this point also call witnesses if permission is granted by the Sub-Committee. The Investigator may be given an opportunity to challenge any evidence put forward by witnesses called by the Subject Member
 - (c) Both the Subject Member and the Investigating Officer will then have an opportunity to 'sum up' the main points of the argument.
- (iv) **Sub-Committee's Decision**
 - (a) At the conclusion of the Member's response, the Chair will ensure that each member of the Sub-Committee is satisfied that he/she has sufficient information to enable him/her to determine whether there has been a failure to comply with the Code of Conduct as set out in the Investigator's report.

- (b) The Sub-Committee will then move to another room to consider the representations. On their return, the Chair will announce the Sub-Committee's decision as to whether the Subject Member has failed to follow the Code.
- (c) The Sub-Committee will take its decision on the balance of probability based on the evidence which it has received at the hearing.
- (d) The Sub-Committee's function is to make a determination on whether the Member has breached the Code of Conduct. It will do this by way of majority voting. It may, at any time, return to the main hearing room in order to seek additional evidence from the Investigator, the Member or a witness, or to seek the legal advice from or on behalf of the Legal Advisor. If it requires any further information, it may adjourn and instruct an officer or request the Member to produce such further evidence to the Sub-Committee.
- (e) If the Sub-Committee decides that the Code has not been breached, it will inform the Subject Member and the Sub-Committee will dismiss the complaint.

21. Sanctions

(i) Introduction

- (a) If the Sub-Committee decide that there has been a breach of the Code of Conduct by the Member concerned, they will then go on to consider sanctions. The sanctions available to the Sub-Committee can be found at **Appendix C**.
- (b) Factors to be taken into account when considering what sanction may be applicable are set out at **Appendix D**.
- (c) Mitigating factors are set out at **Appendix E**.

(ii) Investigator's Representations

- (a) The Sub-Committee will consider any verbal or written representations from the Investigating Officer as to:
 - whether the Hearing Sub-Committee should apply a sanction; or
 - what form any sanction should take.

(iii) Subject Member's Representations (and character witnesses, if appropriate)

- (a) The Subject Member may introduce agreed character witnesses to make a statement in support of the Subject Member.

(b) The Sub-Committee will consider any verbal or written representations from the Subject Member as to:

- whether the Sub-Committee should apply a sanction; or
- what form any sanction should take

(c) Both the Subject Member and the Investigating Officer will then have an opportunity to 'sum up' the main points of the argument.

iv. Sub-Committee's Decision

- (a) The Sub-Committee may question the Investigator and Subject Member, and take legal advice, to make sure they have the information they need in order to make an informed decision.
- (b) The Sub-Committee will then deliberate in private to consider whether to impose a sanction on the Subject Member and, if so, what sanction it should be.
- (c) On their return, the chair will announce the Sub-Committee's decision as to the sanction that the Sub-Committee will recommend.

22. Recommendations to the Authority

- (i) Regardless of whether or not the Sub-Committee find that Subject Member has breached the Code of Conduct, the Sub-Committee may make recommendations to the authority, with a view to promoting high standards of conduct among Members.

23. Close of the Meeting

- (a) The Chair will thank all those present who have contributed to the conduct of the hearing and formally close the hearing.
- (b) A short written decision will be agreed by the Sub-Committee and made available on the day of the Sub-Committee.

24. The Monitoring Officer will prepare a formal decision notice in consultation with the Chairperson of the Hearings Panel and send a copy to the person making the complaint, to the member, and make the decision notice available for public inspection. If appropriate the Monitoring Officer will report the outcome of the hearing to the next Combined Authority meeting.

- 25.** There is no right of appeal for a complainant or for the member against a decision of the Monitoring Officer or of the Hearings Panel. If a complainant feels that the authority has failed to deal with their complaint properly, they may make a complaint to the Local Government Ombudsman.

APPENDIX A

Terminology

- (a) 'Subject Member' means the member of the authority who is the subject of the allegation being considered by the Sub-Committee, unless stated otherwise. It also includes the Member's nominated representative.
- (b) 'Investigating Officer' means the person appointed by the Monitoring Officer to undertake that investigation (which may include the Monitoring Officer and his or her nominated representative).
- (c) "The Case" is the subject case of the Investigator's report.
- (d) "The Sub-Committee Support Officer" means an officer of the authority responsible for supporting the Sub-Committee's discharge of its functions and recording the decisions of the Sub-Committee.
- (e) "The Chair" refers to the person presiding at the hearing.
- (f) "The Sub-Committee" means a Sub-Committee of the Combined Authority's Audit and Governance Committee appointed to hear the matter.
- (g) 'Legal Advisor' means the officer responsible for providing legal advice to the Sub-Committee. This may be the Monitoring Officer, another legally qualified officer of the authority, or someone appointed for this purpose from outside the authority.

APPENDIX B

Access to Standards Committee Hearings and Exempt Information

1. At the hearing, the Sub-Committee will consider whether or not the public should be excluded from any part of the hearing.
2. The Sub-Committee has the discretion to exclude the public if it considers that 'exempt information' is likely to be revealed during the hearing. The committee should take into account Article 6 of the *European Convention on Human Rights*. The Sub-Committee also has a duty to act fairly and within the rules of natural justice. There is a clear public interest in promoting public confidence in the integrity and honesty of public authorities. Therefore, the hearing should be held in public unless the Sub-Committee decides that protecting the privacy of anyone involved is more important than the need for a public hearing.

APPENDIX C

Sanctions Available to the Sub-Committee

The sanctions which are available are any, or any combination, of the following:

- (a) publish its findings in respect of the member's conduct;
- (b) report its findings to Combined Authority for information;
- (c) recommend to the Constituent Council or to the Combined Authority that they be removed from any or all Committees or Sub-Committees of the Combined Authority;
- (d) recommend to the Mayor that the member be removed from particular lead member responsibilities;
- (e) recommend to the Combined Authority to remove the member from any or all outside appointments to which they have been appointed or nominated by the authority;
- (f) recommend to Combined Authority that it restricts the member from contacting specified Combined Authority's officers.

APPENDIX D

Factors to be taken into Account

In considering the sanction the Sub-Committee may take into account the following factors, along with any relevant circumstances:

- (a) What was the Subject Member's intention?
- (b) Did the Subject Member know that they were failing to follow the Code of Conduct?
- (c) Did the Subject Member get advice from officers before the incident? Was that advice acted on or ignored in good faith?
- (d) Has there been a breach of trust?
- (e) Has there been financial impropriety, for example improper expense claims or procedural irregularities?
- (f) What was the result of failing to follow the Code of Conduct?
- (g) What were the potential results of the failure to follow the Code of Conduct?
- (h) How serious was the incident?
- (i) Does the Subject Member accept they were at fault?
- (j) Did the Subject Member apologise to the relevant people?
- (k) Has the Subject Member previously been warned or reprimanded for similar misconduct?
- (l) Has the Subject Member failed to follow the Code of Conduct before?
- (m) How will the sanction be carried out? For example, who will provide the training or mediation?
- (n) Are there any resources or funding implications?

APPENDIX E

Mitigating and Aggravating Factors

Aggravating Factors

- (a) Dishonesty.
- (b) Continuing to deny the facts despite clear contrary evidence.
- (c) Seeking unfairly to blame other people.
- (d) Failing to heed appropriate advice or warnings or previous findings of a failure to follow the provisions of the Code.
- (e) Persisting with a pattern of behaviour which involves repeatedly failing to abide by the provisions of the Code.
- (f) Failing to heed appropriate advice or warnings of Officers of the Combined Authority.

Mitigating Factors

- (a) An honestly held, although mistaken, view that the action concerned did not constitute a failure to follow the provisions of the Code of Conduct, particularly where such a view has been formed after taking appropriate advice.
- (b) A Member's previous record of good service.
- (c) Substantiated evidence that the member's actions have been affected by ill-health.
- (d) Recognition that there has been a failure to follow the Code; co-operation in rectifying the effects of that failure; an apology to affected persons where that is appropriate, self-reporting of the breach by the Member.
- (e) Compliance with the Code since the events giving rise to the determination.
- (f) Some actions, which may have involved a breach of the Code, may nevertheless have had some beneficial effect for the public.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 12

Audit and Governance Committee - Work Programming Report

To: Audit and Governance Committee

Meeting Date: 27 January 2023

Public report: Public Report

From: Anne Gardiner
Governance Manager

Recommendations: The Audit and Governance Committee is recommended to:

a) Note the current work programme for the Audit and Governance Committee for the 2022/23 municipal year attached at Appendix 1

Voting arrangements: A simple majority of all Members

1. Purpose

- 1.1 To provide the Committee with the draft work programme for Audit and Governance Committee, for the 22/23 municipal year.

2. Background

- 2.1 In accordance with the Constitution, the Audit and Governance Committee must perform certain statutory duties including the approval of accounts, governance arrangements, financial reporting and code of conduct.
- 2.2 A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.

3. Financial Implications

3.1 None

4. Legal Implications

4.1 None

5. Appendices

5.1 Appendix 1 – A&G Work programme

6. Background Papers

6.1 None

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2022/23

2 December 2022 @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
a)	Improvement Plan Report: - to include Improvement Plan Highlight Report	Review and challenge to seek assurance of improvement progress	Angela Probert
b)	Performance Management Framework	Improvement Outcome E2 – Review of framework proposals	Chris Bolton/ Jodie Townsend
c)	Governance Framework	Improvement Outcomes B1, B2, B3, B4, B5, C2 – Progress review	Jodie Townsend/ Edwina Adefehinti
Internal Control Items:			
	Corporate Risk Register	Review of register	Chris Bolton
	Draft Financial Strategies	To review the annual finance strategies, including the Capital Strategy, Investment Strategy, Treasury Management Strategy and MRP Statement	Jon Alsop
	Subsidiary Companies	More detailed management response to Internal Audit of subsidiary companies	Edwina Adefehinti
	Draft Accounts – Draft Annual Governance Statement	To receive the draft CPCA financial statements for 2021/22 and the draft Annual Governance Statement	Jon Alsop
Audit Items:			
	Internal Audit Progress Report		RSM
Standards and Conduct Items:			
	None scheduled for this meeting		
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2022/23

13 January 2023 @ Huntingdonshire District Council – Additional Meeting

Item:	Title:	Purpose:	Lead:
-------	--------	----------	-------

Special Meeting Content	
	This meeting will have only two agenda items; <i>Revisions to the Constitution</i> and the <i>Procurement Policy</i> . These need to be reviewed by the Committee before the reports go to the CA Board meeting on 25 January.

27 January 2023 @ Huntingdonshire District Council			
Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
	Improvement Plan Highlight Report	Review and challenge to seek assurance of improvement progress	Angela Probert
	Constitution Development Update	Update on Constitution development, links to improvement plan and next steps	Jodie Townsend/ Edwina Adefehinti
	Risk Management Process	Improvement Outcome E3 – Progress review and challenge	Chris Bolton
Internal Control Items:			
	Corporate Risk Register	Review of register	Chris Bolton
Audit Items:			
	External Audit	External Audit Plan	Jon Alsop
	Internal Audit Progress Report		RSM
Standards and Conduct Items:			
	Code of Conduct	Review of proposals to enhance the Code of Conduct, including integrating the Member-Officer Protocol and developing a Social Media Protocol	Jodie Townsend/ Edwina Adefehinti
	Member Behaviour – Lessons Learned Review	The Committee to reflect on its role and seek improvements on how information is received and how the behaviour of members is overseen as part of a ‘lessons learned’ agenda item	Edwina Adefehinti
Other:			
	Climate Change Working Group	The Committee requested that a further update be brought in six months’ time outlining progress against the Plan with a focus on the Governance process and how it was operating.	Adrian Cannard

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2022/23

31 March 2023 @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
	Improvement Plan Highlight Report	Review and challenge to seek assurance of improvement progress	Angela Probert
	Assurance Framework	Receive new Assurance Framework document designed to deliver requirements set out in Improvement Plan	Jodie Townsend
Internal Control Items:			
	Corporate Risk Register	Review of register	Chris Bolton
	Information Governance	Update on CA approach and improvements	Edwina Adefehinti
	Annual Governance Statement	To receive and approve the final 2021/22 Annual Governance Statement	Jon Alsop/ Edwina Adefehinti
Audit Items:			
	Internal Audit Progress Report		
	External Audit Annual Report & Letter	To receive and approve the final 2021/22 statement of accounts and audit opinion from the external auditors	Jon Alsop
Standards and Conduct Items:			
	Whistleblowing Arrangements	Review of lessons learned from 2021/22 & 22/23 events and examination of current process to see if it is fit for purpose	Edwina Adefehinti
Other:			
	Review of Committee – How to develop Committee moving forward (including skills audit)		Anne Gardiner
	Annual Report of the Audit Committee		Anne Gardiner

AUDIT & GOVERNANCE COMMITTEE DEVELOPMENT PROGRAMME 2022/23

Date:	Item:	Provider:	Purpose:	Lead:
-------	-------	-----------	----------	-------

21 st November 2022	Risk Management Training	Internal Audit	To provide an overview on Risk Management to Members	Adam Lickorish, RSM
tbc	Financial Management and Role of the Committee	Arling Close (CPCA's treasury advisors)	To set out the role of the Committee in regard to financial management and provide training on key elements of role	Jon Alsop
Dec 2022	Hearing Panel Training	Edwina Adefehinti	To set out Hearings Panel purpose and operating procedures	Edwina Adefehinti
tbc	Project Management Training	Chris Bolton		Chris Bolton
tbc	Risk Appetite Training	Internal Audit		Adam Lickorish, RSM