



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Date: Friday, 24 March 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

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.

2 Chair's Announcements

3 Minutes of the Previous Meeting and Action Log

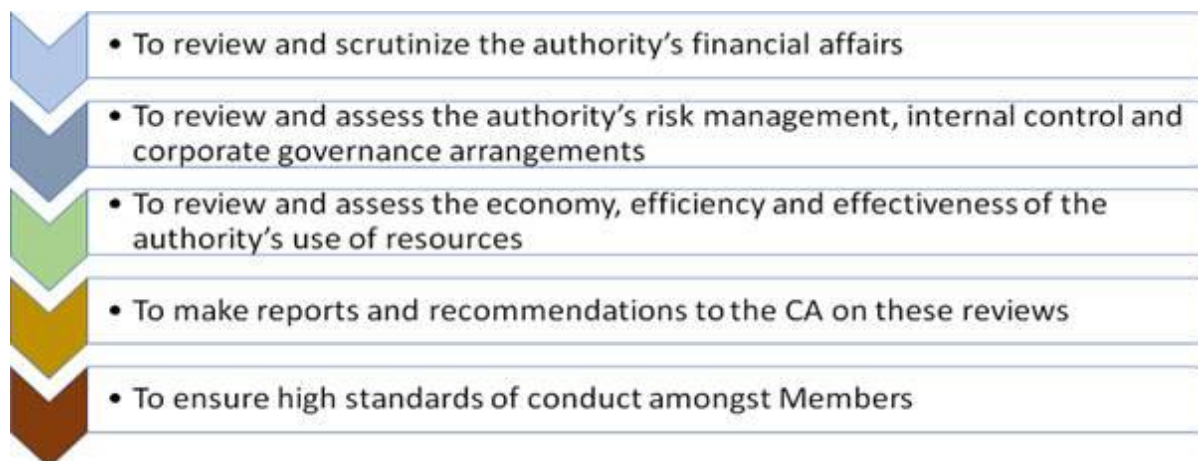
To approve the minutes of the meeting held on 27th January 2023 and to note the Action Log.

	A&G Draft Minutes 27.01.23	4 - 12
4	Improvement Framework	13 - 23
5	Internal Audit Action Tracker and information reported to PARC	24 - 28
6	Information Governance Report	29 - 110
7	Revisions to the CPCA Constitution - Financial regulations	111 - 155
8	Internal Audit Plan 2023 -24	156 - 167
9	Internal Audit Progress Report <i>Report to follow</i>	
10	Annual Report of the Audit and Governance Committee	168 - 194
11	Audit & Governance Committee Work Programme	195 - 203
12	Date of next meeting: Friday, 9 June 2023	

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

CAMBRIDGESHIRE & PETERBOROUGH **COMBINED AUTHORITY**

AUDIT & GOVERNANCE COMMITTEE DRAFT MINUTES

Date: Friday, 27 January 2023

Time: 10.00

Location: Civic Suite, Pathfinder House, Huntingdon District Council

Members Present:

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

Officers:

Gordon Mitchell*	Interim Chief Executive
Angela Probert*	Interim Programme Director - Transformation
Edwina Adefehinti*	Chief Officer – Legal & Governance, and Monitoring Officer
Jon Alsop	Chief Finance Officer
Rob Emery	Business Board S151 & Dept.S73 Combined Authority
Adrian Cannard	Strategic Planning Manager
Paul Staines*	Improvement Plan Programme Manager
Chris Bolton*	Head of Programme Management Office
Jodie Townsend*	Governance Improvement Lead
Anne Gardiner	Governance Officer
Joanna Morley	Interim Governance Officer

*denotes attendance via Zoom

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies were received from Cllrs Harvey, Brown, Ali and Wilson. Cllr Atkins attended as a substitute for Cllr Wilson and Cllr Ambrose-Smith attended as a substitute for Cllr Brown.
- 1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 On Tuesday 24th January the CPCA was notified by the Department for Levelling Up, Housing and Communities (DLUHC) of a Best Value Notice. Audit and Governance Members were sent an email by the Chief Executive on Tuesday evening to notify them of this. The notice clarified more formally DLUHC concerns, already shared with the Combined Authority following the Ernst and Young Auditor's letter issued to the Combined Authority on 1st June 2022 and historical matters. These highlighted significant concerns regarding the governance of the organisation and the need to engage with the Department to provide assurance of improvement.
- 2.2 The Member Behaviour – Lessons Learned Review that was due to come to the meeting had been withdrawn. The Monitoring Officer felt that it would not have been an effective report as there were items that could not currently be disclosed. The Chair agreed that this report would come instead to a later meeting, after the code of conduct investigation had been concluded.

3. Minutes of the Previous Meetings and Action Log

- 3.1 The minutes of the meetings held on 2 December 2022 and 13 January 2023 were approved as a correct record. Members made further comment on the need for terminology used in reports to be clear and consistent.
- 3.2 The Action Log was noted.

4. Improvement Framework

- 4.1 Before the report was introduced Gordon Mitchell, Interim Chief Executive addressed the Committee and made a statement concerning the DLUHC letter. Angela Probert, Interim Programme Director – Transformation then introduced the report which provided the Audit & Governance Committee with an opportunity to review the Improvement Framework report that was presented to the CA Board on the 25 January 2023.
- 4.2 During discussion the following points were noted:
 - a. The Best Value notice was a new form of communication and was non-statutory. The Chief Executive felt that it was an attempt by the Government to codify the concerns it had with authorities. Three separate authorities, including the CPCA, had been issued with notices at the same time.
 - b. The role of the Independent Improvement Board (IIB) was clarified and DHLUC would maintain a channel of communication with them.
 - c. The IIB had held their first meeting on 17 January, meeting first with the CA's Chief Executive and Board Members and then later as a group to discuss their focus.
 - d. The IIB would meet every two months and dates were in place for the next 12 months.
 - e. The IIB would have follow up conversations with the Chairs of Audit and Governance, and Overview and Scrutiny, to clarify their respective roles in regard to the Improvement Framework.
 - f. Referencing para 3.1 of the report, the Committee felt that it was not competent to assure itself or the CPCA Board that the improvement framework would satisfy the concerns of DLUHC and the External Auditor. Normally the Audit and Governance Committee would look to auditors to provide such advice, but in this situation that was a role for the IIB.

- g. It was not clear what the CPCA needed to do in order to satisfy the concerns of DHLUC and the External Auditor. This was rather like taking an exam without understanding the 'marking scheme' or the 'grade boundaries'.
- h. Whilst there was a lot of work going on with the various stakeholders, it would be important for the Authority to focus its available resources and avoid bureaucratic duplication. The establishment of the IIB had provided the opportunity to have conversations with Government to make sure the focus of the improvement work was correct.
- i. Members suggested that the Committee should receive improvement reports that measured progress against DHLUC's concerns and those laid out in the External Auditor's letter, rather than the intricacies of the Improvement Plan itself.
- j. The Chief Executive agreed that the Committee's role was not to second test each strand of the Improvement Plan. Instead, it would add value by seeking assurances that there was an appropriate governance structure that was functioning properly and flexibly, with intervention mechanisms in place in the event that it was not performing as it should.
- k. The IIB would be working confidentially, whereas the Audit and Governance Committee was a public forum where the results of that work could be made open.
- l. The Committee would look to the IIB to provide them with assurance of progress in addressing DHLUC's and the External Auditor's concerns.
- m. Officers would have conversations with the Chair of the IIB to ensure that there was a focus on the external 'tests'.
- n. The Committee wanted to be assured that they were adding value and impacting on the process and therefore it would be useful to analyse the extent to which the Committee's advice to the CPCA Board had been accepted. The analysis would enable the Committee to assess whether there were any areas for improvement

RESOLVED:

That the Committee:

- 1. Recommends that future IIB Highlight Reports to the Audit and Governance Committee measure progress against the concerns raised by DHLUC and in the External Auditor's letter of 1 June 2022.
- 2. Note the Improvement Framework Report that was presented to the Combined Authority Board on 25 January 2023.

ACTION:

- 1. Governance officers to map the extent to which the Committee's recommendations to the CA Board had been accepted and any further outcomes arising from them. This analysis would be included in the Committee's Annual Report.

5. Internal Audit Progress Report

- 5.1 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.
- 5.2 The following points were raised in discussion:
 - a. The Partial assurance given to the Risk Management Audit was a negative opinion.

- b. The Internal Auditor felt the issue regarding Risk Management was one of both process and leadership focus. There had been frustration at the length of time it had taken to implement changes and the delay in getting the new strategy.
- c. Auditors would look again at Risk Management as part of the 2023-24 Plan but would give enough time for changes to be implemented.
- d. The Committee recognised that the work to implement actions was ongoing.
- e. It would be useful for the Committee to see progress against audit actions and this should be a regular agenda item. Internal Audit included a follow up review in their programme which took a sample of the actions agreed and looked to see how many had been implemented.
- f. There was an internal audit action tracker that was held by the Performance Management Office (PMO) and which was regularly taken to PARC (Performance and Risk Committee)
- g. The Committee was reminded that the PMO did not take on the risk register until September last year and since then there had been a number of improvements.
- h. It was highlighted to the Committee, given that it was already 10 months into the year, that there were three audits in draft that currently sat as negative opinions and that these would inform the Internal Auditor's final year opinion. The Chief Finance Officer would be kept apprised of any developments in these audits.

RESOLVED:

- 1. That the Internal Audit progress report against the audit plans for 2021/22 and 2022/23 as provided by the Combined Authority's internal auditors, RSM, be noted.

ACTIONS:

- 1. Finance officers to bring a paper to the next meeting of the Committee outlining the information that goes to PARC, and to include the internal audit action tracker.
- 2. Internal Audit to provide an update for the Committee at their March meeting on the progress of their final year opinion.

6. External Audit Plan

- 6.1 Jacob McHugh, External Auditor, introduced the report which asked the Committee to note the initial audit plan for the 2021/22 financial year as provided by the Combined Authority's external auditors, Ernst and Young LLP (EY).
- 6.2 The following points were raised in discussion:
 - a. The new risks for 2021/22 were highlighted red in the Plan.
 - b. £567 was a small balance for Mayoral Allowance and Expenses but the risk was that this could become a much bigger number.
 - c. Given the size of the sums involved with the subsidiary companies the Chair recommended that officers look again at the terms of reference for the new Shareholder Board that had been recently set up, to make sure they sufficiently took into account the risks.
 - d. Finance officers clarified that the stated figure of £56.4 million in the Balance Sheet in relation to the loans issued to subsidiary companies also included £10m of Local Authority Treasury Management investments, as well as both shares and loans.
 - e. Members queried how the CPCA monitored these other investments not just in an accounting spreadsheet but as a managerial and corporate matter and suggested that the remit of the Shareholder Board be broadened accordingly.

- f. The CPCA Board had approved the establishment of a Shareholder Board, but it had yet to have its first meeting as it was awaiting nominations to the Board.
- g. The External Auditor had lowered the materiality levels of the CPCA in line with its 'close monitoring' designation.
- h. Members queried whether the effects of lowering the materiality level, and the impact this would have on the amount of time and work required, had been considered.
- i. The External Auditors would be allocating additional staff to the work so that it could be done in a more timely manner.
- j. The External Audit Plan was the core audit into the financial statements. Whilst it considered the wider situation of the Authority, it was a separate piece of work and was not designed to address the other concerns outlined in the Letter sent to the Authority last year.
- k. The Auditors had in place a work programme to respond to the letter issued and this work was a high priority.
- l. Members were assured that although there was a lot of pressure in the sector and the draft accounts had been delayed, the 12-month time lag was not unusual or unique to the CPCA and was not because of a particular CPCA/EY issue.
- m. The Chair queried the level of resilience within the finance team, suggesting that one of the reasons the accounts had been delayed was because of a single point of failure within the system.

RESOLVED:

That the Committee:

- 1. Recommend that the terms of reference of the new Shareholder Board be reviewed to ensure that they sufficiently consider the risk highlighted in the External Auditor's Plan in regard to the recoverability of long-term investment with subsidiary entities.
- 2. Note the initial audit plan for the financial year 2021/22 as provided by the CPCA's external auditors, Ernst and Young LLP.

ACTIONS:

- 1. Officers to report back to the next meeting of the Committee on the remit of the newly formed Shareholder Board regarding the monitoring and managerial oversight of other investments made by the CPCA.
- 2. A verbal update to be given at the Committee's next meeting detailing the membership of the shareholder board and when they would be meeting.
- 3. Finance officers to provide for the Committee a brief insight into the challenges for a small finance team and what the business continuity arrangements were.

7. Climate Action Plan

- 7.1 Adrian Cannard, Strategic Planning Manager, introduced the report which updated Members on the governance of the Climate Working Group (CWG) which was now implementing the Climate Action Plan.
- 7.2 The following points were raised in discussion:
 - a. The Climate Action Plan was a key part of the new Environment and Sustainable Communities Committee's remit.

- b. The big challenge for the CWG was the shift to a low carbon economy. Each of the constituent councils of the CPCA had their own strategies to address this but the CWG would be looking to identify collaborative work.
- c. Future funding for projects was expected to be through bidding processes to Central Government therefore the Group needed to be ready to proceed.
- d. The A&G did not need any further reports for the time being, as the Climate Action Plan was no part of 'business as usual'

RESOLVED:

That the Committee:

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

8. Review of Corporate Risk Register and Risk Register Improvements

- 8.1 Chris Bolton, Head of Programme Management Office introduced the report which provided the full risk register and accompanying narrative as well as an update on the Risk management process following a recent Internal Audit report.
- 8.2 The following points were raised in discussion:
 - a. The Risk Register was much more current with risks, such as Inflation and the Chief Executive appointment, being added to the register straight away.
 - b. Compared to six months ago, Risk Management was much improved. Resources had been provided to make the necessary changes and officers were confident that they would receive a positive score by the time of the next audit.

RESOLVED:

That the Committee:

- 1. Notes the Risk Management process update following the recent Internal Audit report of Risk Management.
- 2. Notes the full Risk Register and accompanying narrative

ACTION:

- 1. The Risk Register to be presented to the Committee on a quarterly basis.

9. Code of Conduct, Social Media and Monitoring Officer Protocols

- 9.1 Edwina Adefehinti, Monitoring Officer, introduced the report which presented the Social Media and Monitoring Officer Protocols and gave information on the Code of Conduct complaint.

RESOLVED:

That the Committee:

- 1. Notes the Code of Conduct complaint information
- 2. Supports and recommends to the Board the Social Media Protocol

3. Supports and recommends to the Board the Monitoring Officer Protocol

ACTIONS:

1. The use of the word 'Member' in the Protocols to be examined so that it was clear who it was referring to; for example, a Councillor or a CA Board Member.
2. An annual report giving a summation of Code of Conduct complaints received, to be included on the Committee's work plan

10. Information Governance Update

- 10.1 This item was withdrawn by the Chair due to time constraints and would be rescheduled.

11. Revisions to the CPCA Constitution

- 11.1 Edwina Adefehinti, Monitoring Officer, introduced the report which detailed the revisions made to the Constitution.
- 11.2 The Financial Management Procedure Rules, marked as to follow in the agenda pack, would now be presented to the Committee at their meeting in March.

RESOLVED:

That the Committee:

1. Supports and recommends the revisions to the Constitution detailed in this report to the next meeting of the Combined Authority Board.

12. Work Programme

- 12.1 Members made no comments on the work programme.

RESOLVED:

That the Committee:

1. Notes the current work programme for the Audit and Governance Committee for the 2022-23 municipal year.

13. Date of next meeting

- 13.1 Friday, 24 March 2023 at 10am.

Meeting Closed: 12.44pm

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 27 January 2023

Minute	Report title	Lead officer	Action	Response	Status
4.	Improvement Framework	Angela Probert	1. Governance officers to map the extent to which the Committee's recommendations to the CA Board had been accepted and any further outcomes arising from them. This then to be included in the Committee's Annual Report	Included in the draft annual report presented to the Committee at their meeting on 24.03.23	Closed
5.	Internal Audit Progress Report	Daniel Harris	1. Finance officers to bring a paper to the next meeting of the Committee outlining the information that goes to PARC, and to include the internal audit action tracker.	On the agenda for the meeting on 24.03.23	Closed
			2. Internal Audit to provide an update for the Committee at their March meeting on the progress of their final year opinion.	Verbal update to be given at the meeting on 24.03.23	Closed
6.	External Audit Plan	Jacob McHugh	1. Officers to report back to the next meeting of the Committee on the remit of the newly formed Shareholder Board regarding the monitoring and managerial oversight of other investments made by the CA.	Verbal update to be given at the meeting on 24.03.23	Closed
			2. A verbal update to be given at the Committee's next meeting detailing the membership of the shareholder board and when they would be meeting.	Verbal update to be given at the meeting on 24.03.23	Closed
			3. Finance officers to provide for the Committee a brief insight into the challenges for a small finance team	Verbal update to be given at the meeting on 24.03.23	Closed

			and what the business continuity arrangements were.		
8.	Review of Corporate Risk Register and Risk Register Improvements	Chris Bolton	1. The Risk Register to be presented to the Committee on a quarterly basis.	Added to the work programme for next year.	Closed
9.	Code of Conduct, Social Media and Monitoring Officer Protocols	Edwina Adefehinti	1. The use of the word 'Member' in the Protocols to be examined so that it was clear who it was referring to; for example, a Councillor or a CA Board Member. 2. An annual report giving a summation of Code of Conduct complaints received, to be included on the Committee's work plan	Noted Added to the work programme for next year.	Closed Closed



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4

Improvement Framework

To:	Audit & Governance Committee
Meeting Date:	24 March 2023
Public report:	Yes
Lead Member:	Mayor, Dr Nik Johnson
From:	Angela Probert, Interim Director of Transformation Programme
Key decision:	No
Forward Plan ref:	N/A
Recommendations:	<p>The Audit & Governance Committee is recommended to:</p> <ul style="list-style-type: none"> a. Consider progress against the stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023. b. Note the observations of the External Auditor in his letter to the Chief Executive in February 2023. c. Note the resignation of the IIB Chair with immediate effect and the arrangements underway to find a replacement.
Voting arrangements:	A simple majority of all Members present and voting

1. Purpose

1.1 The purpose of the agenda item is to:

- a. provide the Audit and Governance Committee with an opportunity to review progress against the key areas of concern identified by the External Auditor in his letter dated

June 2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its letter dated January 2023. ^{Item 4}

- b. assure itself (and the Board) that the improvement framework will satisfy DLUHC and the External Auditors concerns.
- c. assure itself (and the Board) that improvement is on track.

2. Background

- 2.1 The External Auditor wrote to the Chair of Audit and Governance in June 2022 setting out areas of concern. In response to a letter from the Chief Executive in November 2022 a subsequent letter was sent to the Chief Executive in February 2023 setting out observations of progress against the stated areas of concern.
- 2.2 The Department for Levelling Up, Housing and Communities wrote to the Chief Executive in June 2022 advising of the precautionary approach they were taking on the transfer of funds to the CPCA including the pause of 2022/23 MCF and LEP core funding. A further letter was sent in January 2023 issuing a Best Value Notice ("Notice"). The 'Notice' is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the Department to provide assurance of improvement.
- 2.3 The Interim Chief Executive set out clearly to Board in October 2022 the focus for improvement and the outcomes to be delivered over a three month period. A review has been undertaken on progress made to date and also on the ongoing, future focus for improvement to ensure it responds to and reflects the concerns set out in the Best Value Notice received in January 2023. This will be developed further with the Executive Team and shared with all key stakeholders over the coming weeks.
- 2.4 The Independent Improvement Board met for the first time in January 2023 for an induction day and following this have held follow up discussions with Members and Officers.

3. March 2023 - Audit and Governance Committee meeting

- 3.1 The Audit & Governance Committee has an opportunity to review progress against the notices issued as set out in paragraphs 2.1 and 2.2 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.
- 3.2 The Audit & Governance Committee is also asked to note that in the External Auditors letter to the Chief Executive in February 2023 it reiterated the need to conclude current investigations and safeguard staff, and also ensure appropriate permanent senior leadership capacity is in place. The provisional conclusion stated:
 - *"We are assured that the key issues and the associated actions included within our letter have both been acknowledged by the Authority and work to address them has commenced through the formal approval of the Improvement Plan and increases in short-term senior leadership capacity.*
 - *The pace at which the Authority acted to get to this position should be recognised.*

- Item 4
- *It is clearly too early to conclude whether the Improvement Plan will bring about the level of change that is required, but it is clear that a number of the building blocks to get there have firmly been put in place.*
 - *Moving from interim senior leadership to permanent senior leadership will be a key challenge in ensuring the Improvement Plan is delivered in full and recruitment actions are about to commence to this end.*
 - *Appointing a permanent Chief Executive, who can take forward and build on the Improvement Plan is a key part of this challenge.”*

4. CPCA Improvement

- 4.1 The External Auditor raised several issues in highlighting a value for money risk in the form of significant weakness in the CPCAs governance arrangements in a letter to the Committee dated 1 June 2022. The Best Value Notice received in January 2023 also set out key areas of concern to be addressed. Those issues are set out below alongside details of the CPCAs progress in responding to each of them.

4.1.1

Area of improvement	Governance and decision making
CPCA Progress:	<p>Major governance improvements for Board, thematic committees, other sub committees and Business Board being recommended to Board for approval on 22 March and there is a clear plan in place for implementation following approval. Changes to the CA Constitution are also being recommended for approval on 22 March to strengthen governance.</p> <p>14 new HR policies were approved by Employment Committee on 14 March and training for CA staff is scheduled over next few weeks.</p> <p>Board agreed values ‘CIVIL’ (collaboration, integrity, vision, innovation, leadership) for both Members and Officers in January 2023. Further work is underway to develop behaviours that reflect the agreed values that are reflected in approved HR policies and will be embedded across the CA.</p>

4.1.2

Area of improvement	Project plans and delivery
CPCA Progress:	<p>A Single Assurance Framework for projects is being developed along with new approaches to strategic and project based risk management. Wider training in project management standards, risk and assurance is scheduled to commence next month.</p> <p>In relation to specific concerns relating to a FE provider funded by CPCA to deliver Free Courses for Jobs:</p> <ul style="list-style-type: none"> • CPCA and DfE colleagues met to discuss mutual concerns in relation to provider. • Final Audit report was issued on 2 February 2023. • CPCA have issued a ‘Breach notice’ to provider and all recruitment was paused with immediate effect.

	<ul style="list-style-type: none"> • CPCA have commissioned an investigation and 100% audit to provide assurance of funds. <p>A review of due diligence procedures is underway regarding when contracting with new training providers.</p>
--	---

4.1.3

Area of improvement	Procurement
CPCA Progress:	A procurement review has been commissioned from PWC. There is an initiation call with PWC on 16 March and A&G will be updated on progress at the meeting on 24 March.

4.1.4

Area of improvement	Partnership working
CPCA Progress:	<ul style="list-style-type: none"> • The Improvement Plan has provided opportunities to develop trailblazer approaches and behaviours that demonstrate collaboration and partnership working. Examples would be: <ul style="list-style-type: none"> ○ The bid function strategic review has involved a series of cross authority workshops and identified many common themes across the constituent councils including a degree of agreement about what the scope and reach of a bid function should be to add value to the work of partner councils and also crucially help to promote the one voice to government from the CPCA area. ○ Through the active involvement of the lead CEX officers from the constituent authorities work is underway to develop an inclusive set of assurance and performance management frameworks. ○ In addition all Chief Executives of constituent councils play an active and collaborative role across all strands of improvement activity. ○ A number of professional officer liaison groups have begun to meet around issues of common interest. The 'place' Directors have been meeting regularly, and liaison among MOs and CFOs has been developing.

4.1.5

Area of Improvement	Improvement plan progress
CPCA Progress:	<p>A three month stocktake on progress after 3 months, against outcomes set out in the report to Board, October 2022 is to be presented to Board on 22 March.</p> <p>Key deliverables are set out in Appendix 1 and a link to the Board report is set out in paragraph 11.</p>

4.1.6

Area of Improvement	Independent Improvement Board engagement
CPCA Progress:	<p>The Independent Improvement Board (IIB) held its induction day in January and following this IIB members have had on-going discussions with both Members and Officers to gain further insight.</p> <p>The bi-monthly IIB meetings have been scheduled for the next 12 months and key stakeholders have been invited. The first formal meeting of the IIB is to be held on 4 April 2023.</p> <p>Unfortunately, because of ill health, Lord Kerslake has needed to step down as Chair with immediate effect. All stakeholders have been advised and discussions are taking place with the LGA regarding potential replacements. In the meantime, Julie Spence, Deputy Chair, will take the lead. Our thoughts are with Lord Kerslake at this time.</p>

4.1.7

Area of Improvement	Conclusion of investigations and safeguarding of staff
CPCA Progress:	<p>External investigators have been regularly contacted for updates and confirmation of when the investigation would be completed. The last correspondence sent to external investigator of 13 March 2023 . So far, some witnesses have been interviewed, some witnesses will require subsequent interviews. The decision has not been finalised.</p> <p>When the investigators submit their report there will be consideration by a panel of the Audit and Governance Committee. This is the equivalent of a Standards Committee in local authorities.</p> <p>Training has already been given to the Committee in anticipation of the need to fulfil that role.</p> <p>Values (CIVIL - Collaboration, Integrity, Vision, Innovation, Leadership) have been agreed and workshops arranged for April to develop the behaviour (positive and negative).</p> <p>HR policies have been agreed by Employment Committee in March.</p> <p>Second staff survey undertaken to test whether staff feel supported.</p> <p>Values have been used in the recruitment processes for Executive Director and Chief Executive processes.</p>

4.1.8

Area of Improvement	Capacity and confidence
---------------------	--------------------------------

CPCA Progress:	<p>The leadership and departmental structure was agreed by Board in October 2022 and recruitment processes for the permanent roles began in November and December.</p> <p>Executive Director recruitment has been completed and the new appointees commenced at the end of February.</p> <p>A permanent appointment to Assistant Director Finance role has also been made.</p> <p>A recruitment process for the role of Chief Executive commenced in the new year and is the final stage of the process taking place week commencing 20 March.</p> <p>The staff structures for the Chief Executives policy and executive office are in place and recruitment substantially completed. This includes provision of support for the Mayor.</p> <p>Staff surveys took place in September 2022 and again in January 2023. The key observations by staff and changes over the three-month period are set out below:</p> <ul style="list-style-type: none"> • Overall improvements and progress since the last survey in September; but not exclusively. • Staff feel more confident in the direction of the CA but want to see planned improvements being fully embedded. • Mixed response on feeling valued by the organisation and that people's opinions count; some teams feeling more connected than others. • Most staff feel the CA is not yet effective and efficient as it could be. • Despite this, there are more positive feelings about working for the CA and an overall sense of optimism about the future. <p>The new Executive Directors and Head of Policy are currently testing confidence in the CA and perception of progress over the last three months with external stakeholders and will be reported back in due course.</p>
----------------	--

- 4.2 The Committee is asked to consider the progress made by the CPCA to the issues identified above and provide opinion as to whether the Committee is assured that the External Auditors significant concerns are being appropriately addressed.
- 4.3 The broader improvement activity commissioned by the Chief Executive and approved by the CA Board in October 2022 continues to deliver the outcomes identified. A three month update of the progress made against outcomes identified is to be reported to the CA Board on 22 March. Set out in Appendix 1 is progress against agreed outcomes.
- 4.4 Good progress has been made against identified and committed improvements, but there is still more to do and therefore the future focus for improvement will take account of:

1. Any outstanding key areas of concern set out in the External Auditor's letters received in June 2022 and February 2023, and the Best Value Notice received in January 2023 against the following key themes:
 - a) Addressing weaknesses in governance and decision making
 - b) Addressing weaknesses in project plans and delivery
 - c) Resolution of concerns related to procurement activity
 - d) Embedding partnership working
 - e) Improvement progress against plan
 - f) Engagement with the Independent Improvement Board and its recommendations
 - g) Conclusion of investigations and safeguarding staff
 - h) Leadership capacity and confidence
2. Outstanding areas of improvement in the plan agreed by the CA Board in October not fully delivered and therefore warrant a continued corporate overview and resources to deliver the outcomes set out in October 2022.
- 4.5 Where specific identified activity has been delivered e.g. the development of a strategy or plan, the implementation and embedding will be built with directorate business plans and objectives.
- 4.6 Meetings will be held with DLUHC on a quarterly basis to report progress against the key areas of concern identified in the Best Value Notice.

5. Independent Improvement Board (IIB)

- 5.1 The Independent Improvement Board held its Induction day in January.
- 5.2 The focus for activity by the IIB so far has been to hold further discussions with both Members and Officers.
- 5.3 The bi-monthly IIB meetings have been scheduled for the next 12 months and key stakeholders have been invited. Updates on improvement activity against the agreed plan will be reported to the IIB for their consideration and assessment of progress.
- 5.4 Unfortunately, because of ill health, Lord Kerslake has needed to step down as Chair with immediate effect. All stakeholders have been advised and discussions are taking place with the LGA regarding potential replacements. In the meantime, Julie Spence, Deputy Chair, will take the lead. Our thoughts are with Lord Kerslake at this time.
- 5.5 Cllr Elise Wilson, Leader of the Labour Group, Stockport MBC will now arrange to meet with the Chairs of Audit and Governance and Overview and Scrutiny Committees.

6. Financial Implications

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

7. Legal Implications

- 7.1 There is a legal requirement to have a fully functioning Audit and Governance Committee within the CA framework.
- 6.2 The Committee is a key component of the CPCA's corporate governance framework. It provides an independent and high-level focus on the audit assurance and reporting arrangements that underpin good governance and financial standards.
- 6.3 The committee reviews and assesses the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.

8. Public Health implications

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

9. Environmental and Climate Change Implications

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

10. Other Significant Implications

- 10.1 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.

11. Appendices

- 11.1 Appendix 1 – Update on Improvement outcomes agreed by CA Board in October 2022 to be delivered over the first 3 months of improvement activity

12. Background Papers

- [External Auditor letter June 2022](#)
- [Chief Executive letter to External Auditor November 2022](#)
- [Best Value Notice January 2023](#)
- [External Auditor letter February 2023](#)
- [CA Board Improvement Update – March 2023](#)
- [CA Board Improvement Update – March 2023 – Appendix 1](#)
- [CA Board Improvement Update – March 2023 – Appendix 2](#)

Improvement outcomes agreed by CA Board in October 2022 to be delivered over 3 months

Set out below is the progress against identified key outcomes as at February 2023:

1. Shift to a transitional arrangement of Board cycles, adjusted focus, more strategic content

- The proposal for adjusted governance arrangements identify the intention that the CA Board develop a clear focus on strategy, policy and overall performance. This requires the development of a more outward facing role and collective championing of the area. It also includes a revised scheme of delegation for more focused committees. These ambitions and this framework has been discussed at the pre-board strategy meeting twice, the senior management team and Audit & Governance Committee and is rescheduled to go to CA Board in March.

2. A draft 'overarching strategy' document

- The Corporate Plan was approved at the CA Board meeting on 25 January 2023 and the MTFP was also approved which aligns resources to that plan.
- Agreed values for staff and CA Board members have been shared within the organisation. The acronym 'CIVIL' (Collaboration, Integrity, Vision, Innovation, Leadership) has been developed to aid traction of the values expected of all.
- Agreed values have been used in the recruitment of the two vacant Executive Director roles and in the Chief Executive recruitment currently underway.

3. A Medium Term Financial Strategy which reflects the overarching strategy

- CA Board in January 2023 approved:
 - Revenue budget for 2023/24 and the Medium-Term financial Plan 2023/24 to 2026/27
 - Capital Programme 2023/24 to 2026/27
 - A Mayoral precept for the 2023-24 financial year

4. A worked-up transport strategy and bus strategy

- The draft bus strategy went out to consultation on 11 January 2023, and ended on 24 February 2023 following which feedback was considered.

- The Bus Strategy is due to be presented to the Transport and Infrastructure Committee and CA Board in March – with the aim for this document to be approved and adopted as a key strategy for the Authority. In addition, the Combined Authority has now received feedback on the previous Bus Service Improvement Plan and a revised document will be submitted to government following the CA Board meeting in June.
- The draft Local Transport and Connectivity Plan will be presented to the March Transport and Infrastructure Committee. We still await government's revised guidance on the Plan's preparation. This was previously due in autumn 2022 but at the time of writing this report has yet to be received and has led to these delays.

5. Proposals for the next phase of development of the Business Board

- The options paper, drafted by independent consultants Metro Dynamics, followed the joint Workshop between the CA Board and the Business Board and has informed and focused the proposals. This paper is to be considered at the Business Board at its next meeting and the recommended option being presented to the Board in March.

6. Resolution to the current investigations

- An independent investigation was commissioned and commenced in May 2022. When the investigators submit their report there will be consideration by a panel of the Audit and Governance Committee. This is the equivalent of a Standards Committee in local authorities. Training has already been given to the Committee in anticipation of the need to fulfil that role.

7. A senior staffing structure and plan for recruitment

- The leadership and departmental structure was agreed by Board in October and commencement of recruitment processes for the permanent roles began in November and December.
- Executive Director recruitment has been completed and the new appointees commenced at the end of February.
- A recruitment process for the role of Chief Executive commenced in the new year and is expected to reach a conclusion before the end of March.
- The staff structures for the Chief Executives policy and executive office are in place and recruitment substantially completed. This includes provision of support for the Mayor.

8. A period of stability in the workforce

- Vacancy percentage at February 2023 was 5.7% compared to 13.5% in September 2022

- Annualised turnover for period March 2022 to February 2023 was 29.09% compared to 36.65% January 2022 to Dec 2022.

9. Improved collaborative processes between CPCA and constituent authority officers

- The Improvement Plan has provided opportunities to develop trailblazer processes and behaviours that demonstrate collaboration. Examples would be:
 - Workstream D: The bid function strategic review has involved a series of cross authority workshops and identified many common themes across the constituent councils including a degree of agreement about what the scope and reach of a bid function should be to add value to the work of partner councils and also crucially help to promote the one voice to government from the CPCA area.
 - Workstream E: through the active involvement of the lead CEX officers from the constituent authorities work is underway to develop an inclusive set of assurance and performance management frameworks.
 - In addition all Chief Executives of constituent councils play an active and collaborative role across all strands of improvement activity.
 - A number of professional officer liaison groups have begun to meet around issues of common interest. The 'place' Directors have been meeting regularly, and liaison among MOs and CFOs has been developing.



Report title: Internal Audit Action Tracker and information reported to PARC

To: Audit and Governance Committee

Meeting Date: 24 March 2023

From: Chris Bolton
Head of Programme Management Office

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) Note the progress on the Internal Audit Action Tracker and information reported to the Performance & Risk Committee

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

1. Purpose

- 1.1 The purpose of this paper is to note the progress on the Internal Audit Action Tracker and information reported to the Performance & Risk Committee.

2. Background

- 2.1 The action tracker collates the agreed actions from the various RSM audits and provides a status and progress update against each action.
- 2.2 In September 2022 the CPCA Programme Office took ownership over the updating of the tracker and reviewing progress. Progress has been reported to the Performance & Risk Committee (PARC) as a standing item which takes place monthly.
- 2.3 Audit & Governance Committee in January 2023 asked officers to bring a paper to the next meeting of the Committee outlining the information that goes to PARC, and to include the internal audit action tracker. This tracker is in appendix 1 and an update on progress is in section 3 of this paper.

3. Progress

- 3.1 In total we have 106 actions on the tracker, with 94 completed. Of these 12 remaining, 4 are overdue and 8 are to be actioned at a future date.
- 3.2 There has been good progress since September 2022 with over 50 actions completed.
- 3.3 The 4 overdue actions are within the following audits with an update underneath:

- Risk Management Pathfinder

These will be completed in the next couple of months. A Risk Appetite session has been organised with the Executive Team and following this a Risk Appetite Statement will be developed. A Risk Management Framework is also being drafted and will be going to June Audit & Governance Committee and July CPCA Board for approval. This will resolve the other audit action on new reporting formats, including how we report to the Audit & Governance Committee. Risk reporting training will also take place on 24 March.

- Subsidiary Company Governance

One of the subsidiary company governance actions will be complete once we receive an updated business plan from PropCo1 and PropCo2. This action is overdue from February 2023 and PropCo have been made aware of the need to resolve this in a timely manner. The other action on establishing a clear governance, reporting and oversight structure for its existing subsidiary companies will be completed following Stakeholder Board which is due to take place by the end of March.

- 3.4 The 8 future actions are within the following audits. Work is progressing well to ensure these are actioned on time:
- Community Land Trust (Due End of March 2023)
 - Data Protection – Deep Dive (Due End of May 2023)
 - Payroll (Due End of March 2023)

4. Financial Implications

- 4.1 There are no financial implications.

5. Legal Implications

- 5.1 The CPCA undertakes a large amount of project management and there is a necessity to ensure that there is an ongoing drive to improve standards and to strengthen areas where required. The management of projects should be as efficient as possible. This includes the project management as well as the governance, decision making and assurance. To avoid the CPCA from falling behind on any outstanding actions, the CPCA should ensure there is adequate resourcing for the PMO function and governance function.

- 5.2 Whilst there is no statutory duty to report regularly to Members on the CPCA's performance, however, as a best value authority under the Local Government Act 1999, the Council has a statutory duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness. Regular reporting of performance can assist the CPCA to demonstrate best value. Such a report can also inform Members of how the CPCA is delivering on its key objectives and hold Officers to account and steer improvement activity where necessary.

6. Appendices

- 6.1 Appendix 1: Internal Audit Action Tracker

Item 5

CPCA Tracker ref	Report name	Report Finalised (Date)	Report ref	Report Action ref	Management Action	Action Lead	Original agreed implementation Date	New implementation date	Categorisation	Status	Evidence/Commentary
57	Risk Management Pathfinder	18/05/2022			Develop a risk appetite statement and methodology that links to the Impact and Probability assessment. This will aid decision making, prioritisation of resources and targeted reporting	Head of Programme Office	30/09/2022	31/03/2023	Medium	Overdue	Exercise to be run by risk appetite categories, PaRC and A&G Q4
63	Risk Management Pathfinder	18/05/2022			Introduce new reporting formats that are focused on visual risk reporting, exception based indicators, escalation of directorate risks, trends and risk appetite. i.e. heat map. This should also incorporate a 'Deep Dive' programme of work looking at specific risks.	Head of Programme Office	30/09/2022	31/03/2023	Medium	Overdue	Risk templates developed and issued. Risk reporting formats and frequency to A&G, Board, CE Group and PARC are being developed e.g. heat maps etc.
66	Subsidiary Company Governance				The CPCA will ensure that business plans are in place for each of its current and future subsidiary companies, including key information such as the company's purpose, output, the need which the company serves, financial projections, and the company's management structure. Where companies are project focused, the CPCA will consider whether business cases fulfil the role of a business plan, or whether a separate plan is required. Furthermore, the CPCA will ensure that these business plans (and business cases where relevant) are being reviewed and updated periodically, in line with each company's Shareholder Agreement.	Subsidiary company Boards	28/02/2023		High	Overdue	Business Plan completed for Growth co. PropCo1 Business Plan outstanding, and PropCo2 needs updating. Responsible Officer has been made aware.
68	Subsidiary Company Governance				The CPCA will establish a clear governance, reporting and oversight structure for its existing subsidiary companies. This will include the operational and financial performance reports which each company is required to submit to the CPCA, the required reporting frequency, and the forums responsible for scrutinising these reports. As part of this structure, the methods by which the Overview and Scrutiny Committee and the Audit and Governance Committee will fulfil their responsibilities in relation to these subsidiary companies will be established and implemented. Following this, the CPCA will ensure that reporting occurs in line with the structure and the required reporting frequencies for all companies and committees, with similar reporting requirements and governance processes established for all future subsidiary companies.	Interim DMO and Interim Head of Governance	28/02/2023	31/03/2023	High	Overdue	Cannot be in place until stakeholder committee-board meets. Meeting due to take place before end of March.
80	Data protection - Deep dive	23/11/2022			The Code of Conduct for Business Board Members, Committee or Sub-Committee Members will be updated to cover GDPR and Data Protection expectations. Following this, the Authority will ensure that the Code of Conduct is signed in a timely manner, with non-compliance being escalated accordingly.	DPO	30-May-23		Medium	Future	To be completed by May 2023 DPO to discuss who is actioning this
83	Data protection - Deep dive	23/11/2022			The Authority will ensure that as part of Member induction, data protection is covered. This will include gaining assurance that the Member has completed data protection training at their respective organisations.	DPO	30-May-23		Medium	Future	Code of Conduct forms and Member induction programme in time for council elections/changeover of councillors. DPO contacted all constituent councils to ascertain dates when their members had undertaken training. Most of the constituent councils carry out training for members. East Cambs sends training out to members but it is not mandatory. Fenland District Council have not carried out any training for a few years but it is planned to carry out training early in 2023.
94	Payroll	23/11/2022			A revised contract / letter of engagement with Azets will be agreed to include: • Key Performance Indicators; • Contract review meetings; • Contingencies / process in the event of poor performance from the provider; and • Processes to be followed in the event of payroll errors.	HR Manager	31/03/2023		Medium	Future	Letter has been written.
99	Payroll	23/11/2022			Payroll Reconciliation Working Papers will be independently reviewed monthly to ensure that the exercise is being appropriately undertaken. Furthermore, where variances are identified, these will be investigated and cleared within a timely manner.	HR Manager	31/03/2023		Low	Future	To be discussed with finance

Item 5

103	Community Land Trust (CLT) - Advisory Review	08/11/2022		<p>Delivery and Oversight of the CLT support</p> <p>A) The CPCA should ensure that as part of its arrangements with ECH to provide support to CLT's on its behalf, clear oversight and monitoring mechanisms are established and complied with, to monitor the forms of support being provided to the CLT's by the ECH. This will include agreeing reporting requirements regarding the support provided to CLT's, including the required content of reports, the expected reporting frequency and the individuals/groups who will scrutinise these reports.</p> <p>B) The CPCA should also ensure that the responsibilities of the Residential Development Manager for monitoring the support provided by ECH will also be documented.</p> <p>C) Similarly, the CPCA should ensure that for any similar future projects, appropriate reporting and governance arrangements are established prior to the commencement of the project.</p>	Director of Housing/Director of Place and Connectivity	31/03/2023			Future	
104	Community Land Trust (CLT) - Advisory Review	08/11/2022		<p>Nature of support provided by CLT team</p> <p>D) The CPCA should review the agreement with ECH to make sure the nature and scope of support being offered to CLT's is clearly documented and has been formally approved by the CPCA Board, including the specific support which ECH can offer to CLT's on the CPCA's behalf.</p> <p>E) The CPCA should also assure itself that the forms of technical support which require further CPCA approval prior to being offered have been established, with a clear approval framework. Such support should then be approved in line with this, with compliance monitored by the CPCA.</p> <p>F) For any similar future projects, the CPCA should ensure that the remit of the project team, including the core activities to be delivered as part of the project, is formally documented and approved prior to commencement of the project. As part of this process, activities which require further approval and the respective approval requirements for these activities should be clearly identified and documented, with compliance appropriately monitored.</p>	Director of Housing/Director of Place and Connectivity	31/03/2023			Future	
105	Community Land Trust (CLT) - Advisory Review	08/11/2022		<p>Authority to provide statement of community benefits</p> <p>G) The CPCA should ensure that standard limitations are included on all documents issued on behalf of CLT's through the CPCA's support arrangements, which clearly state that the document does not constitute endorsement of the CLT or its planned schemes by the CPCA. These limitations should also clarify that the information contained within the document has been produced by the CLT itself, and that the CPCA was only responsible for generating a formal document reflecting this information.</p> <p>H) This principle regarding limitations should also be applied to all areas of the CPCA's work where the CPCA is generating documents on behalf of other organisations which do not reflect the views of the CPCA or constitute endorsement of the other organisation and its work.</p> <p>I) With regards to the Camps Field development, the CPCA should consider how it can best alleviate public concerns over whether it has endorsed the development, for example by clarifying that the benefits detailed within the Statement of Community Benefit were identified by the CLT and developer, and that the statement does not detail the community benefits which the CPCA itself expects to be delivered by the scheme.</p>	Director of Housing/Director of Place and Connectivity	31/03/2023			Future	
106	Community Land Trust (CLT) - Advisory Review	08/11/2022		<p>Public concern and calls for further investigation</p> <p>J)) As part of the CPCA's arrangements with ECH for ongoing support to CLT's, the CPCA should ensure that ECH have appropriate monitoring processes in place to scrutinise the schemes being delivered by CLT's, to ensure that these schemes are being delivered for the purpose of benefitting the Community, with meaningful community engagement being undertaken prior to decisions being taken.</p> <p>K) The CPCA should refer the remaining issues to appropriate bodies and Committees for further investigation and should share this audit and any other relevant information to support these investigations</p>	Director of Housing/Director of Place and Connectivity	31/03/2023			Future	



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 6

Name of Report: Information Governance Update

To: Audit & Governance Committee

Meeting Date: 24 March 2023

Public report: Yes

From: Sue Hall
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 and complaints for the period of 01 January 2022 – 31 December 2022.
- 1.2 To update the Audit and Governance Committee on data breaches from August 2022 to 31 December 2022.
- 1.3 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 Freedom of Information (FOI) requests from 01 January 2022 to 31 December 2022.

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) from 01 January 2022 to 31 December 2022

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

Corporate Complaints from 01 January 2022 to 31 December 2022

No complaints were received from 01 January 2022 to 31 December 2022.

2.2 Data Breaches

The following data breaches occurred between August 2022 – December 2022. The only breach which was reportable to the ICO was as follows:

- 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 an 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).

This was not reportable to the ICO

2.3 RSM Audit

RSM undertook an audit of Data Protection. Below are the actions from the audit and the work which has been carried out or is still to be carried out giving deadline dates.

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.

Action complete.

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 has been added to 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 Action 3b 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.

The following policies have been updated to reflect the RSM request (highlighted in yellow on the attached documents). A Data Retention Schedule has also been created.

- Data Protection Policy – Appendix 1
- Data Retention Policy – Appendix 2
- Data Retention Schedule – Appendix 3

The changes were approved by the Monitoring Officer who was given delegated authority to approve the policies at the A&G meeting on 24 September 2021 and the CA Board on 27 October 2021.

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 documents are attached:

- Data Incident Reporting Policy – Appendix 4
- Data Incident Reporting Form – Appendix 5

The changes were approved by the Monitoring Officer who was given delegated authority to approve at the A&G meeting on 24 September 2021 and the CA Board on 27 October 2021.

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.

The policy has been updated to reference training. The Access Control Policy contains information on confidential data.

Action – complete.

2.4 Information Risk Group Meeting

An Information Risk Group meeting is held monthly. Attendees at present 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.

2.5 Other work

- Data Protection Training/Information Security Training – a programme has been compiled to ensure that the CPCA is compliant with GDPR. All new starters are required to complete the two mandatory training courses. This training needs to be completed each year.

Table showing Data Protection/Information Security course compliance

Date	Course	Staff completed training	Staff started training but not completed	Staff not started training	Staff on system
01/03/2023	Data Protection	98	4	11	113
01/03/2002	Information Security	100	5	8	113

- Data Protection Impact Assessment Screening Checklist/Data Protection Impact Assessment (DPIA) – a DPIA describes a process designed to identify risks arising out of the processing of personal data and to minimise these risks as far and as early as possible. DPIAs are important tools for negating risk, and for demonstrating compliance with the GDPR. The forms for the CPCA can be found at Appendix 6 and 7. These are added for reference.
- 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 – legal documents are being stored at an off-site storage unit as the CPCA does not have access to a fire-proof cabinet at Pathfinder House.

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 - Data Retention Policy
 Appendix 3 - Data Retention Schedule
 Appendix 4 - Data Incident Reporting Policy
 Appendix 5 - Data Incident Reporting Form
 Appendix 6 - Data Protection Impact Assessment Screening Checklist
 Appendix 7 - Data Protection Impact Assessment



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Data Protection Policy

March 2023





Version History

Revision Number	Revision Date	Nature of Revision	Checked by	Reviewed by	Approved by
V1	New – October 2021	New	Susan Hall	Rochelle Tapping	Audit & Governance Committee 24/9/21 Combined Authority Board 27/10/21
V2	March 2023	Annual revision/Audit requirement	Susan Hall	Edwina Adefehinti	Edwina Adefehinti

Type of document:		Policy
Document produced by:		Data Protection Officer
Version:		Version 2
Issue date:		
How is this shared?		Email
Date due for review:		Electronically
Reviewer:		Susan Hall, Data Protection Officer

Data Protection Contact		
Contact Details	Email	Phone
Sue Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

Contents

“If you only read this page then....”	6
Introduction	7
Why do we have a policy?	7
Who does the policy cover?	8
What are our responsibilities?	8
Lawful basis for processing	9
What are your responsibilities?	10
People have rights	10
The Right to be Informed	10
The Right of Access	10
The Right of Rectification	11
The Right to Erasure	11
The Right to Restrict Processing	11
The Right to Data Portability	11
The Right to Object	12
Rights related to automated decision-making including profiling	12
What does ‘it’ mean?	12
Personal Information	12
Special Categories of Personal Information	12
Data Controller	13
Joint Data Controller	13
Data Processor	13
Data Controller-Data Processor Relationship - Contracts	13
When data is lost or goes missing	14
Keeping Information	14
Location of our information	14
How we handle information	14
The Sharing of Personal Information	15
Disclosures permitted by law	15
Information sharing agreements	15
Testing of systems	15
Privacy and the value of information	15
Data Protection Impact Assessments (DPIA)	16
Only use what you need to use	16
Anonymisation of data	16
Pseudonymisation	16

Information as an asset	16
Roles	17
Chief Executive	17
Senior Information Risk Owner (SIRO)	17
Data Protection Officer	17
Information Risk Group	17
Responsibilities of Managers	17
Additional responsibilities for Managers - Temporary Staff	18
Responsibilities of Members	18
Responsibilities of all staff	18
Policy Review	18
Monitoring Compliance	18
Potential fines for non-compliance with GDPR	18
Compensation	18
ICO address	19

“If you only read this page then....”

Do only ask for 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

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 lasts 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 we 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 it must be kept secure. It applies to how we collect, use, share, keep, delete and destroy personal information when 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, 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 10 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 table below 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 Cambridgeshire and Peterborough 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 Cambridgeshire and Peterborough 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.

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 the confidential waste bin 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 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.

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 ,
- 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,
- 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 in the Constitution which can be found 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

Data Retention Policy

March 2023





Version History

Revision Number	Revision Date	Nature of Revision	Checked by	Reviewed by	Approved by
V1	New – October 2021	New	Susan Hall	Rochelle Tapping	Audit & Governance Committee – 24/9/21 Combined Authority Board – 27/10/21
V2	March 2023	Annual revision/Audit requirement	Susan Hall	Edwina Adefehinti	



Type of document:	Policy
Document produced by:	Data Protection Officer
Version:	Version 2
Issue date:	
How is this shared?	Electronically
Date due for review:	Annually April
Reviewer:	Susan Hall, Data Protection Officer

Data Protection Contact

Contact Details	Email	Phone
Susan Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

Contents

Introduction	5
“If you only read this...”	5
Quick questions	5
How do I know how long to keep a record?	5
What do I do if I am not sure?	5
Should I use email as a place to keep records?	5
How do I destroy securely?	6
Whose responsibility is records management?	6
The Retention Schedule	6
Storing records	6
Accessing Records	6
Destroying records	6
Non personal information	7
Hard copies of records	7
Electronic files	7
Changing the way we hold information	7
Missing records	7
SIRO	8
Registers	8
Monitoring and Review	8
Who does what?	8
All of us	8
Data Protection Officer	8

Introduction

Information can be one of the 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. 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 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 box. The authority has a shredding box 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.

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.

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.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Data Retention Schedule

March 2023



Version History

Revision Number	Revision Date	Nature of Revision	Checked by	Reviewed by	Approved by
V1	New Document	New Document	Sue Hall	Edwina Adefehinti	

Contents

Financial Records..... 4

Business Records 4

HR: Employee Records 5

Contracts..... 6

Customer Data 6

IT..... 7



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	As per legal requirement	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/wages	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	As per legal requirement	HR
Employee address details	Duration of employment	HR
Expense claims	As per legal requirement	HR
Annual leave records	Duration of employment	HR
Accident books Accident reports and correspondence	As per legal requirement	HR
Certificates and self-certificates unrelated to workplace injury; statutory sick pay forms	As per legal requirement	HR
Pregnancy/childbirth certification	As per legal requirement	HR
Parental leave	Duration of employment	HR
Maternity pay records and calculations	As per legal requirement	HR
Redundancy details, payment calculations, refunds, notifications	As per legal requirement	HR
Training and development records	Duration of employment	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

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

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
Teams Sites (Other) (Including Channels)	1 Year After Topic had ended any documents containing PII deleted after 3 years	??
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

March 2023





Version History

Revision Number	Revision Date	Nature of Revision	Checked By	Reviewed by	Approved by
V1	October 2021	New	Susan Hall	Rochelle Tapping	
V2	March 2023	Annual Revision/Audit requirement/change of DPO	Susan Hall	Edwina Adefehinti	

Type of document:	Policy
Document produced by:	Data Protection Officer
Version:	V2
Issue date:	
How is this shared?	Electronically
Date due for review:	Annually April
Reviewer	Susan Hall, Data Protection Officer

Data Protection Contact		
Contact Details	Email	Phone
Sue Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

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?	4
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	7
The Affected Department.....	7
The Department Lead.....	7
Contacting the ICO	7
Complaints about breaches.....	8
Information to be provided to individuals when telling them about a breach	8
Putting it right for good	8
How does the DPO assess impact and risk?.....	9
Monitoring and Review.....	10

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

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:

- | |
|--|
| <ul style="list-style-type: none"> • Whether any personal data has been lost or whether it is a loss of data |
| <ul style="list-style-type: none"> • 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 |
| <ul style="list-style-type: none"> • 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 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, eg 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 sensitive personal data compromised?

This is the really sensitive information 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 unlikely to result in a risk 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 effect 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 eg via identity theft/ fraud?

If we lose bank account 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 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 6 monthly report to the Audit and Governance Committee 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?	

Version History

Revision Number	Revision Date	Nature of Revision	Checked By	Reviewed by	Approved by
V1					
V2	March 2023	Update format of report	Sue Hall	Edwina Adefehinti	Edwina Adefehinti

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?	

Version History

Revision Number	Revision Date	Nature of Revision	Checked By	Reviewed by	Approved by
V1					
V2	March 2023	Update format of report	Sue Hall	Edwina Adefehinti	Edwina Adefehinti



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Data Protection Impact Assessment Screening Checklist

March 2023



Version History

Revision Number	Revision Date	Nature of Revision	Checked by	Reviewed by	Approved by
V1	New – October 2021	New	Susan Hall	Rochelle Tapping	Audit & Governance Committee 24/9/21 Combined Authority Board 27/10/21
V2	March 2023	DPO contact details	Susan Hall	Edwina Adefehinti	Edwina Adefehinti

(To be used by the officer planning to commission a service, only where a large volume of Personal Data is expected to be handled or high-risk projects will be undertaken in relation to Personal Data)

This form will allow you to establish whether your project or commissioned service is likely to need a DPIA as well as what you are sharing and why. It will also help with the procurement and contract because it gathers information we need to know what clauses we need to include to protect the authority and its customers. Once completed send to the DPO for record retention.

Key Information	
Project Name:	
Project Manager:	
Responsible officer:	
This checklist has been completed by:	

Project Information
<p>What does the project aim to achieve?</p> <p><i>This needs to be in clear and simple language. Remember people reading this are not subject matter experts in the way you are.</i></p>
<p>Who are the parties involved?</p> <p><i>This could be the authority, service providers, health partners or internal colleagues.</i></p>
<p>What the benefits will be to the organisation?</p> <p><i>This could be a better service, streamlining the process, making savings or enabling our staff to work more effectively</i></p>
<p>What are the benefits to service users?</p> <p><i>This should carry out equal weight to the benefits to the authority. It could be a better service because it helps coordinate all the different people working with a client or making it easier to contact us.</i></p>
<p>Are there any risks to the service user and/or the authority?</p> <p><i>This is about identifying any risks such as sharing too much information, storing information in the cloud, sharing with new partner. This is important because we need to say what we will put in place to prevent these impacting on service users or the authority.</i></p>
<p>Is this a new project? If so, then what is the expected go live date</p>

The next questions are asked because we need to understand what information is being used and whether this is about people. Whether we are dictating exactly what someone does with the information or whether we are asking them to deliver a service on our behalf or whether they will just be sending us some performance data, someone is using data about a person.

Data Protection	
<p>Will anyone in this project collect, share or use information about people? Such as service users, employees, customers.</p> <p>NO - If the answer is no, you do not need to complete this form – a DPIA is not required.</p> <p>YES - If the answer is yes, please continue.</p>	
<p>Describe what kind of information will this project/service need?</p> <p><i>You should also think about whether you do need full, minimised, pseudonymised or anonymised information. If you state that it needs to be anything other than anonymised then you need to list what it kinds of information it will use e.g. names, addresses, health, social care and so on.</i></p>	
<p>Describe what if any information the authority will share with any party and why?</p> <p><i>This could be referring a customer to a provider so we need to give the provider that information to deliver the service</i></p>	
<p>Describe what if any information the provider/party will share with the authority and why?</p> <p><i>This could be feeding back into a social care case, providing performance statistics or a report on progress of the service</i></p>	
<p>Are we asking another party to do the work as if we were delivering it?</p> <p><i>This is important for us to understand the way the service is going to be delivered</i></p>	
<p>Do we specify exactly what they can do with any data they collect, or can they determine what they do?</p> <p><i>This is helps us understand who is a controller and who is a processor.</i></p>	

Mandatory data protection impact assessments If one of the following situations apply then you must complete a DPIA			
	Example	Yes	No
Are you going to be regularly using software to analyse and predict behaviour which helps to make significant decisions about people?	<i>This could be software which we use every week or month to look at personal data and analyse what people are doing so that we can tailor services to them</i>		
Are you using sensitive personal data like health, sexuality or criminal offence data on a large scale?	<i>This could be using introducing a new system to use lots of information about social care service users</i>		
Are you regularly monitoring a public space on a large scale?	<i>This will most likely be CCTV or other such monitoring systems</i>		

High Risk Processing It is also mandatory to complete a DPIA where what we are doing could be considered <i>high risk</i> . If one of the following situations applies then we will also need to complete a DPIA			
Question	Example	Yes	No
Are you using new technology like artificial intelligence or "internet of things" devices like smart meters?	<i>This may be information that we already hold but we are going to use new technology to do something different with it</i>		
Are you using software to profile and make automated decisions as a one off to make decisions on whether someone can access a service?	<i>This means that we use software to analyse data we hold and automatically decide whether someone should get a service from the authority</i>		
Are you using sensitive personal data like health, sexuality or criminal offence data to make decisions on whether someone can access a service?	<i>This means that we use sensitive information about people to decide whether they should receive our support. This could be social care, SEN or youth offending data. It could be the most private data about them.</i>		
Are you going to be analysing or predicting behaviour of lots of people?	<i>This may be a one off piece of work but we may use software to look at hundreds of people and try to analyse their actions</i>		
Are you going to be using biometric or genetic data?	<i>This could be DNA we collect or using fingerprints as a means of authenticating access to a system</i>		
Are you going to be data matching from a number of sources?	<i>This could be combining different data sets to create a single one such as identifying people who have not registered for something</i>		

Are you going to use personal data without informing the people whose data it is?	<i>We should explain to people what we are doing with a privacy notice however there are some situations such as fraud investigations when we will not tell people.</i>		
Are you going to track someone's online or offline locations or behaviour?	<i>We could be taking IP addresses, access to apps or social media for example to track where service users are and understand their activities</i>		
Are you going to be using the personal information of vulnerable children and/or adults?	<i>We have to take greater care when we are using data about those who are most vulnerable</i>		
Are you making decisions about people who we have power over and would not ask them for the consent?	<i>We have power over our employees or others because of the contract we have with them which means we can make decisions without their consent</i>		
Are you going to be using children's personal data to analyse behaviour, make any automated decisions, offer marketing or services directly to them?	<i>Anything that involves gathering information directly from children means that we need to take greater care</i>		
Are you processing the kind of personal information which could put someone at risk of harm if it was misused or lost?	<i>This means that if this information was lost, could it cause someone distress or damage? Could they be at risk of identity fraud?</i>		

People focussed DPIA Whilst it is not mandatory, it can be helpful if we are doing something new to think about it			
	Notes	Yes	No
Are you going to be obtaining new information from people?	<i>This could mean we are starting a new service and need to obtain information from people for the first time</i>		
Are you going to take information we already have and use it for something new?	<i>We may hold a list of people who have been consulted about a property development and want to use it in transport planning project</i>		
Are we obtaining information about people from new organisations?	<i>We may be entering a new partnership and be sharing information with a new provider, as well as getting it back</i>		
Are we sharing information about people with new organisations?			

Data Protection Contact		
Contact Details	Email	Phone
Sue Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Data Protection Impact Assessment

March 2023



Version History

Revision Number	Revision Date	Nature of Revision	Checked by	Reviewed by	Approved by
V1	New – October 2021	New	Susan Hall	Rochelle Tapping	Audit & Governance Committee 24/9/21 Combined Authority Board 27/10/21
V2	March 2023	DPO Contact details	Susan Hall	Edwina Adefehinti	Edwina Adefehinti

Key Information

Project Name:	
Project Manager:	
Responsible officer:	
This DPIA has been completed by:	

Project Information

This should include what the objectives are, the benefits and risks to the authority plus explain why a DPIA has been completed.

Parties involved	
Please provide a list of all <u>internal</u> parties involved and consulted (include teams such as Finance, IT, Legal, Audit, Information Governance)	
Please provide a list of all <u>external</u> parties involved and consulted	
Is there or will there be a contract or similar between the authority and external parties which covers this work? <i>This is important to show that we have properly formed relationships which have robust agreements in place to protect the authority and our data.</i>	
Have you established if there are any sub-contractors involved and that suitable agreements exist <i>We need to be sure that we know who is processing our personal information and that we know about any subcontracting.</i>	

Data Flow

This is important because we need to show that we understand what is being collected or shared, who by and why, and how we make sure that this is all securely done.

<p>What information is being collected? <i>It will help to provide a list and identify what special category data is collected</i></p>	
<p>How will that information be collected and who will collect it? <i>Is the information being collected by email, application form, from another party etc</i></p>	
<p>How will that information be used? <i>You should be clear on how it is going to be used. Will there be any profiling or automated decision making?</i></p>	
<p>Who will information be received from? (internal and external) <i>This may be many sources but we need to understand the information flow between parties</i></p>	
<p>Who will the information be shared with? (internal and external) <i>This may be many sources but we need to understand the information flow between parties</i></p>	
<p>If information is being shared, how will it be shared securely? <i>You should identify how the information will be shared e.g direct access into a system, secure email, SFTP,</i></p>	

<p>Who will have access to the information? <i>Access should be limited to only those required to have access</i></p>	
<p>Where will the information be stored? <i>This should include the name of the systems for all partners, whether it is cloud or server based and if it is hosted by someone else</i></p>	
<p>What security measures are in place? <i>Individual user accounts, passwords, two factor authentication, firewalls, restricted access, audit functions of the system or partner, locked cabinets</i></p>	
<p>Do any of the parties have security or IG certification such as Cyber Essentials, Cyber Essentials Plus, ISO270001?</p>	
<p>How long will the information be kept for? <i>You should have a retention period specified by all partners.</i></p>	
<p>How will it be destroyed? <i>You should have a process for how unneeded information will be disposed of, both for electronic and paper records.</i></p>	

People

This section is about the people whose data it is and how we will meet their rights under legislation

How many people will this affect? <i>This can be an estimate</i>	
What categories of people are they? <i>Children, adults, employees for example</i>	
How will people be informed about how their data is being used? <i>Will you be using a privacy notice, explaining to people when they sign up to a service or attend a meeting?</i>	
What plans are there to ensure that people's rights are met? <i>These are the rights of access, erasure, restriction, rectification, objection, automated decision making, data portability</i>	
<ul style="list-style-type: none"> Can you delete data if required to? 	
<ul style="list-style-type: none"> Can you produce all information about a person if required to? And in what format? 	
<ul style="list-style-type: none"> Can you amend a record if required to? 	
<ul style="list-style-type: none"> Can you restrict any action being taken on a records? 	
<ul style="list-style-type: none"> Can you audit to see who has accessed records? 	

<ul style="list-style-type: none"> If the system has automated decisions, can you override these if you need a human to make the decision? 	
<ul style="list-style-type: none"> Can you stop processing if needed? 	
<p>Will there be any consultation of affected individuals and if so how will you conduct this consultation?</p> <p><i>Will you be contacting and discussing with people before implementation?</i></p>	

Lawful Basis

To process any information about a person then we need to have a lawful basis or reason for doing so. We have to state this clearly in privacy notices for customers. This can be the most technical part of the DPIA so if you are not sure which is lawful basis it is then speak to the DPO and we will work with you. We need to identify the right one and we will help with that.

What is the purpose of collecting the information? <i>This is key because to process any personal information then we need a legal basis i.e. what allows us to do something so knowing the purpose is really key.</i>		
What is legal basis for processing the personal information? <i>It is most likely that you will be obtaining consent, having a contract with say an employee or a statutory duty. If it is a statutory duty then state what law or code of conduct makes it statutory.</i>	We will obtain or have obtained recorded consent	
	We have a contract with individuals to deliver this service	
	We have a legal obligation to process the information	
	We have a statutory duty to deliver the service	
	This statutory duty is named....	
	It relates to protecting someone in a life or death situation	
	We have a legitimate interest in processing this information and have completed a legitimate interest impact assessment.	
	We will obtain or have obtained explicit consent in writing	

<p>What is the legal basis for processing special category information?</p> <p><i>You also need to specify a basis when we are using the special category data like health, ethnicity, sexuality or religion.</i></p>	It relates to employment or social security. This includes health and safety, maternity/paternity and sickness	
	It relates the protecting someone in a life or death situation	
	It relates to the work of a not-for-profit body like a charity, political party or charity	
	The information has already been made public by the person	
	It is required for us to make or defend legal claims	
	We have a statutory duty to deliver this service	
	This statutory duty is named....	
	It is to deliver social care or health including occupational health	
	It is for public health reasons including monitoring and statistics or vaccination programmes	
	It is for archiving or research purposes	

Risks

Provide a list of risks and how you will manage, solve and mitigate these. To help you think about these, then we have broken down types of risks you may think of which include how they link to the principles of Data Protection.

<u>Lawful and fair use of data</u> Is the legal basis correct? Are you using an opt out model? Is it clear to people what you are doing with their data?	<u>Purpose</u> Have you explained what the purpose is to customers? How will you ensure that data is not used for different purposes that a person may not expect?	<u>Data minimisation</u> Is there any risk that data is being collected which is not required? Is there any risk that more data could be shared with partners or the authority than is needed?	<u>Accuracy</u> Are there any risks around receiving or sharing inaccurate or old data? What could happen if data is not updated or is collected incorrectly?
<u>Retention</u> Is there a risk that information could be kept too long? Or too short? Could partners keep information without us knowing?	<u>Security</u> Is there a risk of people accessing information that they should not? Is there a risk that information will not be stored or shared securely? Is there a risk that information could be misused?	<u>Accountability</u> Is there any risk about how service users understanding how their data is being used? Is there a risk that privacy notices are not clear or people cannot exercise their rights?	<u>Risks to the authority</u> There may be risks associated with what we are doing which could impact on the authority's reputation or systems.
Issue/Risk (indicate whether a risk to the individual or the authority)	Solution/Mitigation	Expected Outcome	How will this be monitored/evaluated

INFORMATION GOVERNANCE USE ONLY

	Sections	Comments
1	Project Information Are the aims and outcomes clear? Have benefits been identified?	
2	Parties Involved– Have all relevant teams have been identified and informed? Have all external parties been identified? Are contracts in place?	
3	Data Flow Has all information to be processed been identified? Have all sources and means of processing been identified? Has appropriate security been identified? Has records management been considered?	
4	People Do we know who this will affect and how will they be told? Can their rights be met?	
5	Lawful Basis Has the lawful basis for processing been stated?	
6	Risks and Benefits Have all risks been identified? Are risks sufficiently mitigated? What controls need to be introduced? Has a balance between the two been found? Is there a plan for monitoring?	

IG	Overall assessment What needs to change? if anything	

Data Protection Contact		
Contact Details	Email	Phone
Sue Hall	dpo@cambridgeshirepeterborough-ca.gov.uk	07706 341719

SIGN OFF			
Sign off	Title	Signature	Date
	Lead Officer		
	Director		
	Data Protection Officer		
	SIRO		



Report title: Revisions to the Cambridgeshire and Peterborough Combined Authority Constitution – Financial Regulations (Chapter 8)

To: Audit and Governance Committee

Meeting Date: 24th March 2023

From: Jon Alsop - Head of Finance (S73) and Chief Finance Officer

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) To review the suggested update to the financial regulations of the Combined Authority and to provide recommendations to the Board to adopt changes as revisions to the Constitution.

Voting arrangements: a simple majority of all Members.

1. Purpose

- 1.1 This report provides the Committee with commentary on proposed revisions to the Financial Regulations section of the Constitution with a view that these be approved and recommended for adoption by the Combined Authority Board.

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 were recommended by this Committee on 13 January 2023 and were considered by the Combined Authority Board on 25 January 2023.
- 2.2 The 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 on an ongoing basis. The financial regulations review forms part of the next iteration.
- 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 Specifically, under its terms of reference, the Audit and Governance Committee is required to “Maintain an overview of the Council’s Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary”.
- 2.5 The Committee is therefore asked to review the proposed updates to the finance regulations as set out in this paper and to provide recommendations to the Chief Finance Officer to take forward to the CPCA Board for approval and incorporation into the Combined Authority’s constitution.

3. Main Issues

- 3.1 Appendix 1 of this report is the current version of the Financial Regulations 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 Regulations.

- 3.2 The key changes are:

Section 8.7 expansion of virement section
 Section 8.8 expansion of variation section
 Section 8.9 expansion of reserves section
 Section 8.25 expansion of payment of accounts to include grants
 Section 8.26 inclusion of purchasing cards section

Para 8.1.1 introduction updated to reflect CA local government act 1985.
 Para 8.3.1 / 8.3.8 changes made to the wording to reflect that the CA do not delegate responsibility of delivery to constituent councils. Services are funded via grant arrangements.
 Para 8.3.2 inclusion of Mayoral office requirements.
 Para 18.9.2 inclusion of equipment and ICT arrangements around assets.
 Para 8.23.2 inclusion of debt write off limits.
 Para 8.24.3 update to reflect PO arrangements and payments of invoices.

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 CPCA, as a publicly-funded organisation, must demonstrate the highest standards of financial control and stewardship of public resources. The Financial Procedure Rules, along with the Single Assurance Framework and the Procurement Procedures in the Constitution, are a set of procedures that everybody working for or on behalf of the CPCA must observe in order to achieve those high standards.

6. Appendices

Appendix 1: Financial Regulations (Chapter 8) including mark up

Appendix 2: Financial Regulations (Chapter 8) clean copy



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

THE CONSTITUTION

JANUARY 2023





CHAPTER 8: FINANCIAL REGULATIONS

8.1 Introduction: Financial Regulations Background and Purpose

- 8.1.1 The Combined Authority shall appoint Officers to undertake the statutory Head of Paid Service (Chief Executive), the Chief Finance Officer, who shall, for the purposes of Section 73 of the Local Government Act 1985, be responsible for ensuring the proper administration of the Authority's financial affairs and Monitoring Officer roles.
- 8.1.1 The Combined Authority is a local authority for the purposes of the Local Government Act 1972. The Combined Authority will appoint Officers to undertake the statutory Head of Paid Service (Chief Executive), Chief Finance Officer and Monitoring Officer roles.
- 8.1.2 These regulations shall be read in conjunction with the Assurance Framework, Chapter XX - Combined Authority Functions and Responsibilities, Chapter XX - The Mayor of the Combined Authority, Chapter XX – Decision Making: Budget Framework Procedure Rules, Chapter XX – Procurement and Contract Procedure Rules, and the Chapter XX - Officer Scheme of Delegation.
- 8.1.3 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the Combined Authority's financial affairs and shall be reviewed at intervals of not more than three years. It is not expected that all aspects of these financial regulations will be required from day one, but to be in place to support the Combined Authority over time.
- 8.1.4 The Chief Finance Officer, as the Officer responsible for the proper administration of the Combined Authority's financial affairs, shall report to the Combined Authority Board any significant failure to comply with these regulations which comes to his/her attention.
- 8.1.5 The Head of Paid Service and the Chief Finance Officer shall be responsible for the accountability and control of all resources managed by them on behalf of the Combined Authority.
- 8.1.6 For the purposes of complying with these regulations, the Chief Finance Officer shall be provided with any information he/she may require and shall have access to any documents and records as necessary.
- 8.1.7 Whenever any matter arises which may involve financial irregularity the Chief Finance Officer and the Monitoring Officer shall be notified immediately, and if an irregularity is disclosed the matter shall, at the discretion of the Chief Finance Officer and after consultation with the Head of Paid Service, be referred by them to the Combined Authority Board.

Formatted: Not Highlight

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm



8.1.8 Further, in a case where the Head of Paid Service advises that there is *prima facie* evidence of a criminal offence having been committed, the matter shall be reported to the Police forthwith.

8.1.9 The Combined Authority's financial transactions are governed by the Local Government Act 2003 and the Accounts and Audit Regulations 2015 as amended.

8.1.9.1.10 Officers and Members of the Board will maintain the confidentiality of the Combined Authority's business and will not reveal confidential information about the Combined Authority or its finances.

8.2 Chief Finance Officer's Duties

8.2.1 The Chief Finance Officer's statutory duties are to:

- (a) provide financial advice to the Combined Authority on all aspects of its activity, including budgets (which shall include the budget for the Office of the Mayor), strategic planning and policymaking to ensure the effective and efficient use of resources;
- (b) advise on the security of assets;
- (c) secure the Combined Authority's banking arrangements;
- (d) provide a treasury management function, including loans and investments, in accordance with the Combined Authority's policy;
- (e) ensure the Mayor and the Combined Authority follows guidelines contained within relevant manuals, instructions, and policies;
- (f) produce the Annual Statement of Accounts in accordance with the latest statutory requirements and best practice.

8.2.2 The responsibilities of the Chief Finance Officer include:

- (a) Making arrangements for the proper administration of the financial affairs for the Office of the Mayor and of the Combined Authority;
- (b) ensuring, in consultation with the Monitoring Officer, lawfulness and financial prudence;
- (c) ensuring a balanced budget;
- (d) ensuring effective systems of internal control;

Formatted: List Paragraph, Indent: First line: 0 cm, Right: 0 cm



- (e) advising on anti-fraud and anti-corruption strategies;
- (f) acting as the Combined Authority's Money Laundering Reporting Officer in accordance with good practice;
- (g) ensuring that statutory and other accounts fairly present the financial position;
- (h) maintaining a continuous review of the financial framework;
- (i) establishing suitable accounting policies and ensuring that they are applied consistently in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom;
- (j) ensuring that budget provision is identified and exists for all existing and new employees.

8.2.3 All Officers must consult and seek approval of the Chief Finance Officer before introducing or amending any records, forms or procedures relating to income and expenditure. The Chief Finance Officer will see that uniform systems are adopted throughout the Combined Authority to ensure that opportunities for fraud and corruption are minimised.

8.2.38.2.4 Failure to comply with these regulations may constitute misconduct.

8.3 Financial Management: General

~~8.3.1 Where the Combined Authority has delegated delivery to a particular organisation and given budget for its delivery, then budget holders should follow their local organisation's rules for the processing of transactions. The Chief Finance Officer must agree someone to be the budget holder in advance of them becoming responsible for the budget.~~

8.3.1 Budget holders must ~~still~~ comply with the Combined Authority **specific** requirements (e.g. under sections XX, XX, and XX as set out within these regulations). ~~Each Officer of Constituent Councils and the Business Board is responsible for ensuring compliance with their local procedures and should seek appropriate advice and guidance from the Chief Finance Officer where necessary.~~

8.3.2 The following general principles are observed in these accounting arrangements:

Formatted: Font: 12 pt, Font color: Custom
Color(RGB(33,33,33))

Formatted: Normal, Indent: Left: 0.63 cm, Hanging: 0.63 cm, No bullets or numbering

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Font: 12 pt, Font color: Custom
Color(RGB(33,33,33))

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm



- a. Calculating, checking and recording sums due to or from the Mayoral Office or Combined Authority are separated as completely as possible from the duty of collecting or disbursing them;
- b. Officers charged with the duty of examining and checking cash transactions should not themselves be engaged in any of these transactions.
- c. All accounting records relating to the Mayoral Office and Combined Authority must be maintained in the Combined Authority's corporate financial system.

~~8.3.28.3.3~~ Each Officer ~~of the Constituent Councils and the Business Board~~ must provide the Chief Finance Officer with necessary information for the purposes of accounting and budgetary control in accordance with issued timescales.

8.3.4 The Chief Finance Officer will be responsible for producing regular financial monitoring reports to the Combined Authority and will submit as soon as possible after the year end, an annual Statement of Accounts which complies with the relevant statutory provisions.

8.3.5 The Chief Finance Officer is responsible for ensuring the production of the Combined Authority's ~~draft~~ Statement of Accounts, before 31 May in accordance with statutory deadlines and will submit the accounts to the Combined Authority's Audit and Governance Committee for approval in line with the current statutory regulations. ~~Final Statement of Accounts must be produced by 31 July.~~

8.3.6 Each Officer plays a key role in enabling the Statement of Accounts to be produced and is responsible for ensuring that guidance notes and the timetable provided by the Chief Finance Officer is adhered to.

8.3.7 Chief Officers are delegated responsibility for the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits as set out in Chapter XX – The Officer Scheme of Delegation.

~~8.3.38.3.8~~ Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced ~~The Accountable Officer in consultation with the lead of each Workstream must approve any expenditure incurred by Constituent Councils or the Business Board in accordance with their scheme of delegation and procedure rules.~~

8.3 Financial Management: Control of Projects and Programmes

8.4.1 Project and programme management arrangements are set out within the following documents:



- a. Combined Authority's Gateway approval process covering both revenue and capital programmes. The 10 point guide, sets out the process ~~sets out for~~ the documentation to be produced and the approvals to be sought at each Gateway stage.
- b. ~~Assurance Framework for the Single Pot of Investment. An The~~ assurance framework is a set of systems, processes and protocols. It is designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. All projects funded ~~through the Single Investment Fund~~ will be subject to a prioritisation, appraisal, and monitoring and evaluation procedure.
- c. Monitoring and Evaluation ~~Plan Framework~~. This sets out the approach to the commissioning of schemes and the criteria to enable monitoring of projects.

8.4.5 Financial Management: ~~Control of Service and Works~~ Contracts/Agreements

8.4.1 8.5.1 The work to be performed on behalf of the Mayor and/or the Combined Authority shall be the subject of a specific agreement setting out the respective roles and duties of the Combined Authority and the agent authority/delivery partner. The procurement of delivery of services and goods is specified in Chapter XX.

8.4.2 Payments ~~on account of construction contracts for delivery of service or goods~~ shall be in accordance with the terms of the ~~works~~ agreements with the appropriate body/delivery partner and shall not exceed the expenditure amount properly calculated to be due.

8.5.6 Financial Planning: Budgets

8.6.1 ~~8.6.1~~ The annual Capital and Revenue budgets for the Mayoral Office and Combined Authority are prepared within the context of the process and timescales of planning, programming and review as agreed by the Combined Authority.

8.6.2 ~~From 2018/19 onwards, the~~ The budget will be set and approved in accordance with the Chapter XX – Decision Making: Budget Framework Procedure Rules.

8.6.3 The Chief Finance Officer will prepare a medium~~long~~-term financial plan each year for submission to the Combined Authority Board as part of its Budget

Formatted: Not Expanded by / Condensed by

Formatted: List Paragraph, Indent: Left: 1.27 cm, First line: 0 cm, Right: 1.52 cm



approval.

8.6.4 The detailed form of capital and revenue budgets and the business planning process will be determined by the Chief Finance Officer to the Combined Authority subject to any instructions given by the Combined Authority.

8.6.5 Estimates of annual income and expenditure will be prepared by Officers and the Chief Finance Officer in line with the approved business planning process.

8.6.6 The Chief Finance Officer will submit, for Combined Authority approval, a draft Budget of all income and expenditure on Capital and Revenue accounts for the financial year beginning in April of each year in line with agreed approval processes and statutory timescales.

Approval of the annual budgets, by the Combined Authority does not give authority to incur revenue and capital expenditure. This authority shall be obtained in accordance with the Chapter XX – Officer Schemes of Delegation and subject to compliance with the Combined Authority's Chapter XX – Procurement and Contract Procedure Rules and Gateway procedure.

8.6.7

8.6 – Financial Planning: Virements

8.7

8.7.1 The Chief Finance Officer shall be authorised to approve virements between expenditure heads up to £500,000 to be reported at the next available Board meeting. Anything in excess of these limits shall be reported for approval to the Authority. Virements are deemed to be:

Revenue - a transfer between approved budget lines;

Capital - a movement of budget between approved capital schemes.

8.7.2 Changes to investment programmes involving the award of grant to external organisations is a policy matter reserved to the Authority and under delegation to the Officers. Approval will be sought from the Authority or Board for changes to previously approved programme or scheme funding levels.

8.7.3 Virements between Capital and Revenue require the approval of the Authority. In accordance with the scheme of virement and associated thresholds, the Chief Finance Officer is responsible for considering reports

Formatted: Right: 2.09 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

Formatted: Font color: Auto

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192))

Formatted: Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192))

Formatted: Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192))

Formatted: Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192))

Formatted: Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192)), Not Expanded by / Condensed by

Formatted: Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192))

Formatted: Right: 2.09 cm, Space Before: 0 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27

Formatted: Font: 8 pt

Formatted: List Paragraph, Right: 1.55 cm, Space Before: 4.6 pt, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Right + Aligned at: 0.63 cm + Indent at: 1.27 cm, No widow/orphan control, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers, Tab stops: 1.89 cm, Left + 1.89 cm, Left

Formatted: Font: 12 pt

Formatted: Indent: Left: 0.95 cm, No bullets or numbering

Formatted: List Paragraph, Right: 1.97 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm, No widow/orphan control, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers, Tab stops: 1.89 cm, Left + 1.89 cm, Left

Formatted: Indent: Left: 0.95 cm, No bullets or numbering

Formatted: Font: 12 pt

Formatted: Font: 12 pt, Font color: Auto, English (United Kingdom)

Formatted: Font: 12 pt

Formatted: Normal, Indent: Left: 1.89 cm, Right: 1.97 cm, No bullets or numbering, No widow/orphan control, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers, Tab stops: 1.89 cm, Left + 1.89 cm, Left

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, No bullets or numbering



submitted by Chief Officers in respect of virement proposals for revenue spending.

8.7.4 The Chief Finance Officer is to report and seek the approval of the Chief Executive to the exercise of the virement powers of the Authority where a matter is urgent.

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm

8.8 Financial Planning: Variations

8.8.1 Changes to the overall level of resources available in the revenue budget and capital programme is reserved to the Authority. Any proposed changes will be made by the Chief Finance Officer as part of regular budget monitoring.

Formatted: Indent: Left: 0.95 cm, No bullets or numbering

Formatted: Font: 12 pt

The Chief Finance Officer may vary the overall level of resource where an amendment is required to accommodate new grant funded activity that has been previously approved by the Authority.

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

8.8.2

8.6.1 The Chief Finance Officer is responsible for considering reports submitted by Officers in respect of virement proposals for revenue and capital expenditure.

Formatted: Font: 12 pt

Formatted: Font: 14 pt

8.6.2 In relation to revenue expenditure under control of Officers, the Chief Finance Officer is authorised to consider reports of Officers on any likely overspending, and to approve transfers between expenditure heads up to a maximum of £100,000.

8.7.1 In conjunction with Officers, the Chief Finance Officer is to report to and seek the prior approval of the Combined Authority Board for any revenue expenditure where it will have an adverse impact on a priority within the approved budget.

8.7 Financial Planning: Reserves

8.9

8.9.1 As part of the approval process for the annual budget and medium term financial plan the Chief Finance Officer will provide a section 25 statement to the Board of the local government act 2003 to report on the robustness of the estimates made for the purpose of the calculations for the budget, and on the adequacy of the proposed financial reserves.

Formatted: Indent: Left: 0.95 cm, No bullets or numbering

Formatted: Font: Font color: Auto, English (United Kingdom)

8.9.2 The Chief Finance Officer may approve the transfer to reserves of a restricted grant, being either ring fenced or subject to conditions imposed by the funder, received by the Authority where the related expenditure is not expected to be incurred in the current financial year.

Formatted: Font: Font color: Auto, English (United Kingdom)

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Font: 12 pt



8.9.3 As part of their duty to make arrangements for the proper administration of financial affairs, the Chief Finance Officer will manage the need for transfers to and from reserves as part of the preparation of the annual financial statements.

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

8.7.1 Requests to carry forward underspends or to establish earmarked reserves should be linked to the annual revenue budget and may only be done following review by the Chief Finance Officer and approval by the Board. The Chief Finance Officer will ensure that there are clear protocols for the establishment and use of reserves/provisions and, in consultation with Officers, will establish reserves and/or provisions and provide guidance on how to incur expenditure from reserves/provisions.

Formatted: Font: 12 pt

8.9.4 The Chief Finance Officer shall seek Combined Authority Board approval for the use of reserves in addition to that already planned.

Formatted: Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

8.8.10 Control of Expenditure: Revenue and Capital

8.8.10.1 A system of budgetary control will be maintained and as part of this control the Chief Finance Officer will submit statements to meetings of the Combined Authority Board showing:

- (a) the progress of income and expenditure to date against the approved revenue budgets for the year;
- (b) a forecast arising from the statements in (a) above of any material variation in income or expenditure anticipated for the financial year.

8.7.2 An Officer must not order goods or services, which exceed the amount in their overall approved budget, ~~or which have not been approved through the Gateway process or Assurance Framework process for the Single Pot of investment.~~

Formatted: Right: 1.97 cm, Space Before: 0 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27

8.10.2 If it becomes apparent that the Combined Authority's expenditure cannot be contained within the overall approved budget figure, this will be reported to the combined authority board as part of their regular budget monitoring.
~~8.7.3 an appropriate report shall be submitted to the Combined Authority.~~

8.10.3 Unspent budgets at the year-end will be ~~carried forward or reallocated in accordance with arrangements in the business planning process~~ approved to carry forward by the Chief Finance Officer/Combined Authority Board.

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering

8.7.48.10.4 The Chief Finance Officer will ensure that the Combined Authority adheres to CIPFA's Prudential Code for Capital Finance in Local Authorities. The objective of the code is to provide a framework for capital finance that

Formatted: Right: 1.97 cm, Space Before: 0 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27



will ensure that:

- (a) capital expenditure plans are affordable in the short term;
- (b) external borrowing and other long-term liabilities are within prudent and sustainable levels for the long-term;
- (c) treasury management decisions are taken in accordance with professional good practice;
- (d) In taking its decisions the Combined Authority is accountable through a clear and transparent framework;
- (e) the framework should support local strategic planning, local asset management planning and option appraisal.

Formatted: Not Expanded by / Condensed by

8.10.5 For the purposes of these regulations, capital expenditure is that expenditure which is to be financed from the approved Combined Authority's capital budget. All capital expenditure proposals should be the subject of the Combined Authority's ~~Gateway project control process or local~~ Assurance Framework ~~process for the Single Pot of Investment~~.

~~8.7.5~~**8.10.6** Incurring of all contractual liability must be in accordance with the approved Chapter XX - Officer Scheme of Delegation and individual accountabilities.

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

~~8.7.6~~ The Officer Scheme of Delegation states:

Formatted: Underline, Underline color: Custom Color(0,111,192)), Font color: Custom Color(0,111,192))

~~x.x.x. The Chief Finance Officer shall authorise and approve all expenditure incurred within the revenue budget, in accordance with the approved budget limits and Financial Regulations.~~

Formatted: Not Expanded by / Condensed by

~~x.x.x. The Chief Finance Officer shall authorise and approve all expenditure on capital schemes, in accordance with the Capital Programme and Financial Regulations, provided that expenditure has been authorised in accordance with the Assurance Framework.~~

8.8.11 Risk Management and Control of Resources: Risk

Formatted: Font: 12 pt, Font color: Custom Color(0,132,134)), English (United States)

~~8.8.11.1~~ Within the context of corporate risk arrangements, each Officer should undertake risk assessments for their areas of responsibility and any proposals for major change. Adequate controls, procedures and resources should be in place to manage and mitigate identified key risks.

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

8.9.12 Risk Management and Control of Resources: Insurance

Formatted: Not Expanded by / Condensed by

8.12.1 The Chief Finance Officer is authorised to effect all insurance cover required in connection with the business and insurable risks of the Combined

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm



Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.

Formatted: Not Expanded by / Condensed by

8.12.2 Each Officer is however responsible for minimising the risk for insurance claims and putting in place risk management processes for their areas of responsibility.

8.9.48.12.3 Any Officer having responsibility for establishments or activities must:

Formatted: Not Expanded by / Condensed by

- (a) promptly and where possible in advance notify the Chief Finance Officer in writing of the extent and nature of any new material risks or increased risks to be insured;
- (b) immediately notify the Chief Finance Officer in writing of any loss, liability or damage which is or may be covered by insurance;
- (c) obtain the approval of the Chief Finance Officer regarding the terms of any indemnity, which the Combined Authority is requested to give;
- (d) immediately inform the Chief Finance Officer of any occurrence which may lead to a claim against the Combined Authority.

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

8.9.28.12.4 All claims against the Combined Authority and all claims by the Combined Authority against other persons shall be approved within the delegated levels of expenditure.

Formatted: Right: 1.97 cm, Space Before: 0 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

8.108.13 Internal Control Framework

Formatted: Not Expanded by / Condensed by

8.10.18.13.1 The Chief Finance Officer is responsible for maintaining adequate and effective internal control arrangements. This includes a continuous appraisal of all accounting, financial and other controls throughout the Mayoral Office and Combined Authority, ~~and by the Combined Authority's Agents in accordance with the relevant agency agreement.~~ The objectives of the framework are to:

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

- (a) review, appraise and report upon the soundness, adequacy and application of financial and related management controls;
- (b) examine and report upon the extent to which the Combined Authority's assets and financial interests are accounted for and safeguarded from losses of all kinds arising from:
 - (i) fraud, corruption and other offences;
 - (ii) waste, extravagance, poor value for money or any other cause;

Formatted: Not Expanded by / Condensed by



- (c) contribute to the monitoring of the use of resources in the pursuit of the defined objectives of the Combined Authority;
- (d) receive and act upon information concerning allegations or suspicions of fraud and corruption as detailed in the Combined Authority's approved Fraud and Corruption Response Plan.

8.118.14 Internal Audit

8.118.14.1 The Chief Finance Officer shall arrange internal audit and reviews of financial records and operations in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance. Those responsible for Internal Audit, on producing appropriate identification shall have authority to:

- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;
- (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
- (c) require and receive such explanations as are necessary concerning any matters under examination;
- (d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control;
- (e) report direct to the Head of Paid Service if considered appropriate ~~to do~~.

8.118.14.2 The Audit and Governance Committee will review the internal audit requirements of the Combined Authority, approve the internal audit plan and consider reports and assurances from the Chief Finance Officer in relation to internal audit.

8.128.15 External Audit

8.128.15.1 The key responsibilities of the Chief Finance Officer with regard to external audit are to:

- (a) ensure the appointment of external auditors in accordance with statutory requirements and Board decisions;
- (b) maintain accounting records and prepare Statements of Account;

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm



- (c) liaise and work with the External Auditor on a regular basis;
- (d) receive and deal with all queries relating to the work of External Audit;
- (e) inform the External Auditor of all fraudulent cases that have been referred to the police.

8.138.16 Assurance Responsibilities

8.13.18.16.1 Each Officer has responsibility to ensure:

- (a) reviews that have taken place to evaluate, correct and report on controls and systems in place;
- (b) compliance with the Combined Authority's Standing Orders, [Chapter XX8 - Financial Management Procedure Rules](#), [Chapter XX9 - Procurement and Contract Procedure Rules](#) and risk management requirements.

8.148.17 Fraud and Corruption

8.17.1 The responsibility for the prevention and detection of fraud rests with all employees. An Officer shall immediately inform the appropriate Officers of any circumstances which may suggest that there has been irregularity affecting cash, or other Combined Authority property and also of any payment or reward which has been accepted from any outside person or firm in respect of the work which such other person performs, as well as any impropriety or significant error in accounting or financial records or in relation to any contract for goods or services entered into by the Combined Authority.

8.17.2 Information received will be treated confidentially, and Officers should be assured that anonymity will be respected and it will not affect their employment situation or future prospects with the Combined Authority.

8.17.3 Any allegations received from outside the organisation, including anonymous letters or telephone calls will be taken seriously and investigated.

8.17.4 All cases of theft or suspected theft of Combined Authority property (no matter where the property was kept) must be promptly reported to the ~~Audit Manager~~ Chief Finance Officer.

8.17.5 The Chief Finance Officer or Internal auditor shall be responsible for

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: Not Bold, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by



ensuring that the Combined Authority and the External Auditors are advised of any material loss or financial irregularity.

Formatted: Not Expanded by / Condensed by

~~8.8.28.17.6~~ Internal Audit shall report to the Head of Paid Service, Monitoring Officer and the Chief Finance Officer.

~~8.158.18~~ Treasury Management

Formatted: Font: Font color: Custom Color(RGB(0,132,134)), English (United States)

~~8.18.1~~ The Combined Authority has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. All investments of money will be made in the name of the Cambridgeshire and Peterborough Combined Authority.

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

~~8.18.2~~ The Treasury Management Strategy, prepared in accordance with the above code, will be adopted by the Combined Authority and thereafter its implementation and monitoring shall be delegated to the Chief Finance Officer.

~~8.18.3~~ The Chief Finance Officer will undertake any ~~necessary~~ borrowings ~~necessary- for treasury management purposes~~ in accordance with the Treasury Management Strategy.

Formatted: Not Expanded by / Condensed by

~~8.18.4~~ All transfers from the Combined Authority's bank account shall be undertaken by authorised Officers nominated by the Chief Finance Officer according to Treasury Management procedures and authorisations.

Formatted: Not Expanded by / Condensed by

~~8.8.38.18.5~~ The Chief Finance Officer will as a minimum report to the ~~Combined Authority~~ ~~Audit and Governance Committee of the Combined Authority~~:

- (a) before the start of the financial year - a report on the strategy for the forthcoming year;
- (b) by the end of June - an outturn report on Treasury Management activity;
- (c) by the end December of each year a half year monitoring report on Treasury Management activities;
- (d) by the end of December a monitoring report on external investments performance.

~~8.15.18.18.6~~ The Chief Finance Officer shall be responsible for ensuring that surplus funds are invested promptly, safely and effectively and in accordance with Treasury Management procedures.

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

~~8.168.19~~ Security of Assets

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm



8.19.1 Officers shall be responsible for the proper security of all of the Combined Authority's assets within their control. The Officer shall consult the Chief Finance Officer regarding changes in matters regarding security.

8.19.2 Assets shall not be removed from the Authority's premises, unless on official Authority business and should not be used other than for official Authority purposes or in line with arrangements sanctioned by the Head of Paid Service. All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner and be appropriately protected at all times.

8.19.3 Each Chief Officer must ensure that the Authority's financial system, is used appropriately by all employees within their area of responsibility.
8.16.4

8.17.18.20 Financial Systems and Procedures: Effective Management

8.17.18.20.1 The systems and processes operated by the Combined Authority must be managed effectively to:

- (a) provide customers and stakeholders with the best quality of service;
- (b) ensure that net expenditure in their area of expenditure does not exceed the annual budget;
- (c) comply with all relevant professional, managerial, legal and ethical standards;
- (d) comply with the Combined Authority's procedures, regulations, standing orders, scheme of delegation and other relevant guidance and instructions issued.

8.17.18.20.2 Each Officer must ensure that there are adequate, appropriate and clear reporting lines in operation within their area of responsibility.

8.18.21 Financial Systems and Procedures: Control of Expenditure - Generals

8.21.1 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities and in accordance with Chapter XX9 – Procurement and Contract Procedure Rules. The Chief Finance Officer will maintain a record of all delegated authorities.

8.8.48.21.2 Detailed procedures for the authorisation and control of expenditure

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

Formatted: List Paragraph, Indent: Left: 1.27 cm, Right: 1.97 cm, No widow/orphan control, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

Formatted: Font: 14 pt

Formatted: Font: 12 pt

Formatted: Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

Formatted: Font: 11.5 pt

Formatted: Indent: Left: 1.27 cm, Space Before: 0 pt, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Font: 14 pt

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Font: 11 pt

Formatted: Not Expanded by / Condensed by



will be issued, from time to time, by the Chief Finance Officer in accordance with delegated authority levels.

Formatted: Not Expanded by / Condensed by

8.198.22 Financial Systems and Procedures: Income Collection and Banking Arrangements

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

8.22.1 The Chief Finance Officer is responsible for the banking arrangements and is authorised to set up and operate such bank accounts as are considered appropriate. The banking arrangements must be reviewed on a regular basis and negotiations regarding banking terms and overdraft facilities undertaken.

Formatted: Not Expanded by / Condensed by

8.22.2 Arrangements for the authorisation of payments to be made by electronic transfer of funds from bank accounts must be in accordance with laid down processes and procedures.

Formatted: Not Expanded by / Condensed by

8.22.3 Each relevant Officer must ensure that all systems and procedures relating to income and banking, comply with Accounts and Audit Regulations 2015 and the Combined Authority's authorised procedures.

Formatted: Not Expanded by / Condensed by

8.22.4 Particulars of charges to be made for work done, services rendered or goods supplied and of all other amounts must be promptly notified to the Chief Finance Officer. Any proposed introduction of, or variation to, charges must be in accordance with the agreed Scheme of Delegation.

Formatted: Not Expanded by / Condensed by

8.22.5 All accounts for income due to the Combined Authority must be sent out by the Chief Finance Officer, except where other arrangements have been authorised.

8.22.6 All Officers must supply information as the Chief Finance Officer may require to ensure that all sums receivable by the Combined Authority are promptly recorded, and recovery sought.

Formatted: Not Expanded by / Condensed by

8.22.7 The Authority's banking arrangements shall be those approved by the Authority from time to time and shall be supervised by the Chief Finance Officer.

~~8.8.58.22.8~~ 8.22.8 Electronic payments ~~either BACs or telegraphic transfer~~ are to be authorised by the Chief Finance Officer or authorised Officers.

Formatted: Not Expanded by / Condensed by

8.208.23 Financial Systems and Procedures: Debt Management

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

8.23.1 The Chief Finance Officer will have authority to recover debts, except in the case of legal action which should be undertaken in consultation with the Monitoring Officer.

Formatted: Not Expanded by / Condensed by

8.23.2 Before any debts due to or any other assets of the Combined Authority are

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Font: 12 pt



written-off or other income is foregone the following authority shall be obtained as appropriate:

- (i) Exceeding £125,000 the CA Board
- (ii) Between £10,001 and £125,000 The Head of Paid Service and the Chief Finance Officer
- (iii) £10,000 or less Chief Finance Officer

8-20.4

8.23.3 Any individual who discovers any apparent loss or irregularity involving money due to or held on behalf of or property owned by the Authority shall immediately notify their line manager and Internal Audit. Internal Audit will then comply with the provisions of the Authority's approved ~~Theft~~ Procedure/Fraud Policy.

8-20.2

8.24.24 Financial Systems and Procedures: Purchase Orders

8.24.1 Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.

8-24.4

8.24.2 From time to time, Expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.

8.24.3 Invoices and grant claims without a purchase order will not be processed by default where exceptions to this are required these will have to be approved/requested by a Director

8-24.2

8.24.38.24.4 Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the Chapter XX48 - Officer Scheme of Delegation have been obtained.

8.25 Financial Systems and Procedures: Payment of Accounts

8-22

Suppliers

8.25.1 No supplier payment shall be made unless supported by an invoice or pro-forma invoice, with VAT details, where appropriate.

8-22.4

8.25.2 Officers must ensure that all invoices, vouchers, etc. for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate contract or purchase order number is quoted on every invoice.

8-22.2

8.22.3 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief

Formatted: Font: 12 pt

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Left + Aligned at: 1.9 cm + Indent at: 2.54 cm

Formatted: Font: 14 pt

Formatted: Indent: Left: 2.54 cm, No bullets or numbering

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 11.5 pt

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Not Expanded by / Condensed by

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Font color: Auto

Formatted: Font: 12 pt, Underline, Underline color: Custom Color(RGB(0,111,192)), Font color: Custom Color(RGB(0,111,192))

Formatted: Not Expanded by / Condensed by

Formatted

Formatted: Font: 9 pt

Formatted: Indent: Left: 0.95 cm, No bullets or numbering

Formatted: Font: Not Bold, Italic

Formatted: Indent: Left: 0.95 cm, First line: 0.32 cm

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt, Not Expanded by / Condensed by

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted



Finance Officer will pay all accounts on behalf of the Combined Authority.

8.25.3

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

8.25.4 In order for an invoice to be paid, the responsible Budget Holder must confirm that the work, goods or services have been properly delivered in accordance with the order.

8.22.4

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

8.22.5 8.25.5 The receipt of all goods and services should only be made where:

Formatted: Normal, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

(a) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;

(b) the goods and services have been previously receipted.

8.25.6 The certification of Goods Received acts as the authorisation to pay the invoices as long as the invoice matches the Goods Received entry and purchase order.

8.22.6

Formatted: Not Expanded by / Condensed by

8.25.7 Where an invoice is exempt from the ordering process, the invoice will be subject to electronic approval by following appropriate rules of delegation.

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt, Bold

Formatted: Font: Bold

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Grants

8.25.8 No grant payment shall be made unless supported by a grant claim.

Formatted: Font: Italic

Formatted: Font: Not Bold, Italic

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

8.25.9 Officers must ensure that all grants for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate purchase order number is quoted on each grant claim.

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

8.25.10 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

8.25.11 In order for an invoice to be paid, the responsible grant approver must confirm that the work, goods or services have been properly delivered in accordance with the order.

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

8.25.12 The receipt of all goods and services should only be made where:

(c) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;



(d) the goods and services have been previously receipted.

8.25.13 The certification of Goods Received acts as the authorisation to pay the grant claim as long as the claim matches the Goods Received entry and purchase order.

8.25.14 Where a grant claim is exempt from the ordering process, the claim will be subject to electronic approval by following appropriate rules of delegation.

8.26 Government Procurement Cards

8.26.1 Purchasing cards should only be used for official Combined Authority business and

(i) In an emergency

(ii) where not feasible to order goods and services through the Authority's financial system.

8.26.2 It is the cardholder's responsibility to ensure that the purchasing card process guidance is followed. The purchasing card facility may be suspended or withdrawn permanently if the procedure is not followed.

8.27 Financial Systems and Procedures: Allocation of Funding to Projects

8.27.1 The allocation of funding to projects shall be done in accordance with the processes as outlined in the local Assurance Framework, based on guidance produced by DLUHC.

8.28 Financial Systems and Procedures: Payments to Employees

8.28.1 The payment of all salaries, wages, pensions, compensation and all other emoluments to Officers or former Officers of the Combined Authority will be made by the Chief Finance Officer or under arrangements approved by the Chief Finance Officer.

8.28.2

8.28.2 Electronic Time sheets and other documents to authorise the payment of wages and salaries must be certified by the appropriate Budget Holder (or nominee) and forwarded to the Payroll Manager within such period before the respective pay days, as may be required. The Chief Finance Officer shall make such checks on pay documents as are considered necessary.

8.28.3

8.28.3 All standing information relating to payroll data, such as rates of pay,

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

Formatted: Font: 12 pt, Font color: Custom Color(RGB(0,132,134)), English (United States)

Formatted: Font: 12 pt, Font color: Custom Color(RGB(0,132,134)), English (United States)

Formatted: List Paragraph, Indent: Left: 0.95 cm, Tab stops: 1.89 cm, Left + 1.89 cm, Left

Formatted: Font: 12 pt

Formatted: List Paragraph, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm

Formatted: List Paragraph, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Left + Aligned at: 1.9 cm + Indent at: 2.54 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm



statutory and non-statutory deductions, allowances, starters and leavers from any of the Combined Authority's payrolls, shall be notified through approved processes by the HR manager nominee to the payroll provider.
Payroll Manager.

8.24.3

8.28.4 The detailed procedures to be followed at Combined Authority establishments for the control of overtime working and payment of wages and salaries are set out in formal procedures.

8.24.4

8.24.5 8.28.5 All payroll documentation must be filed for the period in accordance with required deadlines and no documentation relating to Officers records or to wages and salaries' payrolls should be destroyed without prior consultation with the Chief Finance Officer.

8.258.29 Financial Systems and Procedures: Taxation

8.25.1 8.29.1 The Chief Finance Officer is responsible for:

- (a) ensuring that taxation advice is available to Officers to ensure compliance with relevant legislation;
- (b) maintaining the Combined Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
- (c) completing all HM Revenue and Customs returns regarding Pay As You Earn;
- (d) completing and submitting VAT returns to HMRC as necessary.

8.25.2 8.29.2 Officers are responsible for:

- (a) ensuring the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all tax is properly identified and recorded;
- (b) ensuring that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
- (c) following any guidance on taxation that may be issued by the Chief Finance Officer.

8.268.30 Financial Systems and Procedures: Expenses

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Font: Font color: Custom Color(0,132,134)), English (United States)

Formatted: List Paragraph, Indent: Left: 0.95 cm, Right: 1.97 cm, No widow/orphan control, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers, Tab stops: 1.89 cm, Left + 1.89 cm, Left

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Right: 1.97 cm, Space Before: 0 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm



~~8.26.18.30.1~~ All claims for payments of Officers' ~~car allowances~~, subsistence allowances, travelling and incidental expenses must be certified by the appropriate Budget Holder and be within delegation levels. Certification means that the certifying Officer is satisfied that the journeys were authorised, the mileage correct, the expenses properly and necessarily incurred and that the mileage and other allowances are properly payable in accordance with the specific conditions of employment of the Combined Authority.

Formatted: Right: 1.97 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0 cm + Indent at: 1.27 cm, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

~~8.278.31~~ Financial Systems and Procedures: Travel and Subsistence

~~8.31.1~~ Claims, by the Mayor or independent members of the Combined Authority ~~must be in line with under the an approved Member Allowance scheme and~~ ~~or Officers claims for travel and subsistence must be in line with the approved policy.~~

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

~~8.27.1 for reimbursement of expenses regarding hotel accommodation, refreshments, hospitality, gifts, car mileage are required to be countersigned by another Officer. Councillors can claim Travel and Subsistence from their Constituent Councils which is outlined in their Constitution.~~

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

~~8.27.28.31.2~~ All claims should be submitted monthly.

Formatted: Font: 12 pt

Formatted: Not Expanded by / Condensed by

~~8.288.32~~ External Arrangements: Partnerships

~~8.32.1~~ The Combined Authority is responsible for approving partnership agreements where funding is to be provided by a third party.

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

~~8.28.4~~

~~8.28.28.32.2~~ The budget ~~controller or~~ holder must present to the Combined Authority sufficient information before a decision is reached about entering a partnership agreement. This should include:

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

- ~~(a)(i)~~ the aims and objectives of the partnership;
- ~~(b)(ii)~~ a scheme appraisal for financial viability of the project;
- ~~(c)(iii)~~ risk appraisal;
- ~~(d)(iv)~~ resources required, both financial and staffing;
- ~~(e)(v)~~ audit and control requirements.

Formatted: Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Left + Aligned at: 2.54 cm + Indent at: 3.17 cm

~~8.298.33~~ External Arrangements: External Funding

~~8.33.1~~ Before any external funding bid is made, the responsible budget holder shall consult with the Chief Finance Officer to ensure all aspects of funding have been properly considered before submission for approval.

Formatted: Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 4 + Alignment: Left + Aligned at: 0 cm + Indent at: 0.95 cm

Formatted: Not Expanded by / Condensed by

~~8.29.4~~

~~8.33.2~~ The budget holder shall supply copies of all relevant paperwork to the Chief Finance Officer, including the bid submission, the offer letter and acceptance

Formatted: Indent: Left: 1.27 cm, Right: 1.97 cm, No bullets or numbering, Tab stops: Not at 1.89 cm + 1.89 cm



and any instructions for the completion of the grant.

~~8.29.2~~

8.33.3 The Chief Finance Officer is responsible for ensuring that all external funding notified by external bodies is received and properly recorded and monitored in the Combined Authority's Accounts.

~~8.29.3~~

8.33.4 ~~8.31.4~~ It is the responsibility of the budget holder to ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded. They must also ensure that all claims are prepared by the due date, making allowances for audit requirements where applicable.

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Not Expanded by / Condensed by

Formatted: Font: 12 pt

Formatted: Indent: Left: 1.27 cm, Right: 0 cm, Space Before: 2 pt, After: 2 pt, No bullets or numbering, Widow/Orphan control, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers, Tab stops: Not at 1.89 cm + 1.89 cm

Formatted: Font: 12 pt



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

THE CONSTITUTION

JANUARY 2023



CHAPTER 8: FINANCIAL REGULATIONS

8.1 Introduction: Financial Regulations Background and Purpose

- 8.1.1 The Combined Authority shall appoint Officers to undertake the statutory Head of Paid Service (Chief Executive), the Chief Finance Officer, who shall, for the purposes of Section 73 of the Local Government Act 1985, be responsible for ensuring the proper administration of the Authority's financial affairs and Monitoring Officer roles.
- 8.1.2 These regulations shall be read in conjunction with the Assurance Framework, [Chapter XX - Combined Authority Functions and Responsibilities](#), [Chapter XX - The Mayor of the Combined Authority](#), [Chapter XX – Decision Making: Budget Framework Procedure Rules](#), [Chapter XX – Procurement and Contract Procedure Rules](#), and the [Chapter XX - Officer Scheme of Delegation](#).
- 8.1.3 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the Combined Authority's financial affairs and shall be reviewed at intervals of not more than three years. It is not expected that all aspects of these financial regulations will be required from day one, but to be in place to support the Combined Authority over time.
- 8.1.4 The Chief Finance Officer, as the Officer responsible for the proper administration of the Combined Authority's financial affairs, shall report to the Combined Authority Board any significant failure to comply with these regulations which comes to his/her attention.
- 8.1.5 The Head of Paid Service and the Chief Finance Officer shall be responsible for the accountability and control of all resources managed by them on behalf of the Combined Authority.
- 8.1.6 For the purposes of complying with these regulations, the Chief Finance Officer shall be provided with any information he/she may require and shall have access to any documents and records as necessary.
- 8.1.7 Whenever any matter arises which may involve financial irregularity the Chief Finance Officer and the Monitoring Officer shall be notified immediately, and if an irregularity is disclosed the matter shall, at the discretion of the Chief Finance Officer and after consultation with the Head of Paid Service, be referred by them to the Combined Authority Board.
- 8.1.8 Further, in a case where the Head of Paid Service advises that there is *prima facie* evidence of a criminal offence having been committed, the matter shall be reported to the Police forthwith.



- 8.1.9 The Combined Authority's financial transactions are governed by the Local Government Act 2003 and the Accounts and Audit Regulations 2015 as amended.
- 8.1.10 Officers and Members of the Board will maintain the confidentiality of the Combined Authority's business and will not reveal confidential information about the Combined Authority or its finances.

8.2 Chief Finance Officer's Duties

8.2.1 The Chief Finance Officer's statutory duties are to:

- (a) provide financial advice to the Combined Authority on all aspects of its activity, including budgets (which shall include the budget for the Office of the Mayor), strategic planning and policymaking to ensure the effective and efficient use of resources;
- (b) advise on the security of assets;
- (c) secure the Combined Authority's banking arrangements;
- (d) provide a treasury management function, including loans and investments, in accordance with the Combined Authority's policy;
- (e) ensure the Mayor and the Combined Authority follows guidelines contained within relevant manuals, instructions, and policies;
- (f) produce the Annual Statement of Accounts in accordance with the latest statutory requirements and best practice.

8.2.2 The responsibilities of the Chief Finance Officer include:

- (a) Making arrangements for the proper administration of the financial affairs for the Office of the Mayor and the Combined Authority;
- (b) ensuring, in consultation with the Monitoring Officer, lawfulness and financial prudence;
- (c) ensuring a balanced budget;
- (d) ensuring effective systems of internal control;
- (e) advising on anti-fraud and anti-corruption strategies;



- (f) acting as the Combined Authority's Money Laundering Reporting Officer in accordance with good practice;
- (g) ensuring that statutory and other accounts fairly present the financial position;
- (h) maintaining a continuous review of the financial framework;
- (i) establishing suitable accounting policies and ensuring that they are applied consistently in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom;
- (j) ensuring that budget provision is identified and exists for all existing and new employees.

8.2.3 All Officers must consult and seek approval of the Chief Finance Officer before introducing or amending any records, forms or procedures relating to income and expenditure. The Chief Finance Officer will see that uniform systems are adopted throughout the Combined Authority to ensure that opportunities for fraud and corruption are minimised.

8.2.4 Failure to comply with these regulations may constitute misconduct.

8.3 Financial Management: General

8.3.1 Budget holders must comply with the Combined Authority requirements (e.g. under sections XX, XX, and XX as set out within these regulations).

8.3.2 The following general principles are observed in these accounting arrangements;

- a. Calculating, checking and recording sums due to or from the Mayoral Office or Combined Authority are separated as completely as possible from the duty of collecting or disbursing them;
- b. Officers charged with the duty of examining and checking cash transactions should not themselves be engaged in any of these transactions.
- c. All accounting records relating to the Mayoral Office and Combined Authority must be maintained in the Combined Authority's corporate financial system.

8.3.3 Each Officer must provide the Chief Finance Officer with necessary information for the purposes of accounting and budgetary control in accordance with issued timescales.



- 8.3.4 The Chief Finance Officer will be responsible for producing regular financial monitoring reports to the Combined Authority and will submit as soon as possible after the year end, an annual Statement of Accounts which complies with the relevant statutory provisions.
- 8.3.5 The Chief Finance Officer is responsible for ensuring the production of the Combined Authority's Statement of Accounts in accordance with statutory deadlines and will submit the accounts to the Combined Authority's Audit and Governance Committee for approval in line with the current statutory regulations.
- 8.3.6 Each Officer plays a key role in enabling the Statement of Accounts to be produced and is responsible for ensuring that guidance notes and the timetable provided by the Chief Finance Officer is adhered to.
- 8.3.7 Chief Officers are delegated responsibility for the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits as set out in Chapter XX – The Officer Scheme of Delegation.
- 8.3.8 Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced

8.3 Financial Management: Control of Projects and Programmes

- 8.4.1 Project and programme management arrangements are set out within the following documents:
 - a. Combined Authority's Gateway approval process covering both revenue and capital programmes. The 10 point guide, sets out the process for the documentation to be produced and the approvals to be sought at each Gateway stage.
 - b. The assurance framework is a set of systems, processes and protocols. It is designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. All projects funded will be subject to a prioritisation, appraisal, and monitoring and evaluation procedure.
 - c. Monitoring and Evaluation Framework. This sets out the approach to the commissioning of schemes and the criteria to enable monitoring of projects.

8.5 Financial Management: Service and Works Agreements

- 8.5.1 The work to be performed on behalf of the Mayor and/or the Combined Authority shall be the subject of a specific agreement setting out the respective roles and duties of the Combined Authority and the delivery partner. The procurement of delivery of services and goods is specified in Chapter XX. Payments for delivery of service or goods shall be in accordance with the terms of the agreements with the delivery partner and shall not exceed the amount properly calculated to be due.

8.6 Financial Planning: Budgets

- 8.6.1 The annual Capital and Revenue budgets for the Mayoral Office and Combined Authority are prepared within the context of the process and timescales of planning, programming and review as agreed by the Combined Authority.
- 8.6.2 The budget will be set and approved in accordance with the [Chapter XX – Decision Making: Budget Framework Procedure Rules](#).
- 8.6.3 The Chief Finance Officer will prepare a medium-term financial plan each year for submission to the Combined Authority Board as part of its Budget approval.
- 8.6.4 The detailed form of capital and revenue budgets and the business planning process will be determined by the Chief Finance Officer to the Combined Authority subject to any instructions given by the Combined Authority.
- 8.6.5 Estimates of annual income and expenditure will be prepared by Officers and the Chief Finance Officer in line with the approved business planning process.
- 8.6.6 The Chief Finance Officer will submit, for Combined Authority approval, a draft Budget of all income and expenditure on Capital and Revenue accounts for the financial year beginning in April of each year in line with agreed approval processes and statutory timescales.
- 8.6.7 Approval of the annual budgets, by the Combined Authority does not give authority to incur revenue and capital expenditure. This authority shall be obtained in accordance with the [Chapter XX – Officer Schemes of Delegation and subject to compliance with the Combined Authority's Chapter XX – Procurement and Contract Procedure Rules and Gateway procedure](#).



8.7 Financial Planning: Virements

- 8.7.1 The Chief Finance Officer shall be authorised to approve virements between expenditure heads up to £500,000 to be reported at the next available Board meeting. Anything in excess of these limits shall be reported for approval to the Authority. Virements are deemed to be:
- Revenue - a transfer between approved budget lines;
 - Capital - a movement of budget between approved capital schemes.
- 8.7.2 Changes to investment programmes involving the award of grant to external organisations is a policy matter reserved to the Authority and under delegation to the Officers. Approval will be sought from the Authority or Board for changes to previously approved programme or scheme funding levels.
- 8.7.3 Virements between Capital and Revenue require the approval of the Authority. In accordance with the scheme of virement and associated thresholds, the Chief Finance Officer is responsible for considering reports submitted by Chief Officers in respect of virement proposals for revenue spending.
- 8.7.4 The Chief Finance Officer is to report and seek the approval of the Chief Executive to the exercise of the virement powers of the Authority where a matter is urgent.

8.8 Financial Planning: Variations

- 8.8.1 Changes to the overall level of resources available in the revenue budget and capital programme is reserved to the Authority. Any proposed changes will be made by the Chief Finance Officer as part of regular budget monitoring.
- 8.8.2 The Chief Finance Officer may vary the overall level of resource where an amendment is required to accommodate new grant funded activity that has been previously approved by the Authority.

8.9 Financial Planning: Reserves

- 8.9.1 As part of the approval process for the annual budget and medium term financial plan the Chief Finance Officer will provide a section 25 statement to the Board of the local government act 2003 to report on the robustness of the estimates made for the purpose of the calculations for the budget, and on the adequacy of the proposed financial reserves.
- 8.9.2 The Chief Finance Officer may approve the transfer to reserves of a restricted grant, being either ring fenced or subject to conditions imposed by



the funder, received by the Authority where the related expenditure is not expected to be incurred in the current financial year.

8.9.3 As part of their duty to make arrangements for the proper administration of financial affairs, the Chief Finance Officer will manage the need for transfers to and from reserves as part of the preparation of the annual financial statements.

8.9.4 Requests to carry forward underspends or to establish earmarked reserves should be linked to the annual revenue budget and may only be done following review by the Chief Finance Officer and approval by the Board.

8.10 Control of Expenditure: Revenue and Capital

8.10.1 A system of budgetary control will be maintained and as part of this control the Chief Finance Officer will submit statements to meetings of the Combined Authority Board showing:

- (a) the progress of income and expenditure to date against the approved revenue budgets for the year;
- (b) a forecast arising from the statements in (a) above of any material variation in income or expenditure anticipated for the financial year.

8.10.2 An Officer must not order goods or services, which exceed the amount in their overall approved budget. If it becomes apparent that the Combined Authority's expenditure cannot be contained within the overall approved budget figure, this will be reported to the combined authority board as part of their regular budget monitoring.

8.10.3 Unspent budgets at the year-end will be taken to reserves, unless specifically approved to carry forward by the Combined Authority Board.

8.10.4 The Chief Finance Officer will ensure that the Combined Authority adheres to CIPFA's Prudential Code for Capital Finance in Local Authorities. The objective of the code is to provide a framework for capital finance that will ensure that:

- (a) capital expenditure plans are affordable in the short term;
- (b) external borrowing and other long-term liabilities are within prudent and sustainable levels for the long-term;
- (c) treasury management decisions are taken in accordance with professional good practice;



- (d) In taking its decisions the Combined Authority is accountable through a clear and transparent framework;
- (e) the framework should support local strategic planning, local asset management planning and option appraisal.

8.10.5 For the purposes of these regulations, capital expenditure is that expenditure which is to be financed from the approved Combined Authority's capital budget. All capital expenditure proposals should be the subject of the Combined Authority's local Assurance Framework.

8.10.6 Incurring of all contractual liability must be in accordance with the approved [Chapter XX - Officer Scheme of Delegation](#) and individual accountabilities.

8.11 Risk Management and Control of Resources: Risk

8.11.1 Within the context of corporate risk arrangements, each Officer should undertake risk assessments for their areas of responsibility and any proposals for major change. Adequate controls, procedures and resources should be in place to manage and mitigate identified key risks.

8.12 Risk Management and Control of Resources: Insurance

8.12.1 The Chief Finance Officer is authorised to effect all insurance cover required in connection with the business and insurable risks of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.

8.12.2 Each Officer is however responsible for minimising the risk for insurance claims and putting in place risk management processes for their areas of responsibility.

8.12.3 Any Officer having responsibility for establishments or activities must:

- (a) promptly and where possible in advance notify the Chief Finance Officer in writing of the extent and nature of any new material risks or increased risks to be insured;
- (b) immediately notify the Chief Finance Officer in writing of any loss, liability or damage which is or may be covered by insurance;
- (c) obtain the approval of the Chief Finance Officer regarding the terms of any indemnity, which the Combined Authority is requested to give;

- (d) immediately inform the Chief Finance Officer of any occurrence which may lead to a claim against the Combined Authority.

8.12.4 All claims against the Combined Authority and all claims by the Combined Authority against other persons shall be approved within the delegated levels of expenditure.

8.13 Internal Control Framework

8.13.1 The Chief Finance Officer is responsible for maintaining adequate and effective internal control arrangements. This includes a continuous appraisal of all accounting, financial and other controls throughout the Mayoral Office and Combined Authority. The objectives of the framework are to:

- (a) review, appraise and report upon the soundness, adequacy and application of financial and related management controls;
- (b) examine and report upon the extent to which the Combined Authority's assets and financial interests are accounted for and safeguarded from losses of all kinds arising from:
 - (i) fraud, corruption and other offences;
 - (ii) waste, extravagance, poor value for money or any other cause;
- (c) contribute to the monitoring of the use of resources in the pursuit of the defined objectives of the Combined Authority;
- (d) receive and act upon information concerning allegations or suspicions of fraud and corruption as detailed in the Combined Authority's approved Fraud and Corruption Response Plan.

8.14 Internal Audit

8.14.1 The Chief Finance Officer shall arrange internal audit and reviews of financial records and operations in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance. Those responsible for Internal Audit, on producing appropriate identification shall have authority to:

- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;
- (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;



(c) require and receive such explanations as are necessary concerning any matters under examination;

(d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control;

(e) report direct to the Head of Paid Service if considered appropriate.

8.14.2 The Audit and Governance Committee will review the internal audit requirements of the Combined Authority, approve the internal audit plan and consider reports and assurances from the Chief Finance Officer in relation to internal audit.

8.15 External Audit

8.15.1 The key responsibilities of the Chief Finance Officer with regard to external audit are to:

- (a) ensure the appointment of external auditors in accordance with statutory requirements and Board decisions;
- (b) maintain accounting records and prepare Statements of Account;
- (c) liaise and work with the External Auditor on a regular basis;
- (d) receive and deal with all queries relating to the work of External Audit;
- (e) inform the External Auditor of all fraudulent cases that have been referred to the police.

8.16 Assurance Responsibilities

8.16.1 Each Officer has responsibility to ensure:

- (a) reviews that have taken place to evaluate, correct and report on controls and systems in place;
- (b) compliance with the Combined Authority's Standing Orders, [Chapter XX - Financial Management Procedure Rules](#), [Chapter XX – Procurement and Contract Procedure Rules](#) and risk management requirements.



8.17 Fraud and Corruption

- 8.17.1 The responsibility for the prevention and detection of fraud rests with all employees. An Officer shall immediately inform the appropriate Officers of any circumstances which may suggest that there has been irregularity affecting cash, or other Combined Authority property and also of any payment or reward which has been accepted from any outside person or firm in respect of the work which such other person performs, as well as any impropriety or significant error in accounting or financial records or in relation to any contract for goods or services entered into by the Combined Authority.
- 8.17.2 Information received will be treated confidentially, and Officers should be assured that anonymity will be respected and it will not affect their employment situation or future prospects with the Combined Authority.
- 8.17.3 Any allegations received from outside the organisation, including anonymous letters or telephone calls will be taken seriously and investigated.
- 8.17.4 All cases of theft or suspected theft of Combined Authority property (no matter where the property was kept) must be promptly reported to the Chief Finance Officer.
- 8.17.5 The Chief Finance Officer or Internal auditor shall be responsible for ensuring that the Combined Authority and the External Auditors are advised of any material loss or financial irregularity.
- 8.17.6 Internal Audit shall report to the Head of Paid Service, Monitoring Officer and the Chief Finance Officer.

8.18 Treasury Management

- 8.18.1 The Combined Authority has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. All investments of money will be made in the name of the Cambridgeshire and Peterborough Combined Authority.
- 8.18.2 The Treasury Management Strategy, prepared in accordance with the above code, will be adopted by the Combined Authority and thereafter its implementation and monitoring shall be delegated to the Chief Finance Officer.
- 8.18.3 The Chief Finance Officer will undertake any borrowings necessary for treasury management purposes in accordance with the Treasury Management Strategy.
- 8.18.4 All transfers from the Combined Authority's bank account shall be



undertaken by authorised Officers nominated by the Chief Finance Officer according to Treasury Management procedures and authorisations.

8.18.5 The Chief Finance Officer will as a minimum report to the Audit and Governance Committee of the Combined Authority:

- (a) before the start of the financial year - a report on the strategy for the forthcoming year;
- (b) by the end of June - an outturn report on Treasury Management activity;
- (c) by the end December of each year a half year monitoring report on Treasury Management activities;
- (d) by the end of December a monitoring report on external investments performance.

8.18.6 The Chief Finance Officer shall be responsible for ensuring that surplus funds are invested promptly, safely and effectively and in accordance with Treasury Management procedures.

8.19 Security of Assets

8.19.1 Officers shall be responsible for the proper security of all of the Combined Authority's assets within their control. The Officer shall consult the Chief Finance Officer regarding changes in matters regarding security.

8.19.2 Assets shall not be removed from the Authority's premises, unless on official Authority business and should not be used other than for official Authority purposes or in line with arrangements sanctioned by the Head of Paid Service. All information assets such as non-public paper records, IT equipment used to access information and the computer network, must be identified, recorded and have an appointed asset owner and be appropriately protected at all times.

8.19.3 Each Chief Officer must ensure that the Authority's financial system, is used appropriately by all employees within their area of responsibility.

8.20 Financial Systems and Procedures: Effective Management

8.20.1 The systems and processes operated by the Combined Authority must be managed effectively to:

- (a) provide customers and stakeholders with the best quality of service;

- (b) ensure that net expenditure in their area of expenditure does not exceed the annual budget;
- (c) comply with all relevant professional, managerial, legal and ethical standards;
- (d) comply with the Combined Authority's procedures, regulations, standing orders, scheme of delegation and other relevant guidance and instructions issued.

8.20.2 Each Officer must ensure that there are adequate, appropriate and clear reporting lines in operation within their area of responsibility.

8.21 Financial Systems and Procedures: Control of Expenditure - Generals

8.21.1 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities and in accordance with [Chapter XX – Procurement and Contract Procedure Rules](#). The Chief Finance Officer will maintain a record of all delegated authorities.

8.21.2 Detailed procedures for the authorisation and control of expenditure will be issued, from time to time, by the Chief Finance Officer in accordance with delegated authority levels.

8.22 Financial Systems and Procedures: Income Collection and Banking Arrangements

8.22.1 The Chief Finance Officer is responsible for the banking arrangements and is authorised to set up and operate such bank accounts as are considered appropriate. The banking arrangements must be reviewed on a regular basis and negotiations regarding banking terms and overdraft facilities undertaken.

8.22.2 Arrangements for the authorisation of payments to be made by electronic transfer of funds from bank accounts must be in accordance with laid down processes and procedures.

8.22.3 Each relevant Officer must ensure that all systems and procedures relating to income and banking, comply with Accounts and Audit Regulations 2015 and the Combined Authority's authorised procedures.

8.22.4 Particulars of charges to be made for work done, services rendered or goods supplied and of all other amounts must be promptly notified to the Chief Finance Officer. Any proposed introduction of, or variation to, charges must be in accordance with the agreed Scheme of Delegation.



8.22.5 All accounts for income due to the Combined Authority must be sent out by the Chief Finance Officer, except where other arrangements have been authorised.

8.22.6 All Officers must supply information as the Chief Finance Officer may require to ensure that all sums receivable by the Combined Authority are promptly recorded, and recovery sought.

8.22.7 The Authority's banking arrangements shall be those approved by the Authority from time to time and shall be supervised by the Chief Finance Officer.

8.22.8 Electronic payments are to be authorised by the Chief Finance Officer or authorised Officers.

8.23 Financial Systems and Procedures: Debt Management

8.23.1 The Chief Finance Officer will have authority to recover debts, except in the case of legal action which should be undertaken in consultation with the Monitoring Officer.

8.23.2 Before any debts due to or any other assets of the Combined Authority are written-off or other income is foregone the following authority shall be obtained as appropriate;

- (i) Exceeding £125,000 the CA Board
- (ii) Between £10,001 and £125,000 The Head of Paid Service and the Chief Finance Officer
- (iii) £10,000 or less Chief Finance Officer

8.23.3 Any individual who discovers any apparent loss or irregularity involving money due to or held on behalf of or property owned by the Authority shall immediately notify their line manager and Internal Audit. Internal Audit will then comply with the provisions of the Authority's approved Fraud Policy.

8.24 Financial Systems and Procedures: Purchase Orders

8.24.1 Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.

8.24.2 From time to time, expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.

8.24.3 Invoices and grant claims without a purchase order will not be processed by



default where exceptions to this are required these will have to be approved/requested by a Director

- 8.24.4 Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the [Chapter XX - Officer Scheme of Delegation](#) have been obtained.

8.25 Financial Systems and Procedures: Payment of Accounts

Suppliers

- 8.25.1 No supplier payment shall be made unless supported by an invoice or pro-forma invoice, with VAT details, where appropriate.
- 8.25.2 Officers must ensure that all invoices for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate purchase order number is quoted on every invoice.
- 8.25.3 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.
- 8.25.4 In order for an invoice to be paid, the responsible Budget Holder must confirm that the work, goods or services have been properly delivered in accordance with the order.
- 8.25.5 The receipt of all goods and services should only be made where:
- (a) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;
 - (b) the goods and services have been previously receipted.
- 8.25.6 The certification of Goods Received acts as the authorisation to pay the invoices as long as the invoice matches the Goods Received entry and purchase order.
- 8.25.7 Where an invoice is exempt from the ordering process, the invoice will be subject to electronic approval by following appropriate rules of delegation.



Grants

- 8.25.8 No grant payment shall be made unless supported by a grant claim.
- 8.25.9 Officers must ensure that all grants for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate purchase order number is quoted on each grant claim.
- 8.25.10 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.
- 8.25.11 In order for an invoice to be paid, the responsible grant approver must confirm that the work, goods or services have been properly delivered in accordance with the order.
- 8.25.12 The receipt of all goods and services should only be made where:
- (c) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;
 - (d) the goods and services have been previously receipted.
- 8.25.13 The certification of Goods Received acts as the authorisation to pay the grant claim as long as the claim matches the Goods Received entry and purchase order.
- 8.25.14 Where a grant claim is exempt from the ordering process, the claim will be subject to electronic approval by following appropriate rules of delegation.

8.26 Government Procurement Cards

- 8.26.1 Purchasing cards should only be used for official Combined Authority business and
- (i) In an emergency
 - (ii) where not feasible to order goods and services through the Authority's financial system.
- 8.26.2 It is the cardholder's responsibility to ensure that the purchasing card process guidance is followed. The purchasing card facility may be suspended or withdrawn permanently if the procedure is not followed.



8.27 Financial Systems and Procedures: Allocation of Funding to Projects

8.27.1 The allocation of funding to projects shall be done in accordance with the processes as outlined in the local Assurance Framework.

8.28 Financial Systems and Procedures: Payments to Employees

8.28.1 The payment of all salaries, wages, pensions, compensation and all other emoluments to Officers or former Officers of the Combined Authority will be made by the Chief Finance Officer or under arrangements approved by the Chief Finance Officer.

8.28.2 Electronic time sheets and other documents to authorise the payment of wages and salaries must be certified by the appropriate Budget Holder (or nominee) within such period before the respective pay days, as may be required. The Chief Finance Officer shall make such checks on pay documents as are considered necessary.

8.28.3 All standing information relating to payroll data, such as rates of pay, statutory and non-statutory deductions, allowances, starters and leavers from any of the Combined Authority's payrolls, shall be notified through approved processes by the HR manager to the payroll provider.

8.28.4 The detailed procedures to be followed at Combined Authority establishments for the control of overtime working and payment of wages and salaries are set out in formal procedures.

8.28.5 All payroll documentation must be filed for the period in accordance with required deadlines and no documentation relating to Officers records or to wages and salaries' payrolls should be destroyed without prior consultation with the Chief Finance Officer.

8.29 Financial Systems and Procedures: Taxation

8.29.1 The Chief Finance Officer is responsible for:

- (a) ensuring that taxation advice is available to Officers to ensure compliance with relevant legislation;
- (b) maintaining the Combined Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
- (c) completing all HM Revenue and Customs returns regarding Pay As You Earn;



(d) completing and submitting VAT returns to HMRC as necessary.

8.29.2 Officers are responsible for:

- (a) ensuring the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all tax is properly identified and recorded;
- (b) ensuring that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
- (c) following any guidance on taxation that may be issued by the Chief Finance Officer.

8.30 Financial Systems and Procedures: Expenses

8.30.1 All claims for payments of Officers' subsistence allowances, travelling and incidental expenses must be certified by the appropriate Budget Holder and be within delegation levels. Certification means that the certifying Officer is satisfied that the journeys were authorised, the mileage correct, the expenses properly and necessarily incurred and that the mileage and other allowances are properly payable in accordance with the specific conditions of employment of the Combined Authority.

8.31 Financial Systems and Procedures: Travel and Subsistence

8.31.1 Claims, by the Mayor or independent members of the Combined Authority must be in line with the approved Member Allowance scheme and Officers claims for travel and subsistence must be in line with the approved policy.

8.31.2 All claims should be submitted monthly.

8.32 External Arrangements: Partnerships

8.32.1 The Combined Authority is responsible for approving partnership agreements where funding is to be provided by a third party.

8.32.2 The budget holder must present to the Combined Authority sufficient information before a decision is reached about entering a partnership agreement. This should include:

- (i) the aims and objectives of the partnership;
- (ii) a scheme appraisal for financial viability of the project;

- (iii) risk appraisal;
- (iv) resources required, both financial and staffing;
- (v) audit and control requirements.

8.33 External Arrangements: External Funding

- 8.33.1 Before any external funding bid is made, the responsible budget holder shall consult with the Chief Finance Officer to ensure all aspects of funding have been properly considered before submission for approval.
- 8.33.2 The budget holder shall supply copies of all relevant paperwork to the Chief Finance Officer, including the bid submission, the offer letter and acceptance and any instructions for the completion of the grant.
- 8.33.3 The Chief Finance Officer is responsible for ensuring that all external funding notified by external bodies is received and properly recorded and monitored in the Combined Authority's Accounts.
- 8.33.4 It is the responsibility of the budget holder to ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded. They must also ensure that all claims are prepared by the due date, making allowances for audit requirements where applicable.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 8

Internal Audit Plan 2023/24

To: Audit and Governance Committee

Meeting Date: 24 March 2023

From: Jon Alsop, Head of Finance (S73)

Key decision: Not a key decision

Forward Plan ref: n/a

Recommendations: The Audit and Governance Committee is recommended to:

- Consider and approve the proposed Combined Authority's internal audit plan for 2023/24.

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:
- Consider and approve the proposed 2023/24 Internal Audit Plan.

2. Background

- 2.1. According to its Terms of Reference, the Audit and Governance Committee shall:
- (a) Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;

- (b) Review internal audit requirements undertaken by the Combined Authority;
- (c) Approve the internal audit plan;
- (d) Consider reports and assurances from the Chief Finance Officer in relation to:
 - Internal Audit performance;
 - Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;
 - Risk management and assurance mapping arrangement;
 - Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable.

- 2.2. The RSM approach to developing the internal audit plan is based on analysing the Combined Authority's corporate objectives, risk profile and assurance arrangements as well as other factors affecting the Combined Authority in the year ahead, including changes within the sector.
- 2.3. RSM presented a draft version of the internal audit plan to the CPCA Executive Team on 7th March. Feedback from that discussion has informed the long list of suggested audit focus for 2023/24.
- 2.4. Whilst it is considered appropriate to keep an element of flexibility in the plan, the Committee is asked to provide direction to officers and RSM on the initial draft.

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 Combined Authority is required by law to ensure that adequate and effective internal audit provision is made.

5. Other Significant Implications

- 5.1. No other significant implications have been identified.

6. Appendices

- 6.1. Appendix 1: Draft Internal Audit plan 2023/24

7. Background Papers

None



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Proposed Areas for Internal Audit Coverage 2023/24

DISCUSSION DRAFT

Audit & Governance Committee meeting of 24 March 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.

INTERNAL AUDIT PLAN 2023/24 – AUDIT COMMITTEE DISCUSSION PAPER

The purpose of this paper is to highlight the potential areas of coverage for inclusion within the 2023/24 Internal Audit Plan and get the Committee's input and thoughts.

The Committee will recall we have provided two partial (negative) assurance opinions on the risk management arrangements at the Authority (2020/21 and 2022/23). The Committee were advised in January 2023 that the Authority have made further enhancements to their Risk Management arrangements and the Corporate Risk Register (albeit Internal Audit have not reviewed these new arrangements yet). We have therefore developed this discussion paper using the refreshed key risks identified on the Corporate Risk Register but also facilitated this with the discussions held with the Executive.

The audit areas are therefore mapped to the Authority's current strategic risks, as applicable and also, we have suggested other core areas of internal audit coverage for consideration.

An initial paper was presented to the Executive Team on the 7 March 2023 and comments and requested amendments were fed back to us (14 March 2023) from which we have further developed the proposed areas of coverage within the table below.

Once the plan is formally agreed we will be fully flexible in year to address any emerging risks and / or priority areas for coverage and will report any changes through to the Committee.

Appendix A is also included for information and sets out where previous internal audit coverage (and assurance levels) since 2020/21 and also sets out the areas previously discussed for consideration for inclusion in the three year strategy.

APPENDIX A: INTERNAL AUDIT Plan 2023/24 (DRAFT)

Objective of the review (Strategic risk)

People

Staff Recruitment and Retention (Risk 4)

Our review will be to examine the recruitment processes in place from identification to filling of roles and assessment of the timelines and efficiency of processes and that a fair and transparent approach is in operation. We will also assess how the College have developed initiatives to identify and retain key staff, how staff are being engaged with across the Authority and how action is taken to improve the working environment.

We note the scope of this was requested to be expanded at Executive Team request to cover both Recruitment and Retention.

Staff Mental Health and Wellbeing (Risk 4)

An assessment of the current initiatives and processes in place in regard to staff mental health and wellbeing, assessing what has been done, the impact of these activities and provision of recommendations on how this process could be further strengthened.

HR Digital Processes

HR are reviewing how they are currently operating including utilisation of the Citrus HR system. It has been suggested an Internal Audit review late in 2023/24 would be beneficial to assess how the system and supporting HR processes are operating.

We note this review was requested as an additional area for consideration for coverage as a part of the formal Executive Team feedback.

Equality, Diversity and Inclusion (Risk 4)

A review to assess whether there are adequately designed and effective controls in place to manage equality, diversity, and inclusion.

We note this review was requested as an additional area for consideration for coverage as a part of the formal Executive Team feedback.

Strategic Risk

Environment, Social and Governance (ESG Maturity) (Risk 8)

As part of the ESG journey, organisations need to think about ethical investments, inclusion and diversity, climate change; including where they are in relation to their peers and how they are seen in the eyes of the public and their stakeholders.

Our maturity assessment approach considers where an organisation is in relation to its ESG maturity journey. The maturity journey goes through four stages; Awareness, Defining and Reporting, Managing and Maturity. This review will be delivered by our internal ESG consultants.

Business Continuity Planning (Risk 9)

Assurance will be provided over the robustness of the Authority's Business Continuity arrangements in place to minimise disruption and maintain services continuity in the event of a major incident occurring.

Objective of the review (Strategic risk)

Strategic Planning (Risk 5)

Clear strategic plans need to be documented to ensure that the authority can articulate the longer-term strategic direction of the organisation.

We will specifically assess the strategic plan development, including stakeholder engagement and internal governance mechanisms and how the Authority is approaching implementing this strategy in support of delivering its objectives.

Subsidiary Company Governance (Risk 17)

The specific coverage for this review is to be scoped and determined with management but will look to build off and provide independent assessment in supporting the authority through the weaknesses identified in this area in 2021/22 and to take into account outcomes of the 2022/23 review.

We note this review was requested as an additional area for consideration for coverage as a part of the formal Executive Team feedback to ensure we maintain focus in this area.

Project Planning and Delivery

The specific coverage for this review is to be scoped and determined with management but will assess the design, management and oversight of projects within the Authority.

We note this review was requested as an additional area for consideration for coverage as a part of the formal Executive Team feedback

Financial Risk

Budget Setting and Budgetary Control (Risks 1 and 2)

To assess the robustness of the Authorities Budget Setting arrangements and approach and a review of the mechanisms in place in regard to Budgetary Control.

Workforce Planning and Development (Risk 3)

A review of the processes in place to define the workforce plan and the supporting activity undertaken to ensure workforce requirements are identified and recruited to meet the resource needs of the Authority.

We note this review was requested as a priority area for coverage as a part of the formal Executive Team feedback.

Core Assurance

Risk Management (cross cutting all risks)

A review of the risk management arrangements in place at the Combined Authority, with a specific focus on the revised risk management framework and updated Corporate Risk Register. Risk management coverage in 2023/24 is appropriate noting the negative assurance ratings provided in 2021/22 and 2022/23.

IT Audit Coverage (note – no risk on strategic register relating to IT)

Objective of the review (Strategic risk)

This is a key area for the Authority and coverage will be included within each year of the internal audit strategy. The RSM IT Technology Risk Team will discuss the detailed scope with management each year. Reviews may include the treatment of cyber-crime, network security, business continuity, data security or the IT projects. As part of our scoping, we will consider the accreditations in place and other 3rd party assurance providers to avoid any potential duplication of work.

Governance – Improvement Plan (cross cutting all risks), 15

The specific coverage for this review is to be scoped and determined with management but will look to build off and provide independent assessment in supporting the authority through the Governance weaknesses identified at the Authority in 2021/22 and 2022/23. Governance coverage in 2023/24 is appropriate to ensure improvements are being made in a timely manner.

Key Financial Controls

To review the key controls in place for key financial control areas. This will include key controls testing, focus on any specific management concerns and follow up the implementation of previously agreed actions. The scope of the review will be agreed nearer the time but we will cover the following areas over a cyclical period:

- General ledger;
- Creditors payments;
- Income and Debtors;
- Cash and treasury management;
- Capital Expenditure
- Expenses and Credit Cards;
- Asset register;

We will use data analytics to undertake some analysis and inform testing.

Other Internal Audit Activity

Grants

Following the completion of a number of grant returns in 2023/24 which require the sign off of both the Chief Executive and the Chief Internal Auditor we have included a note within the internal audit plan to undertake reviews in our capacity of the CPCA Chief Internal Auditor on the use of grant funding received, which will include review of evidence to substantiate compliance against grant terms. Fees will be agreed separately. Some of these Grants also require the involvement of our grant specialists and authorised individual to sign off grant claims. We will liaise directly with the CFO and Deputy CFO with regards to this work.

Follow up

To meet internal auditing standards, and to provide assurance on action taken to address actions previously agreed by management.

**Objective of the review
(Strategic risk)**

Advice and Consultancy

To provide advice on an ongoing basis on all aspects of governance, risk management and internal control.

Management

This will include:

- Annual planning
 - Pre audit and governance committee meetings
 - Preparation for, and attendance at, audit and governance committee
 - Regular liaison and progress updates
 - Liaison with external audit and other assurance providers
 - Preparation of the annual opinion.
-

APPENDIX A: INTERNAL AUDIT STRATEGY 2020/21-2025/26

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		Internal Audit – Third Line of Assurance (Independent review / assurance)					
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
	IDEA						
Audit Area	Risk Ref						
Staff Recruitment and Retention	4				✓		
Staff Mental Health and Wellbeing	4				✓		
Workforce Planning	3				✓		
HR Digital Processes	3				✓		
Improvement Plan (see Governance Coverage)	all risks				✓		
Energy hub				✓			
Climate Change Strategy	8					✓	
Environment, Social and Governance (ESG Maturity)	8				✓		✓
Partnerships and Collaboration						✓	
Strategic Planning	5				✓		

Local Industry Strategy					✓		
Local Transport Plan						✓	
Skills Strategy					✓		
Adult Education Budget			✓				
COVID 19 – Capital Grants		✓					
Affordable Housing Programme				✓			
IT Controls / Cyber Security		✓	✓ Significant weakness	✓	✓	✓	✓
Information Governance / Data Protection				✓		✓	
Declarations of Interest						✓	
Governance		✓		✓	✓	✓	✓
CAM Project – Governance and Decision Making			✓				
Cross Charging of Corporate Services							✓
Subsidiary Company Governance			✓	✓	✓	✓	✓
Project Planning and Delivery	7	✓			✓		✓
Business Continuity Planning	9				✓		✓
Procurement and Contract Management						✓	
Fraud Risk Assessment			✓			✓	

Capital Programme		✓				✓
Budget Setting and Control	1, 2				✓	
Medium Term Financial Strategy	1, 2, 7					✓
Succession Planning	3					✓
Equality Diversity and Inclusion	3				✓	
Data Quality						✓
Grant Verification		✓	✓	✓	✓	✓
Risk Management		✓		✓	✓	✓
Key Financial Controls		✓	✓	✓	✓	✓
Payroll			✓			✓
Follow Up		✓	✓	✓	✓	✓
HR Policies Review	3					✓
Whistleblowing						✓
Training and Development	3					✓
Absence Management	3					✓
Performance Management	3					✓

FOR FURTHER INFORMATION CONTACT

Daniel Harris, Head of Internal Audit

Daniel.Harris@rsmuk.com

(+44) 07792 948767

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.

Report title: Audit and Governance Committee Draft Annual Report

To: Audit and Governance Committee

Meeting Date: 24 March 2023

Public report: Public Report

From: John Pye
Chair of Audit and Governance Committee

Recommendations:

- a. The Audit and Governance Committee is asked to comment on the draft Annual Report of the Chair of Audit and Governance Committee for 2021/22 (Appendix 1) before it is submitted to the Combined Authority Board.
- b. Approve the draft report subject to agreed changes.

Voting arrangements: Simple majority of members present and voting.

1. Purpose

- 1.1 The Audit and Governance Committee has been in operation since the Combined Authority Board approved the membership and appointment of the Independent Person in May 2017. The Committee met eight times during the 2022/23 municipal year.
- 1.2 The Committee provides independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework.
- 1.3 The Draft Annual Report of the Chair of Audit and Governance Committee is the work carried out by the Committee over the municipal year 2021/22 is at Appendix 1.

2. Background

- 2.1 It is recommended by relevant professional bodies that audit and governance committees should produce an annual report which details the work of the Committee for the Municipal Year. A draft annual report has been prepared for 2022/23 (Appendix 1).
- 2.2 The draft annual report shows:
- Background to the Committee, its roles, responsibilities and membership;
 - An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities;
 - Training provided to ensure that suitable challenge and scrutiny is adopted.
 - Records of complaints, Freedom of Information requests and attendance levels for the committee to consider.
- 2.3 The Committee is asked to comment on the draft report before it submitted by the Chair to the Combined Authority Board in May.

3. Financial Implications

- 3.1 None.

4. Legal Implications

- 4.1 None.

5. Appendices

- 5.2 Appendix 1 – Draft Annual Report

ANNUAL REPORT FROM THE CHAIR OF AUDIT & GOVERNANCE COMMITTEE FOR THE COMBINED AUTHORITY OF CAMBRIDGESHIRE AND PETERBOROUGH 2022/2023

**To review and scrutinize the authority's
financial affairs**

**To make reports and recommendations
to the CA on these reviews**

**To review and assess the economy,
efficiency, and effectiveness of the
authority's use of resources**

**To review and assess the authority's risk
management, internal control, and
corporate governance arrangements**

**To ensure high standards of conduct
amongst Members**

AUDIT AND GOVERNANCE COMMITTEE: ANNUAL REPORT 2022/2023

FOREWORD FROM THE CHAIR.....	Page 3-4
INTRODUCTION	Page 5
OUTCOMES OF COMMITTEES ACTIONS & RECOMMENDATIONS	Page 6-7
MEMBERSHIP AND MEETINGS	Page 8
ACTIVITIES DURING THE MUNICIPAL YEAR	Page 9
MEMBER DEVELOPMENT AND ATTENDANCE	Page 10
GOVERNANCE MONITORING	Page 10-11
PLANS FOR 2023/24	Page 12
Appendix A:	A&G Committee's Terms of Reference
Appendix B:	Detailed Record of A&G Committee's Work to meet their Terms of Reference

FOREWORD FROM THE CHAIR OF THE AUDIT & GOVERNANCE COMMITTEE

This is my Sixth Annual Report of the work of the Audit and Governance (A&G) Committee. It covers the municipal year 2022/23, which has been a difficult, unusual and worrying period for the Cambridgeshire & Peterborough Combined Authority (CPCA),

In April/May 2022 the CPCA commissioned an independent review of governance and ways of working to identify key issues and barriers in delivering effective governance and make recommendations for improvement. The results of that work were overtaken by:

- a. The External Auditor intervening in June 2022 to raise with me a value for money risk, because of significant weaknesses in the CPCA's governance arrangements.
- b. In January 2023, the Department for Levelling Up, Housing and Communities (DLUHC), issued a Best Value Notice that formally summarised the Department's significant concerns regarding CPCA's governance and the need for engagement to provide assurance of improvement.
- c. A number of negative internal audits with the likelihood that the CPCA will receive a qualified opinion from the Internal Auditor for the second year running.

The Committee's work this year has thus been dominated by the CPCA's actions in response to these weaknesses. The External Auditor recommended:

- ensuring the safeguarding of the Authority's staff was of paramount importance
- the Authority urgently ensure that it has sufficient appropriate leadership capacity to be able to deliver its objectives and statutory responsibilities
- more formal intervention is required, and expeditious discussions with the Authority's sponsoring department to this end are time critical

The Committee received updates from the Chief Executive Officer and Lead Officers for the Improvement Plan at all of their meetings since June 2022, and have provided direct feedback to the CPCA Board.

The body of this report describes the Committee's engagement with the improvement activity. With the establishment of an Independent Improvement Board (IIB), the Committee asked to receive reports that measure progress by both the CPCA Board and officers in satisfying the concerns raised by DLUHC and in the External Auditor.

The Committee has considered its own lessons learned. Whilst most of the issues identified had been reported to the Committee, in one form or another, the depth and scale of problems was not fully apparent. The Committee will consider how the linkages between the audit functions and the information provided from management could be improved. The Committee's role in advising on Member behaviour and application of the code of conduct will also be strengthened.

As reported below, normal A&G business continued alongside the improvement actions. The Committee also had to press for improvements in the governance of the CPCA's subsidiary companies; the creation of a Shareholder Board is welcome, but the Committee notes that, at the time of this report, it is still to have its first meeting.

In this unusual year, the Committee has benefited from a stable and engaged membership, who were responsive to the pressures on quoracy.

I would like to thank Committee Members and Officers for their support of the A&G Committee work during the year.

Looking ahead, the Committee's primary focus will be on the scrutiny of progress by the CPCA Board and the officers to satisfy the concerns of DLUHC and the External Auditor. It will also look to improve its own effectiveness in response to the Governance Review recommendations and the changes arising from the CPCA's Improvement Programme.

John Pye
Independent Person &
Audit and Governance Chair

1. INTRODUCTION

This is the A&G Committee's 6th annual report and is prepared in line with best practice¹.

This report sets out the work undertaken by the A&G Committee for 2022/23.

The A&G Committee was established by the Combined Authority in May 2017. The membership comprises seven elected members representing each of the CPCA's constituent councils, together with an Independent Person. The CPCA Board agreed at its annual general meeting in May 2017 that the Independent Person should act as the A&G Committee's Chair. At the annual general meeting in June 2021, the CPCA Board agreed to reappoint Mr John Pye as the Independent Person for a further 4 years and invited him to continue to act as Chair for the Committee.

The Committee's purpose is to provide:

- independent assurance of the adequacy of the risk management framework and the associated control environment;
- independent scrutiny of the CPCA's financial and non-financial performance to the extent that it affects the Authority's exposure to risks and weaknesses;
- to oversee the financial reporting process.

The key benefits of an Audit and Governance Committee may be seen as:

- Raising awareness of the need for internal control, and the implementation of internal and external audit recommendations.
- Increasing public confidence in the objectivity and fairness of financial and other reporting.
- Reinforcing the importance and independence of internal and external audit and similar review processes; and
- Providing additional assurance through a process of independent and objective review.

Unfortunately, the Committee have had concerns this year that the benefits outlined above have not been achieved to as high a standard as perhaps they would have wished.

Following the External Auditor's intervention and the subsequent internal audits that have been given minimal assurances, the Committee has been forced to question whether there is an issue between the audit functions and information provided to the Committee. The Committee has felt that although the issues had largely been reported by officers; the depth, scale and impact of these had not been fully disclosed.

The Committee has felt that, despite its role to advise on member behaviour and standards, they had not been alerted to potential problems existing within the CPCA in a timely manner. They have requested that the internal controls be reviewed to enable the Committee to receive the right information at the right time.

Looking forward, the Committee will need to reflect on its role and seek improvements on how information is received and on how the behaviour of members is monitored. The Committee has requested that this issue forms part of the Committee's induction process in the new municipal year.

The A&G Committee's Terms of Reference are at **Appendix A** of this report.

¹ Best practice as contained in the Chartered Institute of Public Finance and Accountancy (CIPFA) document "A Toolkit for Local Authority Audit Committees"

2. THE OUTCOME OF COMMITTEE ACTIONS AND RECOMMENDATIONS

It is important to good governance that the CPCA Board and Officers accept the advice of the A&G Committee or provide feedback to the Committee when that is not the case.

The A&G Committee's specific actions and recommendations during the year included:

- 1) Improvement Work: the Committee made four key recommendations to the Combined Authority Board regarding the improvement work.
 - a) That the CA Board seek external advice in formulating an action plan to address the significant areas of concern identified by the External Auditor.

RESPONSE: The Interim Chief Executive Officer reported back to the Committee that he had liaised with both the DLUHC and the Department of Business, Energy and Industrial Strategy (BEIS) to get their perception of the issues. There had also been external independent input in the form of the CPCA's Review of Governance, the recruitment of a BEIS approved independent consultant to look at the zero-carbon work, and the partial release of the Senior Programme Manager from the Oxford Growth Board to look at several strands of CPCA work.

- b) That the CPCA Board, as a priority, considers its own ways of working. The Committee found it difficult to see how the required changes in culture, governance, leadership and capacity could be identified and delivered without the CPCA Board demonstrating collective leadership, acting as a board.

RESPONSE: The Interim Chief Executive Officer advised that he had met with every CA Board Member individually to discuss the issue of the organisation's culture.

- c) That the Interim Chief Executive:
 - i) obtains appropriate external advice, support and facilitation to drive the required culture change at the Combined Authority, recognising the need for a consensus of ownership by the Board
 - ii) reconsiders the terms of reference for the Improvement Panel, which were currently not fit for purpose
 - iii) commits to rapidly building the Senior Management Team capacity of the organisation.

RESPONSE: The Interim Chief Executive advised that the work done on outlining the format of the Panel had been premature and that the self-assessment exercise should have been conducted first, with a group brought together to question and oversee that. The Improvement Plan would then be designed around its findings. A revised Terms of Reference for the Improvement Board went to the Board in September.

The senior management capacity had been expanded with the appointment of an Interim Deputy Monitoring Officer and extension of contracts for the Interim Director for Place and Connectivity and Governance Improvement Lead.

- d) That the CPCA consult the Internal/External Auditors to help develop a baseline of where the CA needs to be in regard to the proposed action plan.

RESPONSE: Questions have been raised with external audit previously on this matter, but they have advised that it would compromise their position as independent auditors if they were to give this kind of advice. They have however provided the Combined Authority with a 'follow up' letter following a letter from the CEO to EY dated 23rd November providing details of progress being made against areas of concern. EY

responded on 8 February concluding as follows: “We are assured that the key issues and the associated actions included within our letter have both been acknowledged by the Authority and work to address them has commenced through the formal approval of the Improvement Plan and increases in short-term senior leadership capacity.”

- 2) The Audit and Governance Chair sent a letter to all Board Members to provide direct feedback on the Committee’s deliberations for them to take into account when considering the regarding the improvement work required.
- 3) The A&G Committee made four key recommendations to the CA Board regarding the adoption of the Procurement Policy which the Board accepted and approved the policy.
 - 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.

RESPONSE:

The Combined Authority is in the process of instructing external auditors PWC to review its procurement processes.

- 4) The Committee reviewed the new governance arrangements due to be taken to the CPCA Board in March and provided feedback to the lead officer, who subsequently made changes to the report to clarify the issues raised by the Committee prior to its publication for the CPCA Board to approve.
- 5) The Committee has monitored the new Corporate Risk Register, provided feedback to officers and undertaken two development sessions in relation to risk management and risk appetite.
- 6) The Committee held a meeting to specifically review the extensive changes to the CA constitution and recommend it for approval to the CA Board.(Report going to CA Board on 22nd March)
- 7) The Committee reviewed and recommended for approval to the Board a new Member/Officer Protocol and a new Code of Conduct, Social Media and Monitoring Officer Protocol. These protocols will be considered by the Board at the meeting on the 22nd March.

3. MEMBERSHIP AND MEETINGS

During 2022/23, the Audit and Governance Committee met eight times on the following dates:

- 30 June 2022
- 29 July 2022
- 30 September 2022
- 2 December 2022
- 13 January 2023
- 27 January 2023
- 24 March 2023

There is a cross representation of parties in accordance with the make-up of the constituent councils across the Combined Authority area. The members for 2022/23 were:

Table 1: Councillor Audit Committee Membership 2022/23 as of 1st March 2023:

Independent Person	Conservative	Liberal Democrats	Labour
John Pye (Chair)	Cllr Ian Benney Cllr David Brown Cllr Steve Corney	Cllr Harvey Cllr Graham Wilson	Cllr Simon Smith PCC VACANT

Senior CPCA officers are also present at the A&G Committee meetings, including the Chief Finance Officer, Chief Legal and Monitoring Officer and Chief Executive Officer.

Dependent on the agenda, other officers attend as do the External Auditors, Ernst & Young and the Internal Auditors, RSM.

The Committee was well supported by the Combined Authority's senior officers.

4. ACTIVITIES DURING THE MUNICIPAL YEAR

3.1 Background

The A&G Committee's terms of reference cover six main areas:

- Annual Accounts
- Corporate Governance
- Internal Audit
- External Audit
- Financial Reporting
- Code of Conduct

The detailed record of the A&G Committee's work to meet its terms of reference is at **Appendix B**.

In addition, the Committee have received regular updates on the Improvement Plan and the Combined Authority's engagement with DLUHC.

Improvement Plan

In response to the External Auditor's intervention, and following engagement with DLUHC, officers have regularly reported progress to the Committee against the improvement actions identified needed improve governance, decision making and the effectiveness of the CPCA.

Reports received by the A&G Committee are detailed below:

30 June 2022: Engagement with DLUHC On the External Auditors' Intervention

The Committee received the report which provided the Committee with an update of the CPCA's engagement with DLUHC following the external auditor identification of significant weakness in the CPCA's governance.

29 July 2022: Improvement Framework including Review of Governance

The Committee received the report which provided an update on the development of an Improvement Plan and associated next steps for the CPCA, following consideration of an Improvement Framework report by the Board on 27 July 2022.

22 September 2022: Improvement Framework Including Review of Governance

The Committee received a presentation from officers which provided an update on the improvement work and informed the Committee of the priorities and focus of the improvement work which would be taken to Board in October.

2 December 2022: Improvement Plan

The Committee received the report taken to the CA Board in November for review and comments; this included the Improvement Plan Highlight report.

27 January 2023: Improvement Framework

The Committee received the report taken to the CA Board in January for review and comments; this included the Improvement Plan Highlight report. With the establishment of the IIB, the Committee asked that the receive reports that measured the CPCA Board and officers progress towards satisfying the concerns of the external auditor and DLUHC.

24 March 2023: Improvement Framework

The Committee received the report taken to the CA Board on 22nd March for review and comments.

5. MEMBER DEVELOPMENT AND ATTENDANCE

There was a programme of Members' development sessions through the year involving:

- Risk Management Training – November 2022
- Standards Hearing Training – January 2023
- Risk Appetite Training – March 2023

Attendance

Date of Meeting	Number of members attended	Substitutes sent	Meeting Quorate
30 June 2022	7	0	Yes
29 July 2022	6	1	Yes
30 September 2022	8	0	Yes
2 December 2022	6	0	Yes
13 January 2023	6	1	Yes
27 January 2023	6	2	Yes
24 March 2023			

6. GOVERNANCE MONITORING

FREEDOM OF INFORMATION REQUESTS

The CPCA is a public body for the purpose of the Freedom of Information Act 2000. (Schedule 1 Part 2 S19B); and as such must respond to requests for information held by the authority.

There have been 56 requests from 1st January 2022 and 31st December 2022; one of these requests were Environmental Information Regulation (EIR) requests. All responses are published on the CPCA website.

A member of the public has the right to ask for an internal review if they are dissatisfied with the handling of a Freedom of Information request. Over the last year the CPCA has received no requests for internal reviews.

The table below shows how many Freedom of Information request were received this year and whether or not they were responded to within the statutory deadline of 20 working days.

Freedom of Information Requests Received January 2022 – December 2022

Number of FOI & EIR received between 1 st January 2022 – 31 st December 2022	Responded within deadline	Late responses	Internal reviews undertaken	Outcome of internal review
56	56	0	0	

COMPLAINTS

The CPCA publishes on its website its two-stage process for complaints from members of the public, businesses or organisations.

- Stage One follows an informal complaints process, where the relevant officer will do their

best to settle the issue directly with the complainant.

- Stage Two follows a more formal process which allows for a complainant to make a formal complaint in writing to the Monitoring Officer, which will then be thoroughly investigated.

Only Stage two complaints are recorded by the CPCA in accordance with the complaints policy: no complaints have reached the stage two this year.

WHISTLEBLOWING

Whistleblowing is where an individual who has concerns about a danger, risk, and contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds.

The concerns can include something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for CPCA Members and staff. The Standards in Public Life principles are integrity, honesty, objectivity, accountability, openness, leadership and impartiality.

The procedure to be followed was approved by the A&G Committee and is published on the Combined Authority website.

Number of whistleblowing cases – 1

7. FUTURE DEVELOPMENTS AND PLANS FOR 2023/2024

The A&G Committee will scrutinise the progress made by the CPCA Board and officers to satisfy the external audit and DLUHC concerns.

For 2023/24 the Committee will also review

- Project management processes
- Trading Companies and the new shareholder Board
- New governance and staffing structure
- Outcomes of whistleblowing complaints
- The Committee's role in regard to Member behaviour and code of conduct.
- Data on the responses to Committee recommendations.
-

Future development sessions will include:

- Financial Management and the role of the Committee
- Project Management processes
- The Committees role rearing behaviour and conduct.

John Pye

Independent Person and Chair

Audit and Governance Committee

Chapter 14 – Audit and Governance Committee

Chapter 14 - Audit and Governance Committee

Part 1 – Functions

1. Governance

- 1.1 The Combined Authority has appointed an Audit and Governance Committee. The committee is a statutory, non-executive committee.

2. Functions

- 2.1. The Audit and Governance Committee shall have the following statutory powers to:
- (a) review and scrutinise the authority's financial affairs;
 - (b) review and assess the authority's risk management, internal control and corporate governance arrangements;
 - (c) review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; and
 - (d) make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs (a) (b) and (c);
 - (e) Implement the obligation to ensure high standards of conduct amongst Members.

3. Terms of Reference

- 3.1. The Audit and Governance Committee shall undertake the following for both the Combined Authority and the Business Board:

Accounts

- 3.2. Approve the annual statement of accounts;

Governance

- 3.3. Review corporate governance arrangements against the good governance framework;

Chapter 14 – Audit and Governance Committee

- 3.4. Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;
- 3.5. Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;
- 3.6. Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;
- 3.7. Monitor the anti-fraud and whistle blowing policies and the complaint process;

Internal Audit

- 3.8. Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
- 3.9. Review internal audit requirements undertaken by the Combined Authority;
- 3.10. Approve the internal audit plan;
- 3.11. Consider reports and assurances from the Chief Finance Officer in relation to:
 - (a) Internal Audit performance;
 - (b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;
 - (c) Risk management and assurance mapping arrangement;
 - (d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable.

External Audit

- 3.12. Review the annual accounts;
- 3.13. Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Chapter 14 – Audit and Governance Committee

Financial Reporting

- 3.14. Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
- 3.15. Consider any issues arising from External Auditor's audit of the account;
- 3.16. Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
- 3.17. Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Code of Conduct

- 3.18. Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;
- 3.19. Assisting the Members and Co-opted Members to observe the Code of Conduct;
- 3.20. Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;
- 3.21. Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

General

- 3.22. Report and make recommendations to the Combined Authority in relation to the above.

4. Membership

- 4.1. The Combined Authority Board shall decide the size and membership of the Audit and Governance Committee and shall include one Independent Person.
- 4.2. In appointing Members to the Committee, the Combined Authority Board must ensure that the Members of the Committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time

Chapter 14 – Audit and Governance Committee

being prevailing among Members of the Constituent Councils when taken together.

- 4.3. The Committee may not include any Officer of the Combined Authority or of a constituent council.
- 4.4. The Combined Authority Board shall appoint at least one Substitute Member from each constituent council.
- 4.5. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

5. Chair and Vice-Chair

- 5.1. The Combined Authority Board shall appoint the Chair and Vice-Chair.

6. Sub-Committees

- 6.1. The Committee may appoint one or more sub-committees and arrange for the discharge of any of its functions by any such sub-committee.
- 6.2. The Committee shall appoint a hearings panel to hear any complaints where the Member is alleged to have breached the Code of Conduct.

7. Hearing Panel (Sub-Committee to the Audit and Governance Committee)

- 7.1. The Hearings Panel is a Sub-Committee of the Audit and Governance Committee.
- 7.2. The Panel has the following functions:
 - 7.2.1. When matters are referred by the Monitoring Officer granting dispensations to Members and Co-opted Members allowing them to:
 - (a) participate in the debate; and/or
 - (b) vote on any matter in which they have a disclosable pecuniary interest;
 - 7.2.2. On matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated;

Chapter 14 – Audit and Governance Committee

7.2.3. Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints procedure;

7.2.4. The agreement of relevant procedures for the undertaking of its functions, when appropriate to be included within the Constitution.

Part 2 – Procedure Rules

1. Access to Meetings

1.1 The public may attend meetings and have access to agenda, reports and minutes in accordance with the Transparency Rules, Forward Plan and Key Decisions in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#).

2. Meetings

2.1 The Committee will meet at least once a year.

2.2 An extraordinary meeting of an Audit and Governance Committee may be called by:

(a) the Chair of the Committee; or

(b) the Head of Paid Service.

3. Quorum

3.1 No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present.

4. Voting

4.1 Each Member of the Committee appointed from the Constituent Councils is to have one vote and no Member (including the Chair) is to have a casting vote.

4.2 Members of the Committee who are appointed other than from the Constituent Councils shall be non-voting Members of the Committee but may be given voting rights by resolution of the Combined Authority.

4.3 Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

Chapter 14 – Audit and Governance Committee

5. Conflicts of Interest

- 5.1 Members must comply with the Member Code of Conduct.
- 5.2 No Member of the Committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a Member of the decision-making body which made that decision.
- 5.3 Such a Member may only attend the Committee to:
 - (a) make representations;
 - (b) answer questions; or
 - (c) give evidence about the decision.

6. Appointment of Independent Person

- 6.1 The Committee must have at least one independent person. The appointment must be made by the Combined Authority Board.
- 6.2 A person is independent if the person:
 - (a) is not a Member, Co-opted Member or Officer of the authority;
 - (b) is not a Member, Co-opted Member or Officer of a parish council for which the authority is the principal authority;
 - (c) is not a relative, or close friend, of a person within sub-paragraph (a) or; and
 - (d) was not at any time during the past five years been:
 - (i) a Member, Co-opted Member or Officer of the authority; or
 - (ii) a Member, Co-opted Member or Officer of a parish council for which the Authority is the principal Authority.

Term of Office

- 6.3 Each independent person will serve a term of four years, which may be renewed up to a maximum of one further term (ie total maximum eight years).

Chapter 14 – Audit and Governance Committee

Appointments Process:

- 6.4 The vacancy for the Independent Person must be advertised in such manner as the Combined Authority considers is likely to bring it to the attention of the public. The person must submit to the Combined Authority an application to fill the vacancy, and the person's appointment has been approved by a majority of the Members of the Combined Authority Board.
- 6.5 The position of Independent Person shall be advertised on the Combined Authority's website, along with the website of each constituent authority.

7. Procedures at meetings

- 7.1 The Combined Authority Transparency Rules, Forward Plan and Key Decisions in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#) will apply.



Chapter 14 – Audit and Governance Committee

Annex 1

The current membership of the Audit and Governance Committee is one member from each constituent council and one independent person. (eight members). The quorum is six members.

Appendix 1 B

Detailed Record of A&G Committee's Work to meet their Terms of Reference

3.2 Annual Accounts

Remit: Approve the annual statement of accounts.

A & G Committee Actions:

2 December 2022

- *Draft Accounts & Annual Governance Statement:* The Committee noted the draft Statement of Accounts 2021/22

3.3 Governance

Remits:

Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;

Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;

Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;

Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;

Monitor the anti-fraud and whistleblowing policies and the complaint process;

Audit & Governance Committee Actions:

29 July 2022

- *Corporate Risk Register:* The Committee reviewed and noted the Corporate Risk Register and Risk Management Strategy.
- *CPCA Local Authority Trading Companies:* The Committee received and noted the update on the Combined Authority Trading Companies.

30 September 2022

- *Review of Corporate Risk Register and Risk Register Improvements:* The Committee noted the improvements to the Corporate Risk Register.
- *Subsidiary Governance Report:* The Committee noted the report and expressed their disappointment that a minimal assurance had been given by the Internal Auditors despite the issue being debated on several occasions over the past year.

2 December 2022

- *Review of Corporate Risk Register and Risk Register Improvements:* The Committee noted the Risk Management training already undertaken and the planned Risk Appetite training and noted the full Risk Register and accompanying narrative.
- *Subsidiary Companies:* The Committee noted the progress made against the proposed management actions and timescales to address the identified weaknesses as set out in the RSM report. The Committee agreed that the three other companies in which the CPCA held a silent partner role but also owned shares in (Smart Manufacturing, Medtec Accelerator Ltd and Ascendal Accelerator Ltd) be included in the Terms of Reference for the Shareholder Board.

13 January 2023

- *Procurement Policy:* The Committee submitted the following feedback to the CA Board ahead of their review of the Policy at their meeting on 25 January 2023.
- *Revisions to the Constitution:* The Committee agreed that the Monitoring Officer be invited to redraft some sections of the Constitution, as outlined in the feedback given to the Board, to improve clarity and avoid ambiguity.
- *Governance Arrangements:* The Committee commented on the Governance Arrangements report to be fed back to the Board ahead of their meeting on 25 January 2023.

27 January 2023

- *Review of Corporate Risk Register and Risk Register Improvements:* The Committee noted the Risk Management process update following the recent Internal Audit report of Risk Management and noted the full Risk Register and accompanying narrative.
- *Climate Action Plan:* The Committee noted the revised Terms of Reference for the Climate Working Group
- *Revisions to the CPCA Constitution:* The Committee recommended the revisions to the Constitution detailed in the report to the next meeting of the Combined Authority Board.

24 March 2023

- *Information Governance Update:*
- *Constitution – Financial Regulations Revisions:*

3.4 Internal Audit

Remits

Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;

Review internal audit requirements undertaken by the Combined Authority;

Approve the internal audit plan;

Consider reports and assurances from the Chief Finance Officer in relation to:

(a) Internal Audit performance;

(b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;

(c) Risk management and assurance mapping arrangement;

(d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable

Audit & Governance Committee Actions:

29 July 2022

- *Internal Audit Progress Report:* The Committee noted the Internal Audit progress report for 2020/21.
- *Internal Audit Annual Report:* The Committee noted the draft Internal Audit Annual Report for 2021/22.
- *Internal Audit Plan 2022-23:* The Committee approved the topics of the reviews proposed in the CA Audit Plan for 2022/23 and recommended that officers adopt a flexible approach and give priority to work that helps the improvement journey and requested that the Internal Auditors forewarn the Committee of any potential issues it has, or foresees, with delivery against the Plan.

30 September 2022

- *Internal Audit Progress Report:* The Committee noted the Internal Audit progress report.

2 December 2022

- *Internal Audit Progress Report:* The Committee noted the Internal Audit progress report.

27 January 2023

- *Internal Audit Progress Report:* The Committee noted the progress report against the audit plans for 2021/22 and 2022/23 as provided by the CPCA's internal auditors

24 March 2023

- *Internal Audit Progress Report:*
- *Internal Audit Action Tracker:*
- *Draft Internal Audit Plan:*

3.5 External Audit

Remits

Review the annual accounts;

Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Audit & Governance Committee Actions:

27 January 2023

External Audit Plan: The Committee recommend that the terms of reference of the new Shareholder Board be reviewed to ensure that they sufficiently consider the risk highlighted in the External Auditor's Plan in regard to the recoverability of long-term investment with subsidiary entities.

The Committee noted the initial audit plan for the financial year 2021/22 as provided by the external auditors. An audit opinion would become available in Autumn 2023.

3.6 Financial Reporting

Remits

Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;

Consider any issues arising from External Auditor's audit of the account;

Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;

Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Audit & Governance Committee Actions:-

2 December 2022

- *Draft Financial Strategies:* The Committee reviewed and commented upon the Capital, Investment and Treasury Management Strategies for 2023-24 and the 2023-24 Minimum Revenue Provision (MRP) statement.

3.7 Code of Conduct

Remits

Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;

Assisting the Members and Co-opted Members to observe the Code of Conduct;

Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;

Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

30 June 2022

- *Member Officer Protocol: The Committee agreed the content for inclusion in a Member Officer Protocol for recommendation to the Combined Authority Board and requested that the Combined Authority Board consider the Member Officer Protocol at the earliest opportunity, for adoption into the Constitution in support of relevant Codes of Conduct and asked Officers to develop a social media protocol for Members and Officers at the earliest opportunity.*

27 January 2023

Code of Conduct, Social Media and Monitoring Officer Protocols: The Committee noted the Code of Conduct complaint information and supported and recommended to the Board the Social Media Protocol and the Monitoring Officer Protocol.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 11

Audit and Governance Committee - Work Programming Report

To: Audit and Governance Committee

Meeting Date: 24 March 2023

Public report: Public Report

From: Anne Gardiner
Governance Manager

Recommendations: The Audit and Governance Committee is recommended to:

a) Note the draft work programme for the Audit and Governance Committee for the 2023/24 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 23/24 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			
24 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 and revised format improvement report	Review and challenge to seek assurance of improvement progress	Angela Probert
Internal Control Items:			
	Information Governance	Update on CA approach and improvements	Edwina Adefehinti
	Internal Audit Action Tracker & Information reported to PARC	To review progress of internal audits	Jon Alsop/ Chris Bolton
Audit Items:			
	Internal Audit Progress Report		Dan Harris
	Draft Internal Audit Plan 2023/24		Dan Harris
Standards and Conduct Items:			
Other:			
	Annual Report of the Audit & Governance Committee		Anne Gardiner
	Revised Financial Regulations		Jon Alsop/Rob Emery

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

9th June @ 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
Internal Control Items:			
	Corporate Risk Register	Review of Register	Chris Bolton
	Annual Governance Statement	To receive and approve the final 2021/22 Annual Governance Statement	Jon Alsop/ Edwina Adefehinti
	Assurance Framework	Receive an update on the new Assurance Framework designed to deliver requirements set out in Improvement Plan	Jodie Townsend
Audit Items:			
	Internal Audit – Progress Report		
	External Audit – Initial Audit Plan for 2022/23		EY – Mark Hodgson
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:			
	Election Vice Chair		

7 th July @ 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
Internal Control Items:			
	Review of Risk Register		Chris Bolton
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
	Member Officer Protocol Review		Head of Governance
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24			
8 th September @ 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

Internal Control Items:			
Audit Items:			
	Internal Audit – Progress Report		
	2021/22 Audit Results Report, Audit Opinion		EY – Mark Hodgson
Standards and Conduct Items:			
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24			
17 th November @ 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:			
Internal Control Items:			
	Corporate Risk Register	Review of Register	Chris Bolton
Audit Items:			
	Internal Audit – Progress Report		Dan Harris
	2021/22 Audit - Auditor’s Annual Report		EY- Mark Hodgson
Standards and Conduct Items:			
Other:			
	Treasury Management Strategies		

--	--	--	--

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

12th January @ 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:			
Internal Control Items:			
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
	Code of Conduct Annual Report	Committee requested they receive an annual report on complaints received.	
Other:			
	Information Governance Update		

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

9th February @ Huntingdonshire District Council (RESERVE)

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:			
		Page 201 of 203	

Internal Control Items:			
Audit Items:			
Standards and Conduct Items:			
Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

8th March @ 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:			
Internal Control Items:			
	Corporate Risk Register	Review of register	
	Assurance Framework		
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
Other:			
	Treasury Management Summary	Page 202 of 203	
	Audit Committee Draft Annual Report		

AUDIT & GOVERNANCE COMMITTEE DEVELOPMENT PROGRAMME 2022/23 – 23/24

Date:	Item:	Provider:	Purpose:	Lead:
24 th March 2023	Risk Appetite Training	Internal Audit		Adam Lickorish, RSM
8 th June	A&G Committee Induction	Governance Team	Provide induction to the CA for new members	Anne Gardiner
9 th June PM	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
TBC – W/C 3rd July	Project Management Training	Chris Bolton		Chris Bolton
9 th October	Development Session – Topic TBC			
4 th December	Development Session Topic TBC			
9 th February	Development Session – Topic TBC			