



CAMBRIDGESHIRE & PETERBOROUGH COMBINED
AUTHORITY –
MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: Friday, 2 October 2020

Time: 10.00 a.m.

Location: Virtual meeting via the Zoom Platform

Present:

Mr John Pye
Cllr Ian Benney
Cllr David Brown
Cllr Graham Bull
Cllr Mike Davey
Cllr Mark Goldsack
Cllr Tony Mason
Cllr Nick Sandford

Chairman
Fenland District Council
East Cambridgeshire District Council
Huntingdonshire District Council
Cambridge City Council
Cambridgeshire County Council
South Cambridgeshire District Council
Peterborough City Council

Officers:

Kim Sawyer
Robert Parkin
Jon Alsop
Robert Emery
Robert Fox
Francesca Houston
Susan Hall
Daniel Harris
Steve Crabtree

Chief Executive Officer
Chief Legal Officer and Monitoring Officer
Chief Finance Officer (s.73 Officer)
Chief Accountant
Interim Scrutiny Officer
Transport Programme Co-ordinator
Governance Assistant
Internal Auditor (RSM UK Ltd.)
Internal Auditor (Peterborough City Council)

1. APOLOGIES AND DECLARATIONS OF INTERESTS

1.1 There were no apologies received and no declarations of interest.

2. CHAIR'S ANNOUNCEMENTS

- 2.1 The Value for Money Workshop would take place following the Committee meeting of 27 November 2020.
- 2.2 The Chair welcomed Daniel Harris, RSM UK Ltd. to his first meeting as a representative of the newly appointed Internal Auditors.
- 2.3 It was confirmed the Mayor would be attending the meeting of the Committee on 27 November and that members would be requested to provide advance questions one week prior to the meeting.

3. MINUTES OF THE PREVIOUS MEETING

Meeting of 31 July 2020

- 3.1 The minutes of the meeting of 31 July 2020 were approved as an accurate record. The Action Notes from the meeting were then considered by the Committee.
- 3.2 The Monitoring Officer confirmed that it was entirely appropriate for the Company Secretary of a Local Authority Trading Company to also be employed by that Local Authority. In the unlikely event of a conflict of interest it would be normal for a separate officer to provide advice.
- 3.3 The Chief Executive Officer updated the Committee on Lancaster Way and stated the draft report has just been received and is being considered by the Combined Authority and the County Council. A report would, therefore, be presented to the Committee at its next meeting which will assist the Committee in its consideration of any potential further action.
- 3.4 The Chief Executive Officer also updated the Committee on meetings the Combined Authority has had with civil servants at the Ministry of Housing, Communities and Local Government (MHCLG). There was to be a further meeting at the end of November and an update would be provided at the meeting of the Committee in January 2021. The Committee had considered the constitutional amendments which were approved by the Combined Authority Board at its meeting on 30 September. It was requested that any future correspondence between the Combined Authority and the MHCLG be shared in advance of the January 2021 meeting of the Committee.

Meeting of 24 September 2020

- 3.5 The minutes of the meeting of 24 September 2020 were approved as an accurate record.
- 3.6 The Monitoring Officer thanked members for their full engagement in the process of the Constitutional review and reported on the Combined Authority Board meeting which considered and approved the amendments. There was one further amendment proposed by the CA Board, related to the Officer Employment Procedure Rules; and an earlier engagement with the Employment committee than suggested in the recommendation. All the A&G amendments were adopted by the CA Board.

- 3.4 The Assurance Framework would be received at the November meeting of the Committee, alongside a Member/officer protocol and a protocol on appointments to Commissions/Boards etc.
- 3.5 A letter to the MHCLG on quoracy requirements of Combined Authority Statutory Committees was being drafted and would be sent to the Ministry shortly. The draft would be shared with the Chair (and the Chair of the Overview and Scrutiny Committee) prior to being sent.

RESOLVED

- 3.5 A report on Lancaster Way be brought to the next meeting of the Committee on 27 November 2020.
- 3.6 The Assurance Framework and the Member/officer; and appointments to Commissions/Boards be brought to the next meeting of the Committee on 27 November 2020.

4. CPCA STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT 2019/20

- 4.1 The s.73 officer was in attendance, alongside Suresh Patel and Dan Cooke, Ernst & Young (external auditors) to update the Committee on the statement of accounts and external audit 2019/20. The s.73 officer informed the Committee that the accounts had been published in draft form and were uploaded onto the Combined Authority website on 27 August to exercise public rights. The final review period commenced a day later and concludes on 9 October. To date there had been no direct questions from members of the public.
- 4.2 The external auditors were progressing the final audit and opinion. The intention was that the final audit and opinion, and accounts would be presented to the 27 November 2020 meeting of the Committee prior to the final 30 November account publication date. The external auditors had yet to receive any public interventions.
- 4.3 The Cambridgeshire Pension Fund audit was still awaited but this was expected to be complete in mid-October. The Chair would be informed if there was any slippage..
- 4.4 Following a question, the s.73 officer confirmed that the Combined Authority was not considering deferring pension contributions or payment holidays.
- 4.5 Following a question, the external auditors informed the Committee that their final fee was estimated and as there was still work ongoing. It was confirmed the fee was based upon hours delivered rather than a fixed rate. The 10% uplift in fee charges was due to the new quality standards that Ernst & Young were required to adhere to.

RESOLVED:

- 4.3 That the final accounts and external audit and opinion be presented to the 27 November 2020 meeting of the Committee.
- 4.4 Any slippage on the Pension Fund audit be made known to the Chair.

5. INTERNAL AUDIT

2019/20 Internal Audit

- 5.1 The Committee received a final progress report on the 2019/20 internal audit and were informed that work is being continued to provide continuity for the handover to the new internal auditors. A handover meeting has taken place and all audit reports provided.
- 5.2 There is a small amount of work, calculated to be around half-a-day, on the Local Transportation Grant, the EU Exit and BEIS.
- 5.3 The Chair thanked Steve Crabtree and his team for all the work undertaken over the last three years.

2020/21 Internal Audit

- 5.4 The Committee received a presentation to introduce the new internal audit team and RSM (UK) Ltd. A progress report on activity since appointment was also provided.
- 5.5 The internal auditor presented an initial draft audit plan for 2020/21 and expressed that a full internal audit plan would be presented to the next meeting of the Committee. He also stated he was confident a full audit plan and opinion will be delivered at year end. The Committee was requested to provide any comments on the proposed internal audit plan to the Scrutiny Officer by week ending 9 October 2020.
- 5.6 A joint internal and external audit Workshop was suggested for April 2020 and this was approved by the Committee.
- 5.7 The internal auditor suggested two initial internal audits could be scoped and commenced ahead of the next meeting of the Committee, namely: Risk Management; and Key Financial Controls and this was agreed by the Committee

RESOLVED:

- 5.8 A full internal audit plan be presented to the Committee at its next meeting of 27 November 2020.
- 5.9 A joint workshop with Ernst & Young be programmed for April 2021.
- 5.10 The Risk Management; and Key Financial Controls audits should commence with immediate effect.

6. TREASURY MANAGEMENT STRATEGY REVIEW

- 6.1 The Chief Accountant presented an update on the Treasury Management Strategy up to the end of August 2020. The report was received and noted.
- 6.2 The Chair commended the additional detail and graphics which accompanied the report.
- 6.3 Further updates would be received in January and April 2021.

RESOLVED:

6.6 That the Committee would welcome a further update in January 2021.

7. COMBINED AUTHORITY BOARD UPDATE

7.1 The Chief Executive Officer presented an update on Combined Authority Board activity since the 31 July meeting of the Committee. The Committee were informed that the two anticipated Government White Papers on Planning Reform and Devolution have been delayed due to the focus on Covid-19.

7.2 The Chief Executive Officer also updated the Committee on the Constitution Review; the Cambridge Autonomous Metro and Special Purpose Vehicle; Market Town Masterplan bids; and the Business Growth Service. It was requested that the Committee receives information on the criteria for the Market Town strategies and whether the response to Covid-19 relates to the commercial sector response or whether it also includes the community and health responses.

7.3 It was requested that the Chief Executive Officer provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CA Board updates.

RESOLVED

7.4 The Committee to receive information on the criteria for Market Town strategies related to the Covid-19 response.

7.5 Future CA Board updates to include reference to the working relationship between the CPCA and the GCP.

8. CORPORATE RISK REGISTER

8.1 The risk register was received and noted with the additional discrete Climate Change risk as requested at the previous meeting. It was requested that some further detail be provided on how the Climate Change risk is being managed.

8.2 It was confirmed that the risk of the failure of an external partner is included in the risk register. The Combined Authority mitigates against such risks by working closely and with a robustness with the wider market.

8.3 A question was raised around the non-sequential numbers on the risk register. It was explained that the number related to these risks are no longer considered to be corporate risks so have, consequently, been taken out of the risk register as presented to the Committee. It was requested that detail on these former risks be provided at the next meeting of the Committee.

8.4 A question was raised on how much is being spent by the Combined Authority on the three officers mitigating on EU exit. This should factor in the EU exit grant the Combined Authority receives.

RESOLVED:

8.5.1 The next report to the Committee to include a description on how the Climate Change risk is being managed.

- 8.6 At the next meeting to provide detail on those risks that are not included in the sequential number presentation (i.e. why are these no longer considered to be corporate risks).
- 8.7 To provide detail to the Committee on how much is being spent on the three officers mitigating on EU exit, factoring in the EU exit grant the Combined Authority receives.
- 8.8 A further update on the Corporate Risk Register will be received at the 27 November 2020 meeting of the Committee.

9. AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

- 9.1 The Committee noted the work programme. It was requested that future iterations are presented with future meetings at the top of the report.

RESOLVED:

- 9.2 That the work programme format be amended to include future meetings at the top of the report.
- 9.3 The item on Lancaster Way be added to the November meeting.

10. DATE OF NEXT MEETING

- 10.1 The next scheduled meeting of the Committee would be Friday, 27 November October 2020 at 9.30 a.m. (by Zoom).
- 10.2 External and Internal Audit colleagues would be invited to attend the Value for Money Workshop at the conclusion of the formal meeting.

The meeting closed at 11.53 p.m.

Audit and Governance Committee Action Sheet 2020/21

Meeting Date	Action	Officer	Delegated officer	Completed
	OPEN ACTIONS			
2 October 2020	A joint audit workshop with the internal and external auditors be programmed for April 2020	Internal Auditors/External Auditors		Programmed for April 2020
2 October 2020	A further update on liaison between the Combined Authority and civil servants at the MHCLG to be provided	Kim Sawyer		To be provided at the Committee meeting of 29 January 2021
2 October 2020	The Chief Executive to provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CAB updates	Kim Sawyer		Ongoing
2 October 2020	To provide detail to the Committee on how much is being spent on the three officers mitigating on EU exit, factoring in the EU exit grant the Combined Authority receives The next report to the Committee to include a description on how the Climate Change risk is being managed	Jon Alsop		
26 May 2020/31 July 2020/2 October 2020	The Committee agreed to an independent review of the Lancaster Way Traffic Scheme	John Pye (Chair)/Robert Parkin/Jon Alsop		Chair's Announcement at 31 July 2020 meeting and further update at this meeting

31 July 2020	A report on information security and governance to be submitted to the Committee. This to be included in the work programme at an agreed date.	Robert Parkin		Final report not yet received. To be timetabled on the Committee Work Programme
31 July 2020	A further report to the Committee be programmed for December 2020 to explain the process for formulating recommendations	Paul Raynes	Adrian Cannard	January 2021 – no Committee meeting in December 2020
26 May 2020	There should be ongoing work to present the Risk Register in a legible format	Francesca Houston		Ongoing
26 May 2020	There be a future development session for the Committee on Trading Companies	Robert Parkin/ Rochelle White		To be timetabled
26 May 2020	Future 'to note' items are sent to members in advance of Committee publication deadlines	Robert Fox		Ongoing
26 May 2020	Value for Money Workshop	Robert Fox/Jon Alsop		November 2020
26 May 2020	Update from the Data Protection Officer Update to include data on aspects such as the volume of data, any requests for erasure etc.	Robert Parkin	Rochelle White	January 2021
	CLOSED ACTIONS			
2 October 2020	At the 27 November 2020 meeting there should be detail on the risk register on those risks that are not included in the sequential number presentation (i.e.	Robert Parkin	Francesca Houston	Completed on agenda

	why are these no longer considered to be corporate risks)			
2 October 2020	The Chief Executive to respond to the Committee on the criteria for the Market Town strategies and whether the response to Covid-19 relates to the commercial sector response or whether it also includes the community and health responses too	Kim Sawyer		Completed
2 October 2020	A full internal audit plan be presented to the Committee on 27 November 2020	Internal Auditor		Completed on agenda
2 October 2020	The final statement of accounts and External Audit Opinion to be received at the meeting of 27 November 2020	Jon Alsop		Completed on agenda
2 October 2020	The letter to Whitehall with regard to quoracy to be shared with the Chairs of the Audit & Governance Committee and Overview & Scrutiny Committee for input and approval prior to being sent	Robert Parkin		Completed. Response from the MHCLG awaited
2 October 2020	The Work Programme for the Committee to include the additional protocols for the Constitution as approved by the Combined Authority Board	Robert Parkin	Scrutiny Officer	Completed on agenda
31 July 2020	The Mayor of the CA be invited to the 2 October 2020 meeting of the Committee to update on the MHCLG correspondence	Scrutiny Officer		Completed on agenda for 27 November 2020; the Mayor being absent on leave on 2 October

31 July 2020	The Internal Audit Plan 2020/21 to be presented at the 2 October 2020 meeting of the Committee	Jon Alsop	RSM UK	Completed on agenda
31 July 2020	That a date for the workshop session for the Constitution review be forwarded to the Committee members as soon as possible.	Robert Parkin	Scrutiny Officer	Occurred on 17 September 2020 followed by a meeting to consider Constitution revisions on 24 September
31 July 2020	The names of all on the Independent Commission on Climate Change will be provided to the Committee.	Paul Raynes	Adrian Cannard	Provided to Committee members
31 July 2020	The Constitution review should include protocols for appointments to Boards, Commissions and Working Groups.	Robert Parkin		Consideration as part of the Constitution work moving forward
31 July 2020	A further update on the Corporate Risk Register will be received at the 2 October 2020 meeting of the Committee.			Completed on agenda
31 July 2020	The work programme revisions to be published alongside the minutes of the meeting	Scrutiny Officer		Published on the CA meetings website
31 July 2020	Climate change to appear on future risk register reports to the Committee as a discrete risk.	Francesca Houston		Completed
26 May 2020	The Independent Commission on Climate Change would be commencing its work shortly. The Chair asked that climate change be included on the Risk Register	Francesca Houston		Completed

26 May 2020	Adult Education Budget A & G requested a landscape view on areas where money has been contracted and the Combined Authority has the authority/obligation that standards are met.			Completed on agenda for 27 November 2020 meeting
26 May 2020	A response would be provided to the Committee related to the employment status of the Trading Companies Company Secretary	Robert Parkin		Verbal confirmation was provided at 31 July 2020 meeting
26 May 2020	Chief Executive to provide detail on the Local Transport Plan and how it relates to Peterborough	Kim Sawyer (CEO)		Provided in advance of 31 July 2020 meeting.
26 May 2020	Any changes to the membership of the Committee to be reported to the next meeting.	Robert Fox		Completed on agenda.
26 May 2020	A paper regarding Internal Audit provision following the cessation of the Service Level Agreement with Peterborough City Council would be presented to the next meeting	Jon Alsop		Completed on agenda.
26 May 2020	Action Sheets to be presented to future meetings in a format that more clearly distinguished open and closed actions	Robert Fox		Completed on agenda
26 May 2020	The Chair asked that the final statement of accounts be forwarded to members in advance of the publication deadline for the 31 July 2020 Committee meeting.	Jon Alsop		Completed
26 May 2020	A member requested further detail on the loans provided and who they were to as there are likely to be questions prompted by this	Jon Alsop		Completed on agenda

26 May 2020	The s.73 Officer agreed to make sure that the notes to the accounts provided context to the section on salaries and salary related payments, as this was likely to be an area of public interest	Jon Alsop		Completed on agenda
26 May 2020	The final statement of accounts notes would provide context to salaries and salary related payments	Jon Alsop		Completed on agenda
26 May 2020	A further update on External Audit requested for 31 July 2020 meeting	Ernst & Young		Completed on agenda
26 May 2020	The next Committee meeting on 31 July 2020 be presented with an updated risk register. That update should highlight the top three or four risks and show where risks were increasing or decreasing	Francesca Houston		Completed on agenda
26 May 2020	The presentation of the work programme be developed to improve clarity	Robert Fox		Completed on agenda
26 May 2020	Protocols for agreeing changes to the Audit Plan and developing future plans would be included as part of the next report to Committee in December 2019.	Steve Crabtree/Jon Alsop		Completed.