



## **AUDIT & GOVERNANCE COMMITTEE - Decision Summary**

**Meeting:** 26<sup>th</sup> June 2017

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Audit-and-Governance-Committee/Audit-Governance-Agenda-June.pdf>

Chair: John Pye (Chair and Independent Person)

Summary of decisions taken at this meeting

<b>Item</b>	<b>Topic</b>	<b>Decision <i>[None of the decisions below are key decisions]</i></b>
1.	<b>Apologies And Declarations Of Interests</b>	Apologies were received from Councillors Chris Morris (East Cambridgeshire District Council), Chris Seaton (Fenland District Council), David Seaton (Peterborough City Council) and Mark Ashton (Cambridge City Council).
2.	<b>Appointment Of Vice-Chair</b>	The appointment of Chair and Vice Chair is reserved to the Board. At the annual meeting on 31 May the Board agreed to appoint Mr John Pye, the independent person as Chair. It also requested the committee to appoint its own Vice-Chair.

		The Committee therefore elected Councillor Barry Chapman as Vice Chair for the municipal year 2017/18.
3.	<b>Terms Of Reference</b>	<p>As this was the first meeting of the Audit and Governance Committee, its terms of reference was included on the agenda so that it may discuss them and ask any questions about them. The terms of reference were agreed by the Board in April as part of the constitution.</p> <p>The Board:</p> <p>a) noted the Terms of Reference, subject an update on the process for appointing the external and internal auditors.</p> <p>b) agreed to review the Terms of Reference in twelve months time.</p> <p>The terms of reference are included on page 3 of the agenda</p>
4	<b>Internal Audit Plan – Overview and Future Plans</b>	<p>Internal Audit look to provide assurance to the Audit and Governance Committee that activities undertaken across the Combined Authority are appropriately managed, monitored and delivered in accordance with set governance, controls and risk management frameworks. This report sets out how Internal Audit will look to support the Committee and set out an early draft of the plan.</p> <p>The plan covers a wide range of areas and not all areas will be covered in the same year. Appropriate coverage will be established each year so as to be able to provide assurance to the Board. The plan covers:</p> <ul style="list-style-type: none"> <li>- <b>Core financial systems</b> eg general ledger, creditors, debtors, payroll, treasury management</li> <li>- <b>Safeguarding Assets</b> eg data security and protection, data housing</li> <li>- <b>Corporate Governance</b>, governance, risk management, health and safety,</li> </ul>

		<p>business contingency, disaster recovery and Code of Corporate Governance</p> <ul style="list-style-type: none"> <li>- <b>Countering Fraud, Bribery and Corruption</b>, eg fraud investigations, proactive anti fraud exercise</li> </ul> <p>See Appendix 2 on page 28 of the agenda for more details</p> <p>The Committee:</p> <ul style="list-style-type: none"> <li>- noted the development of the internal audit plan for 2017/18.</li> <li>- requested the Chief Internal Officer produce a briefing paper on Governance to the September Committee meeting.</li> </ul>
5	<b>Work Programme</b>	<p>The Committee considered suggested draft programme of work for matters to be considered by the Committee during the course of the year ahead. The work programme will need to be flexible enough to react to new and changing priorities. The draft programme is set out on page 32 of the agenda</p> <p>The Board agreed the Work Programme subject to the following additions: .</p> <ul style="list-style-type: none"> <li>(i) an Internal Audit ‘Governance Briefing’ item included onto the September agenda from the Chief Internal Auditor.</li> <li>(ii) a ‘Risk Management’ training slot be included at the beginning of the September meeting by the Monitoring Officer??.</li> <li>(iii) 2017/18 External Audit plan be reported to the December meeting.</li> <li>(iv) the inclusion of a 10 minute ‘hot topic’ slot at each meeting, starting with December 2017.</li> </ul>
6	<b>Statement of Accounts</b>	<p>The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices. Legislation requires the Authority to consider and approve its Accounts. You will note that for 2016/17 that the accounts are for a four week period from the time the</p>

Combined Authority was formally established until 31 March 2017.

The Authority's Constitution delegates this matter to the Audit and Governance Committee. The Accounts must be signed and certified by 30 June 2017 by the Authority's Interim Chief Finance Officer (CFO), in accordance with the Accounts and Audit Regulations 2015. The Authority's CFO has responsibility for certifying that the Accounts present fairly, the financial position of the Authority at 31 March 2017. The Audit and Governance Committee is required to approve the Accounts no later than 30 September 2017 following, and in the knowledge of, the audit findings.

The Committee noted the draft Statement of Accounts for the period 3 March 2017 to 31 March 2017. The draft statement is set out on page 39-91 of the agenda. NEXT STEPS

- the responsible financial officer must certify the presentation of the accounts no later than the 30 June 2017;
- the annual accounts must be published with the audit opinion and certificate, and before that must have been approved by members no later than 30 September 2017; and
- the responsible financial officer must re-certify the presentation of the annual accounts before member approval is given.

The Accounts and Audit Regulations 2015 also require all Councils/CAs to have a common 30 day public inspection period which includes the first 10 working days in July. The period of public inspection runs concurrently with the period whereby a local government elector may raise questions or objections to the External Auditor.

At the conclusion of the Audit, the Auditor will issue a report on the Financial Statements and will issue the Audit Certificate for 2016/17. This will be considered at the Audit Committee meeting on 21 September 2017.

7	<b>External Audit Plan 2016/17</b>	<p>The Committee to discussed the Audit Plan for the audit of the 2016/17 Statement of Accounts with Ernst &amp; Young LLP, the Authority’s External Auditor. As with the internal audit plan, this covers a short period ending 31 March 2017. The Audit Plan sets out how they intend to carry out their responsibilities in their first year as auditor for CPCA. The Audit Plan is shown at Appendix 1 p95-107 of the agenda.</p> <p>The plan recognises the unusual circumstances of preparing financial statements for a four week period and the need to undertake a full external audit, including a value for money conclusion. The plan summarises Ernst &amp; Young’s initial assessment of the key risks driving the development of an effective audit for the Authority and outlines their planned audit strategy in response to those risks.</p> <p>The Committee agreed the Audit Plan as at 31 March 2017.</p> <p>There will be a further report to its next meeting in September.</p>
8	<b>Date of Next Meeting</b>	Thursday, 21 September 2017 at 10.00am at Cambridge City Council offices, Cambridge.

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