



Appendix 3

AUDIT & GOVERNANCE COMMITTEE - Decision Summary

Meeting: 27 September 2019

Agenda/Minutes: [Audit & Governance Committee: 27th September 2019](#)

Chair: John Pye (Chair and Independent Person)

Summary of decisions taken at this meeting

Item	Topic	Decision <i>[None of the decisions below are key decisions]</i>
1.	Apologies and Declarations of Interests	Apologies were received from Councillor McGuire and Councillor Mason. Councillor Davey declared a non-pecuniary interest as his wife is an Assistant Director at Peterborough City Council and Cambridgeshire County Council in Housing matters.
2.	Chairs Announcement's	The Chair noted that there had been a change to the membership of the Audit and Governance Committee and welcomed Councillor Sandford as the

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		<p>Committee Member and Councillor Barkham as the substitute Member for Peterborough City Council.</p> <p>The Chair reported that he had recently met with the Chair of the Overview and Scrutiny Committee and they discussed their respective roles and the Committee responsibilities.</p>
3.	Minutes of the Meeting held on 19 th July 2019	The minutes of the meeting held on the 19 th July 2019 were agreed and signed by the Chair.
4.	Audit Results Reports & Statement of Accounts 2018/19	<p>The Head of Finance elaborated on a report that recommended the Committee receive the audit results report for the year ended 31st March 2019. It was noted that at the previous Committee held on the 31st July 2019, it had been explained that Ernst & Young had not been able to complete their audit work. Consequentially, the Combined Authority had been unable to publish final audited accounts by the 31st July deadline. The law requires that the authority publish, as soon as is practicable, on or after the deadline, a notice that would state that they had not been able to publish the statement of accounts and the reasons for this.</p> <p>The External Auditor explained that the audit of the Authority's financial statements for the year ended 31 March 2019 had been completed and performed the procedures outlined in their Audit Plan.</p> <p>The Head of Finance explained that a letter had been written to the PSAA (Public Sector Audit Appointments Limited) and the response had explained that the number of delayed audit opinions in local government had risen from 13% in 2017/28 to over 40% in 2018/19.</p> <p>RESOLVED:</p>

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		That the Committee received the audit results report for the year ended 31 st March 2019.
5.	Governance Review Report	<p>The Chief Executive explained that the Combined Authority had set its key priorities, used its budgets to create recyclable funds, created a new staffing structure and put in place performance measures; the proposals set out in the governance review reflected the final part of the re-design of the Authority which would include the delegation of powers to the proposed Executive Committees.</p> <p>It was noted that one of the key advantages of transitioning to the new governance arrangements would be the additional involvement of Members of constituent Councils bringing together their areas of expertise and knowledge. The Chief executive explained that the Board would retain oversight of the Forward Plan and would have the power to call-in decisions of Executive Committees in exceptional circumstances.</p> <p>In response to a question raised by the Chair about the potential impact of the changes on the work of the Audit and Governance Committee, Members agreed that it would be 'business as usual' and there was no need for the Committee to make any adjustments.</p> <p>RESOLVED:</p> <p>That the proposed new governance arrangements for the Combined Authority had been considered</p> <p>That the Committee's Work Programme be amended to include a report to the meeting of the Committee on 27 March 2020 reviewing the effectiveness of the proposed new governance arrangements.</p>

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6.	Combined Authority Board Summary Report	<p>The Interim Monitoring Officer elaborated on his report and explained that it provided Members with an update on the activities of the Combined Authority Board and provided the Committee with an opportunity to identify matters for further consideration.</p> <p>RESOLVED:</p> <p>That the report be noted.</p>
7.	Transport Acceleration & Risk Report	<p>The Head of Transport elaborated on the report and noted that Members of the Committee had requested an assessment of the impact on the Combined Authority's risk management of the accelerated delivery approach set out in the July 2018 Board paper.</p> <p>Members were informed that the governance arrangements had been significantly improved and additional steps introduced to improve the way risk was being managed.</p> <p>In response to questions asked, the Transport Manager explained that risk assessments could include environmental challenges and there was a need for consideration about reducing congestion and air pollution in the initial stages of any transport project.</p> <p>RESOLVED:</p> <p>That the Committee noted the officers' assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk.</p>

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8.	Business Board Update	<p>The Director of Business and Skills elaborated on his report which provided an update on the priorities and objectives of the Business Board. It was reported that the Business Board supported the Combined Authority's vision to double the size of the local economy with specific goals. This would create inclusive growth across the economy and deliver a shared growth ambition across the OxCam Arc.</p> <p>In response to questions asked, it was explained that the proposed growth had considered environmental sustainability and included joined up working with housing colleagues to recommend environmental designs to assist with sustainability.</p> <p>RESOLVED:</p> <p>That the Audit & Governance Committee noted the priorities and objectives of the Business Board.</p>
9.	Risk register & Performance Update	<p>The Interim Monitoring Officer elaborated on the report which provided the Committee with an update on the performance reporting processes that were in place for the Combined Authority. It was noted that Members could request additional information on the performance or risk relating to a specific project. It was reported that a number of risks with a risk rating of 'very high' had reduced from four to two since May 2019.</p> <p>RESOLVED:</p> <p>That the Performance Reporting processes that are in place for the Combined Authority be noted.</p>

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		<p>That the Performance Reporting Dashboard that is presented to the Board on a quarterly basis and recommend any proposed changes be noted.</p> <p>That the Combined Authority's Corporate Risk register be reviewed.</p> <p>That the proposed changes to the Corporate Risk Register to be reported to the next Board meeting for approval be approved.</p>
10.	Internal Audit: Progress Report 2019/2020	<p>The Internal Auditor submitted his report and noted that since the last report, additional advice and support had been provided to the CPCA in relation to payment processes. The Audit Plan would need to be flexed to accommodate this or additional days considered. 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.</p> <p>It was reported that the Audit Plan included a review of the loan of £6.5m to East Cambridge Trading Company, approved at the March 2018 board meeting. This was later extended to include the loan of £24.4m, which was approved in November 2018, at the request of the Audit and Governance Committee. It was explained that the audit rating provided was reasonable assurance and noted that five recommendations have been established and agreed as a result. Members of the Committee discussed the increase in the number of days of work required of the internal auditors and noted that officers would work with the auditors to address priorities and any changes to those would be done in consultation with the Chair of the Audit and Governance Committee.</p> <p>RESOLVED:</p> <p>That the progress report from Internal Audit had been considered.</p>

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		Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.
11.	Update on Freedom of Information Requests, Fraud, Whistleblowing & Complaints	<p>The interim Monitoring Officer presented and elaborated on the report and commented that the Committee had responsibility for monitoring the Combined Authority's anti-fraud, whistleblowing policy and the complaints process and for reviewing the Authority's corporate Governance arrangements.</p> <p>RESOLVED:</p> <p>That the Committee would advise how the Combined Authority communicated the Whistleblowing Policy and encouraged its use.</p>
12	Medium Term Financial Plan & Business Plan Mid-Year Update	<p>The Committee was presented with the report and the Chief Finance Officer explained that the proposed mid-year update to the 2019/20 Budget and the 2019-2023 Medium Term Financial Plan had been approved by Board on the 25th September 2019</p> <p>Members were informed that there had been a staffing restructure and there had been a 24% reduction in costs from the structure report of June 2018, and that the total staffing costs were planned to be reduced further.</p> <p>RESOLVED:</p> <p>The proposed mid-year update to the 2019/20 Budget and the 2019-2023 Medium Term Financial Plan (MTFP)</p> <p>The mid-year update on the 2019-20 Business Plan</p>

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13.	National Audit Office Consultation on Changes to the Code of Audit Practice	<p>The Deputy S73 Officer and Chief Accountant elaborated on his report which reported that the Code of Practice was a key document setting out the principles governing how local auditors in England meet their responsibilities when auditing local authorities.</p> <p>RESOLVED:</p> <p>That the proposed changes to the Code of Audit practice and the potential impact on reporting to the Committee for local audit work be noted.</p>
14.	Work Programme	<p>The Committee received the report which provided the draft work programme and calendar of working programme items for the year.</p> <p>The Committee agreed to add the following to the work programme:</p> <p>The Committee to receive a report on 27 March 2020 reviewing the effectiveness of the proposed new governance arrangements.</p>
15.	Date of Next Meeting	The Committee agreed that the next meeting be held on 13 th December.