



## Audit and Governance Committee Decision Summary

**Meeting:** 26 May 2020

**Agenda/Minutes:** [Audit and Governance Committee - 26th May 2020](#)

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	There were no apologies and no declarations of interest made.
2.	Confirmation of Membership of the Audit & Governance Committee for Municipal Year 2020/21	<p>Membership was the same as in the last municipal year and there had been no changes amongst substitute members. The Committee noted Fenland DC Annual General Meeting was to be held on 17 June, which could signal change in Fenland DC membership of the Committee.</p> <p>A Vice-Chairman of the Committee would be appointed at the next meeting on 31 July as the Combined Authority Board Annual Meeting was not until 3 June and a decision on a Vice-Chairman appointment would be ratified at that meeting.</p>

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3.	Chairs Announcement's	<p>The Chair informed the Committee that a report on internal audit provision would be received at the 31 July meeting of the Committee.</p> <p>The Chair stated his intention to hold a development session for the Committee in the autumn of 2020.</p>
4.	Minutes of the last meeting	<p>The minutes of the last meeting held on 16 December 2019 were agreed as an accurate record.</p> <p>Action sheets appended to the minutes at future meetings will be presented in an improved format with additional information related to when they have been resolved.</p>
5.	Combined Authority Board Update	<p>The Chief Executive provided the Committee with an update on the work of the CA Board.</p> <p>The Chief Executive explained the actions the Combined Authority were taking to mitigate the risks of the Covid-19 pandemic. The CEO explained all decisions made during the pandemic, using the Mayor's general power of competence were published on the Combined Authority website.</p> <p>The Chief Executive undertook to provide Cllr Sandford with detail on the Local Transport Plan and how it relates to Peterborough.</p>
6.	Statement of Accounts 2019/20	<p>Several members of the Committee expressed their disquiet about the timing of the receipt of the accounts.</p> <p>The s.73 officer elaborated on the report provided for which the purpose was to provide the Committee with the opportunity to comment on the draft in a workshop format, rather than be tabled on the day.</p>

Item	Topic	Decision [ <i>None of the decisions below are key decisions</i> ]
		<p>The s.73 officer explained that as a result of the Covid-19 pandemic the publication deadlines for the accounts had been pushed back nationally. Draft accounts would need to be published by 31 August 2020 and the final version of the accounts by 30 November 2020.</p> <p>An updated draft statement of accounts would be published on the CA website once outstanding information contained in the actuarial report (which was not received until 21 May) was incorporated.</p> <p>The external audit was underway and the intention was for the Committee to receive final audited accounts at its meeting on 31 July 2020. The external audit report was not expected to be provided until September.</p> <p>A decision was made not to consolidate the CA subsidiary companies within the financial statements as they had not yet starting trading and the impact was not material. This approach had been discussed and agreed with the auditors.</p> <p>The s.73 officer resolved to provide some additional detail on loans and to consider within the context of post balance sheet events.</p> <p>The Chief Executive provided a commitment to provide the Committee with advance sight of the statement of accounts two-weeks in advance of the 31 July meeting.</p> <p><b>RESOLVED:</b></p> <p style="padding-left: 40px;">The statement of accounts to be presented at the 31 July 2020 meeting of the Committee would be circulated to Members two-weeks in advance of the meeting.</p>

7.	External Audit Update	<p>The external auditors presented an update to the Committee and reiterated the change in deadlines for the publication of accounts.</p> <p>The external audit of the Combined Authority was taking place over the next three or four weeks.</p> <p>The total audit fee was expected to be c. £45,000.</p> <p>Chair welcomed the report and praised the progress being made and looked forward to receiving a further update at the 31 July 2020 meeting of the Committee.</p> <p><b>RESOLVED:</b></p> <p style="padding-left: 40px;">A further report be received at the 31 July 2020 meeting of the Committee.</p>
8.	Internal Audit Update	<p>The Committee received a progress report from the Internal Auditor.</p> <p>It was reported that Covid-19 had had an impact on some of the audits; however, the Internal Audit with opinion was on track to be reported to the 31 July 2020 meeting of the Committee.</p> <p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the Internal Audit with opinion be received at the 31 July 2020 meeting of the Committee.</li> <li>b) A separate paper on how the Combined Authority was to take Internal Audit forward after the Service Level Agreement with Peterborough City Council concluded.</li> </ul>

9.	Draft Annual Report of the Chair of the Audit & Governance Committee	<p>The Chair presented his report and informed the Committee that it would be presented to the CA Board meeting on week commencing 3 August 2020.</p> <p><b>RESOLVED:</b></p> <p>The report was approved by the Committee for submission to the CA Board subject to the correction of a typographical error.</p>
10.	Corporate Risk Register	<p>The Risk Register was presented to enable the Committee to review and recommend any amendments.</p> <p>The document is a 'live' document which was ever-evolving, for example risks associated with the Covid-19 pandemic.</p> <p>A question was raised as to whether climate change be included on the risk register? The Chair encouraged climate change to be included on future iterations of the register. The Monitoring Officer agreed to discuss this with the CA Corporate Management Team.</p> <p>The Chair raised a concern that around 75% of the risk are red rated and that this would not be sustainable moving forward. The Monitoring Officer stated he would be working closely with CMT to improve the ratings on the register.</p> <p>The Chief Executive stated she was taking an active role and was confident the risks would change to amber/green. The report presented was put together at the height of the Covid-19 outbreak and improvement is fully expected.</p> <p><b>RESOLVED:</b></p> <p>a) That a recommendation from the Committee to include climate change on the Risk Register in future.</p>

		<p>b) The Committee expressed its concern that around 75% of the risks are rated red but welcomed the advice from the Chief Executive that these would be ameliorated.</p> <p>c) That a further report be presented to the 31 July 2020 meeting of the Committee so that progress could be monitored. This report to include the top three to four risks that were improving/getting worse.</p> <p>d) That a future report either be more eligible or posted to members in advance of the meeting in hard copy.</p>
11.	Complaints Procedures	<p>The report presented would be taken to the CA Board meeting on 3 June. Committee received a report which provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority Board meetings of the previous 6 months.</p> <p><b>RESOLVED:</b></p> <p>That the Committee noted the revised procedures and, with the addition of the contact details of 'street scene' issues for the borough, city and district councils, approve them to the CA Board.</p>
12.	Treasury Management Strategy Summary	The Committee noted the strategies.
13.	Trading Companies	<p>A report, previously presented to the Overview &amp; Scrutiny Committee in February 2020, was received. It was explained this was being presented to this Committee in order that it understood the dynamic of the Overview &amp; Scrutiny functions in terms of the traded companies. Additionally, this Committee needed to be satisfied with the governance and expenditure of the traded companies.</p> <p>The companies were wholly owned by the Combined Authority.</p>

		<p>The Committee was assured the Chairman of the traded companies went through a rigorous appointments process.</p> <p><b>RESOLVED:</b></p> <p>That a development session on the trading companies be held, possibly in autumn 2020.</p>
14.	Revised Guide for Project Management	<p>The Committee received and noted the revised guide.</p> <p><b>RESOLVED:</b></p> <p>That future items to be noted by the Committee be sent in advance to members as a batch, thus enabling them to request further information to be presented to the Committee where necessary.</p>
15.	Work Programme	<p>The report which provided the draft work programme for Audit and Governance Committee was noted.</p> <p><b>RESOLVED:</b></p> <p>a) The meeting initially scheduled for 2 April 2021 would be moved to 6 April 2021. The pre-election period for 2021 would have no impact on this date change.</p> <p>b) Future presentation of the work programme would provide greater clarity.</p>
16.	Urgent Business at the Chair's Discretion: Lancaster Way	<p>The Chief Executive and Monitoring Officer stated they were grateful to the Chair for agreeing to include this item, at late notice onto the agenda.</p> <p>The Transport &amp; Infrastructure Committee had referred the item to this Committee to approve the implementation of an independent review. Terms of Reference for</p>

		<p>the review had been drawn up by the CA and in conjunction with Cambridgeshire County Council as the Highways Authority.</p> <p>The County Council, it was reported, by the Chief Executive was keen for a speedy resolution. Therefore, an Extraordinary meeting of the Committee might be required. The reporting timescale would be kept under review.</p> <p>It was confirmed the Lancaster Way project itself would not be delayed as a result of the independent review.</p> <p><b>RESOLVED:</b></p> <ul style="list-style-type: none"> <li>a) That the Committee responds positively to the request for an independent review and that this had no impact on the delivery of the project.</li> <li>b) That the Committee was open to an Extraordinary meeting, if necessary, with the proviso that sufficient time was afforded to enable the Committee to have all the background information it requires.</li> </ul>
17.	Date of Next Meeting	The next meeting would be held virtually on the Zoom platform on 31 July 2020 at 10.00 a.m.