

Audit and Governance Committee Decision Summary

Meeting: 31 July 2020

Agenda/Minutes: [Audit and Governance Committee - 31 July 2020](#)

Chair: John Pye (Chair and Independent Person)

Summary of decisions taken at this meeting

| Item | Topic | Decision [None of the decisions below are key decisions] |
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| 1. | Apologies and Declarations of Interests | Apologies were received from Cllr Mike Davey (Cambridge City Council). There were no declarations of interest. |
| 2. | Confirmation of Membership of the Audit & Governance Committee for Municipal Year 2020/21 and Election of Vice-Chair | <ol style="list-style-type: none"> 1. Cllr Graham Bull had replaced Cllr Mac McGuire as the representative of Huntingdonshire District Council on the Committee. 2. Cllr David Brown was nominated and seconded as Vice-Chair and duly elected. |
| 3. | Chairs Announcement's | <ol style="list-style-type: none"> 1. Lancaster Way: At the May Audit and Governance Committee meeting, following a referral by the Transport and Infrastructure Committee, it was agreed to commission an independent review of the costs and timetable associated with the programme delivery of the Lancaster Way project against terms of reference agreed at that meeting. The Combined Authority approached a number of potential suppliers and, in consultation with Cambridgeshire County Council, have agreed to appoint a suitably qualified auditor to perform the review. An inception meeting to agree the process, timeline and requirements for carrying out the work is scheduled for 3rd August. The supplier has been asked to provide a report to the Committee on |

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| | | <p>their findings at the 2 October Committee meeting, or at an Extraordinary Committee meeting.</p> <ol style="list-style-type: none"> 2. Register of Interest Forms: The Chair reminded members of the Committee to complete the Register of Interest forms recently forwarded to them via their respective constituent councils. 3. MHCLG Correspondence: The Chair informed members of the Committee that he had spoken to the external auditors and was satisfied the issues referred to in the local press were a matter for the Overview & Scrutiny Committee – the only governance issues were related to an error in the Constitution and a single recruitment issue. The Chair has requested an update on these two issues at the next meeting on 2 October. The Chair proposed the correspondence between the Mayor and the Minister be shared with the Committee together with an analysis from the Chief Executive of the issues raised by the Minister in the correspondence. <p>Resolved:</p> <ol style="list-style-type: none"> 1. The Lancaster Way independent review would be received at an extraordinary meeting or at the next meeting on 2 October, depending upon timescales. 2. The Mayor of the Combined Authority be invited to the 2 October meeting to update the Committee on the MHCLG correspondence relating to governance issues. 3. The MHCLG/Mayoral correspondence be circulated to the Committee together with an analysis of the issues raised by the Minister. |

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| 4. | Minutes of the last meeting | <ol style="list-style-type: none"> 1. The minutes of the last meeting held on 26 May 2020 were agreed as an accurate record. 2. The Chair requested that 'open actions' be reverted to the top of the Action Sheet at future meetings. |
| 5. | Draft Financial Statements 2019/20 | <ol style="list-style-type: none"> 1. S.73 Officer highlighted that the final publication date for the accounts is 30 November 2020 with the final version brought to the Committee on 2 October. 2. With any amendments suggested by the Committee the version presented would be uploaded onto the CA website and public consultation will commence on the first Monday in September. 3. Following a suggestion, a note should be incorporated into the accounts to fully explain the adjustment on the LEP/Business Board accountability. 4. A note should be incorporated into the accounts stating no bonuses are paid to senior staff and salaries are base pay – any reference to bonuses should, therefore, be removed. The narrative should also reflect expenses not subject to tax are not included. 5. The financial statements should reflect the risk register in future. 6. The Committee to receive the redrafted version of the financial statement following revisions prior to the period of public consultation. <p>Resolved:</p> <ol style="list-style-type: none"> 1. The final statement of accounts to be presented at the 2 October 2020 meeting of the Committee. |

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| 6. | External Audit Update 2020/21 | <p>1. The audit has not, as yet, been completed to the ambitious deadline of the end of July 2020. It will be, in the most part, completed by the end of August. However, owing to complexities related to the Cambridgeshire Pension Fund it will be the end of September when complete and be presented to the 2 October meeting of the Committee.</p> <p>2. Ernst & Young were made aware of the MHCLG correspondence and are satisfied there are no significant issues that impact on the audit. If anything comes to light this will be reported at the next meeting.</p> <p>Resolved:</p> <p>1. The final audit and opinion be presented at the 2 October 2020 meeting of the Committee.</p> |
| 7. | Internal Audit and Opinion 2019/20 | <p>1. There were no significant issues to be reported and this is reflected in the Annual Governance Statement.</p> <p>2. There has been significant improvement of governance across all levels of the organisation.</p> <p>3. There will be a future report to the Committee on information security and governance.</p> <p>Resolved:</p> <p>1. 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.</p> |

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| 8. | Internal Audit 2020/21 | <p>1. There had been six expressions of interest to take forward the Internal Audit function following the cessation of the SLA with Peterborough City Council. Of these, three bids had been evaluated as compliant.</p> <p>2. The assessment will be complete, and an appointment made by week ending 14 August and the internal audit plan will be presented at the 2 October meeting of the Committee</p> <p>3. The Chair will be present at the presentations and he requested the Vice-Chair be involved also, if available.</p> <p>Resolved:</p> <p>1. Subject to availability the Vice-Chair be invited to the evaluation presentations.</p> <p>2. The Internal Audit Plan 2020/21 to be presented at the 2 October 2020 meeting of the Committee.</p> |
| 9. | Annual Governance Statement | <p>1. A typographical error was pointed out on page 125 of the Committee papers – the year referenced should be 2019/20.</p> <p>2. The Monitoring Officer drew Committee attention to the current review of the Constitution and that there would be a workshop session on this for Members in mid-September. Members requested that, if possible, this be held on the same date as any extraordinary meeting related to Lancaster Way.</p> <p>3. There was a request for consistency on the acronyms used for the Cambridgeshire & Peterborough Combined Authority in documentation.</p> <p>Resolved:</p> |

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| | | <ol style="list-style-type: none"> 1. That a date for the workshop session for the Constitution review be forwarded to the Committee members as soon as possible. |
| 10. | Combined Authority Board Update | <ol style="list-style-type: none"> 1. The Chief Executive provided an update on the Combined Authority. 2. Since the last meeting of the Committee there had only been one CA Board meeting at which the Complaints Policy was agreed and adopted. This had been approved at the last Audit & Governance Committee meeting. 3. The Chief Executive updated the Committee on measures being undertaken to mitigate the economic impact of Covid-19. 4. A positive announcement on Wisbech Rail is expected shortly. This has formed part of the Gateway Review currently ongoing which has a number of positive messages being reported back to MHCLG. 5. The University of Peterborough HE Partner has been appointed. Anglia Ruskin University will be the provider with the intention that there will be a fully independent University in due course. |
| 11. | Independent Commission on Climate Change | <ol style="list-style-type: none"> 1. The inaugural meeting of the Commission was on the morning of this meeting. 2. A request for the names of those on the Commission was made. 3. Any contributions from Members of the Committee would be welcomed, as the Commission wishes to have as wide an engagement as possible and should be sent directly to Adrian Cannard. 4. There was some concern expressed with regard to the Commission appointments and whether it was an open appointment process. The Chair's comments with regard to this were noted. As a non-remunerated Commission, the group was selected based upon expertise – had it been a |

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| | | <p>remunerated Commission there would have been an open appointment process.</p> <p>5. As part of the Constitution review there will be a section on working groups which will elaborate upon the internal controls for the appointments to Boards, Commissions and Working Groups.</p> <p>Resolved:</p> <ol style="list-style-type: none"> 1. The names of all on the Independent Commission on Climate Change will be provided to the Committee. 2. The Constitution review should include protocols for appointments to Boards, Commissions and Working Groups. 3. A further report to the Committee be programmed for December 2020 to explain the process for formulating recommendations. |
| 12. | Corporate Risk Register | <ol style="list-style-type: none"> 1. As requested at the previous meeting the risks were presented in order of RAG rating from highest to lowest. The only 'red' risk being the impact of Covid-19. 2. A request to include climate change as a discrete risk was raised once more. The Chief Executive explained climate change is considered in how it manifests itself in the delivery of all infrastructure projects. There was a level of disquiet from the Committee regarding this. The CA will consider advice from the Independent Commission on Climate Change to see whether climate change ought to be reflected as an individual risk on the register. Members of the Committee requested that climate change is considered a discrete risk |

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| | | <p>3. Covid-19 appears as a single risk due to the immediate financial risk it poses to the Combined Authority area.</p> <p>4. Cllr Mason undertook to forward a document highlighting the sort of questions an organisation would be required to answer as part of the new Task Force on Climate Related Financial Disclosure (TCFD) from 2022. It was suggested this in turn be forwarded to the co-ordinators of the Independent Commission on Climate Change.</p> <p>Resolved:</p> <ol style="list-style-type: none"> 1. Climate change to appear on future risk register reports to the Committee as a discrete risk. 2. A further update on the Corporate Risk Register will be received at the 2 October 2020 meeting of the Committee. |
| 13. | Work Programme | <ol style="list-style-type: none"> 1. The revised format was welcomed, and the Scrutiny Officer requested any further feedback on work programme presentation be forwarded to him. 2. Revisions to the work programme based on this meeting would be reflected in a revision to be published with the minutes of the meeting. 3. A typographical error will be corrected, and the date of the April 2020 meeting amended following the confirmation of dates at the last CA Board meeting in June 2020. <p>Resolved:</p> <ol style="list-style-type: none"> 1. The work programme revisions to be published alongside the minutes of the meeting |

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| 14. | Date of Next Meeting | The next meeting will be held virtually on the Zoom platform on 2 October 2020 at 10.00 a.m. |

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