



## AUDIT & GOVERNANCE COMMITTEE - Decision Summary

**Meeting:** 16<sup>th</sup> December 2019

**Agenda/Minutes:** [Audit & Governance Committee – 16th December 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	<p>Apologies were received from Cllrs Sandford, McGuire, Cllr Brown (substituted by Cllr Ambrose-Smith)</p> <p>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.</p>
3.	Minutes of the meeting held on 27 September 2019	<p>The minutes of the meeting held on the 27 September 2019 were agreed and signed by the Chair.</p> <p>Action Sheet was reviewed by the Committee.</p> <p>A point was raised on the fact that more assurance is needed that environmental measures are in place and how they are being incorporated into the work of the Combined Authority.</p>

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		<p><b>AGREED:</b></p> <p>That a briefing note would be produced for mid-2020 on whether there is a process in place to enable environmental measures to be taken into account in decision-making of the Combined Authority, in order for the Audit &amp; Governance Committee to review whether judgements are being made in a transparent framework.</p>
3.3	Chairs Announcements	<p>The Chair noted that both Chief Executives were unable to attend the meeting and a personal assurance was received that this was an exceptional circumstance.</p> <p>The Chair followed up on the item from the last meeting, regarding the accounts not being audited on time. The Chair attended the meeting with the Public Sector Audit Appointments (PSAA) organisation and their Audit Forum, where it was noted that due to resource issue around 470 council across England and Wales were not audited on time and as of the end of November over 100 councils were still waiting for their accounts audits to be complete. The Chair reported that personal assurances were given that the Combined Authority would not experience the same issue next year.</p> <p>The Chief Finance Officer noted that a discussion was held with PSAA about the need to do more audit planning in advance, in order to relieve any increased burden of work during high peak times.</p> <p>The Chair further noted that Ernst &amp; Young were not present at the meeting and their External Audit Programme update would come to the Audit &amp; Governance Committee in March 2020.</p>
4.	Assurance Framework Report	<p>The Interim Monitoring Officer explained this was an update to the Assurance Framework previously agreed in May 2019 by the Business Board and the Combined Authority Board and then renegotiated with the central government. As the Assurance Framework is part of the controls of the Combined Authority, this report is on the agenda for Audit &amp; Governance Committee.</p> <p>The Chair raised a question about the governance relationship between the Combined Authority and subsidiary in holding companies and the PSAA's view that it is not good practice if members of a combined authority are also on the board of a holding company. The Chair asked for a paper to be produced for the Audit &amp; Governance Committee meeting in March 2020, describing the governance arrangements and to what extent they</p>

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		<p>would be filtered into the Assurance Framework.</p> <p>A further point was raised asking about limited companies that the Combined Authority has with procurement arrangements and the role of Audit &amp; Governance Committee understating the governance under that arrangement. The Interim Monitoring Officer explained that there would be a Growth Service company, promoted by the Business Board and agreed by the Combined Authority Board and part of its role would be to procure the arrangements to support small businesses. The Committee requested this to be included in the paper for March 2020, with one element of it being the governance of conflict of interests.</p> <p><b>RESOLVED:</b></p> <p>That a paper on governance arrangements is produced for Audit &amp; Governance Committee meeting in March 2020, as per points 4.5 and 4.6.</p> <p>That the Committee noted the revised Assurance Framework.</p>
5.	Review of the Corporate Risk Management Strategy and Risk Register	<p>The Transport Programme Coordinator introduced the report and explained that the Strategy is based on the previous one and is a more effective approach to the management and mitigation of risk across the Combined Authority's activities.</p> <p>Regarding a question on how the authority would ensure all employees understood risk management, it was explained that it would be ensured everyone was aware of the new Strategy and the roles, therefore, the roles have been clearly defined within the Strategy and were relevant to the people within the Combined Authority.</p> <p>The Interim Monitoring Officer further explained that the Combined Authority would roll it out to all staff, however, it would also have to be tailored to different levels of people. With one of the key elements of the Strategy being how one identifies a risk early on in projects, a particular focus would be on project managers.</p> <p>The Chair noted that some of the wording in the report would need to be adjusted in accordance to the Audit &amp; Governance Committee's role.</p> <p><b>RESOLVED:</b></p>

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		<p>That the wording in the report is reviewed with accordance to the Committee's role.</p> <p>That the proposed revised Strategy and changes to the Corporate Risk Register be recommended.</p>
6.	Review of the Data Protection Policy	<p>The Interim Monitoring Officer noted that the law requires to review and update Data Protection policy, which was the reason this report was in front of the Committee. It was explained that the Combined Authority took an approach of looking at how other combined authorities deal with data protection policies.</p> <p>A point was raised that the legislation that came with data protection was constantly changing and evolving, so a continuous visiting to and updating of the policy was recommended. The Committee requested an update from the Data Protection Officer in a year's time, unless special circumstances require an update sooner. The update to include data on aspects such as the volume of data, any requests for erasure etc.</p> <p>It was noted that going forward it would be important that practicalities of visitor and data management at the Combined Authority are possible, practical and applied.</p> <p><b>RESOLVED:</b></p> <p>That an update from the Data Protection Officer be put on Audit &amp; Governance Committee Work Programme for December 2020.</p> <p>That the Combined Authority would keep an eye on implications on data protection after Brexit.</p> <p>That the Data Protection Policy report be recommended.</p>
7.	Combined Authority Board Summary Report	<p>The Interim Monitoring Officer reported that with moving towards giving more delegated authority to Executive Committees and more decision-making going to them, the agendas for the Combined Authority had become lighter, which reflected its strategic role better.</p> <p>The Chair asked for the Mayor's attendance to be confirmed for the Audit &amp; Governance Committee meeting in March 2020.</p> <p><b>RESOLVED:</b></p>

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		That the Committee noted the Combined Authority Board Summary Report.
8.	Combined Authority Internal Audit Progress Report	<p>The Internal Auditor noted that this report is the regular update on the internal audit and that the internal audit planning process had started for next year.</p> <p>It was reported that a major piece of work had been done on Human Resources (HR) recruitment and that a draft report had gone out. It was noted that the last report in March 2019 marked '<i>no assurance</i>' and there had been significant improvements made since, therefore, the updated mark received was '<i>reasonable assurance</i>'.</p> <p>The HR Manager explained that the latest audit report found three low and three medium recommendations and agreed for the low ones to be completed by the end of 2019. It was noted that a timetable was agreed for the three medium recommendations, which were the appraisal system, style changes to contracts and transferring and doublechecking process as part of moving away from paper to electronic system.</p> <p>The Internal Auditor further reported that there was continued work around Adult Education Business (AEB) arrangements, working with education and skills agencies to better understand their work and the role of the audit review. Additionally, it was reported that Internal Auditors would also be looking at the overarching project management framework, budget management, fraud risk assessment and some further work on AEB regarding contract management type arrangements.</p> <p>The Committee requested for an update report in March 2020.</p> <p>A point of future planning was raised, and the Internal Auditor explained that a few ideas have been identified, but asked Members to think about any concerns or items for Internal Auditors to look at. It was agreed that a reminder email would be sent to Members asking them to send their ideas to the Chair by the end of January 2020.</p> <p>In response to a point raised on the understanding of timelines, the Internal Auditor explained that the opinion would be brought forward in July 2020. The Committee requested for future reports to provide a scheduled end date.</p> <p>The Chair questioned how the Audit &amp; Governance Committee could change the plan that is usually agreed in March, in case any extra work would need to be commissioned. It was agreed for the update report in March 2020 to include a simple procedure put in</p>

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		<p>place for any potential urgent items.</p> <p><b>RESOLVED:</b></p> <p>That an update report be brought back to Audit &amp; Governance Committee in March 2020, including a procedure for urgent items.</p> <p>That a reminder email be sent to Members regarding themes for internal auditors for the following year.</p> <p>That the Audit &amp; Governance Committee noted the report.</p>
10.	Treasury Management Strategy Update	<p>The Chief Finance Officer explained that this is the second out of three Treasury Management reports this year, asking the Audit &amp; Governance Committee to review the mid-year performance against the prudential indicators included within the Treasury Management Strategy. Those are designed to ensure that the capital investment plans are affordable, to look at external borrowing and to ensure that treasury management decisions are taken in accordance with professional good advice. The Chief Finance Officer continued with explanation of details of prudential indicators 1 – 10.</p> <p>The Chief Finance Officer further noted that the Combined Authority, together with Arlingclose, was developing the following strategies: Capital Strategy, Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision Statement.</p> <p><b>RESOLVED:</b></p> <p>That the Audit &amp; Governance Committee reviewed the Treasury Management Strategy report.</p>
11.	Adult Education Budget Audit and Assurance Programme	<p>The Adult Education Budget &amp; Skills Devolution Manager presented the report and explained that in Spring 2019, the Education Skills Funding Agency wrote to the Combined Authority to outline a proposal to support the devolution of the Adult Education Budget in 2019/20 with Audit and Assurance, Fraud and Investigations and Financial Health. The Combined Authority undertook to award a grant to the indigenous and contiguous grant providers within the Cambridgeshire and Peterborough area and has been responsible for the delivery of Adult Education since 1st August 2019.</p> <p>The Committee requested for the next Committee meeting a landscape view on areas</p>

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		<p>where the money had been contracted and the Combined Authority has the authority and obligations that standards are met.</p> <p>The Committee acknowledged that a presentation on Adult Education Budget would be beneficial to all constituent authorities, as there seemed to be a lack of understanding, particularly as the programme is quite new.</p> <p>The Committee requested a paper providing an insight on the range of activities and timelines. The Committee further asked for the Adult Education Budget &amp; Skills Devolution Manager to come back to Audit &amp; Governance Committee in a year's time.</p> <p><b>RESOLVED:</b></p> <p>That the insight paper, which would include a landscape view, range of activities and timelines, is produced for the next Audit &amp; Governance Committee meeting in March 2020; followed by an annual insight to come to Audit &amp; Governance Committee every year.</p> <p>That an information paper would be produced for the Committee meeting in May 2020 and that Members would liaise with the Adult Education Budget &amp; Skills Devolution Manager to organise a briefing session.</p> <p>That the Adult Education Budget Audit and Assurance Programme, along with the arrangements, is noted.</p>
14.	Work Programme	<p>The Committee received a report and the draft Work Programme and calendar of working programme items for the year.</p> <p>The Committee agreed to the following additions to the Work Programme:</p> <p>Value for Money workshop in March 2020  Mayor's attendance requested at the meeting in March 2020  Governance review paper in March 2020  Self-assessment exercise at next meeting in March 2020.  A date for a joint induction and training to be identified, for May 2020.  Governance of trading companies in March 2020.</p>

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15.	Date of Next Meeting	27 March 2020