



# AUDIT AND GOVERNANCE COMMITTEE

THURSDAY, 18 JULY 2024

Venue:	CPCA Meeting Room, Pathfinder House, Huntingdon	
Time:	10.00 am	
Present:	John Pye David Harwood	Independent Member (Chair) Independent Member
	Councillor Mike Todd-Jones	Cambridge City Council
	Councillor Graham Wilson	Cambridgeshire County Council
	Councillor Gary Christy	Fenland District Council
	Councillor Paul Hodgson-Jones	Huntingdonshire District Council
	Councillor Keith Horgan	East Cambs District Council
	Councillor Geoff Harvey	South Cambridgeshire District Council

## Minutes

1	<b>Apologies for Absence</b>
	Apologies were received from Cllr David Brown, Cllr Keith Horgan Substituted.
2	<b>Declaration of Interests</b>
	There were no declaration of interests made.
3	<b>Chair's Announcements</b>
	<p>The Chair made the following announcements:</p> <p>The Chair advised that he met with the Head of External Audit, who was present at the meeting, where they discussed the next value for money statement and when the committee would receive it for the 2024/2024 accounts.</p> <p>The Chair and the CEO had met where they discussed governance arrangements for Bus Franchising, which officers would bring to the committee at a future meeting</p>
4	<b>Minutes of the previous meeting</b>
	<p>The minutes of the meeting held on the 8th March were approved as a correct record.</p> <p>The action log was noted.</p> <p>Officers responded to a question from the committee on an open action relating to business continuity, they advised that the cyber security risk had been updated and members would be provided an update on business continuity at the next training session in September.</p> <p>The Chair advised regarding an open action that the government had simplified sanctions and that the</p>

	<p>committee had agreed to follow the Local Government Sanctions based on advice received.. A letter would be sent to the Combined Authority Board outlining this.</p>
<p>5</p>	<p><b>Improvement Plan Highlight Report</b></p>
	<p>The Committee received the report. This provided A&amp;G with an opportunity to review the progress made in the improvement programme, based on concerns set out in the Best Value Notice dated January 2024</p> <p>The following points were raised in discussion:</p> <p>Officers responded to a question relating to the implications of the best value notice expiring, they advised that as there was a new government discussions were taking place with Department for Levelling Up Housing and Communities, and a meeting would be arranged before the end of the month. The Combined Authority would like a positive endorsement of its improvement work that had been done, but there was no guarantee what would happen post expiry of the Best Value Notice.</p> <p>The External Auditor advised that an interim report of the 22/23 financial year had been provided and were about to commence the financial year of 23/24. The best value notice was a key indicator, the interim value for money report had shown a clear direction on the improvement journey and the 23/24 work would have a commentary on the journey the CA had taken.</p> <p>In response to a question from members relating to the intentions of the Combined Authority Board for the Independent Improvement Board (IIB) to continue its work, officers advised that the IIB would continue until January but could revise its focus to become a supportive and enabling role.</p> <p>Members raised queries on the outcomes of the of the Best Value Notice which was responded to by officers who advised that the Combined Authority had actively worked to meet the standards set out in the BVN and provided evidence. At the next board meeting the future of the IIB would be discussed. In addition to this the Combined Authority had also received assurance from the External Auditors who had two further years of value for money reports to issue.</p> <p>Members asked officers for reassurance on the continuation of improvement to prevent future BVN. Officers responded by stating that the organisation was focusing on values, structures, and processes, embedding accountability for budgets and performance from the CMT downwards, with an emphasis on the importance of SAF and Investment Panels. There was a focus on LEAPS analysing past performance against civil values and future objectives, using SMART criteria. Collaboration efforts have improved relationships with other authorities, with significant steps taken to effect change and establish effective structures.</p> <p>Officers responded to a question on the new Procurement legislation and training that had been provided for staff. Members were reassured that training would be put in place for staff and embedding this was a key issue that would be addressed.</p> <p>The Committee <b>RESOLVED</b> to:</p> <p>Note the progress in May against the identified areas of ongoing concern set out in the Best Vale Notice received in January 2024.          Note the update from the Chair, Independent Improvement Board following the meeting held on 1 July 2024.</p>
<p>6</p>	<p><b>Corporate Risk Register</b></p>
	<p>The Committee received the report which requested the Committee note the Corporate Risk Report including the Register, Dashboard and Heat Map, together the update on progress of the Risk Software implementation and the actions in response to the Internal Audit recommendations. Members also reviewed a risk deep dive into culture and governance.</p>

	<p>The following points were raised during the discussion:</p> <p>Officers responded to a question on measuring the culture and quality of leadership. They advised members that it would be measured through LEAPS, monthly meetings with the CEO to discuss objectives. There had been regular 1;1s between CMT which was fed through to the individual teams.</p> <p>Members commented on the presentation of reports to committees, suggesting a change in wording from 'note' to 'endorse' officers agreed to take this suggestion on board.</p> <p>Officers responded to a question on HR policies, stating that significant changes had been made in the appraisal system and HR policies over the last 18 months, leading to improvements in culture and risk mitigation. The progress was supported by staff feedback and specific policies like the whistleblowing policy had been introduced for staff support.</p> <p>The Chair commented on the importance of member culture, noting the low induction attendance and the need for a risk survey for gap analysis. Officers highlighted the activities for member culture, including formal training, outreach work by the IIB, and the shared ambition work that started in January, which had grown in momentum and allowed for informal discussions and collective learning. The Interim Monitoring Officer advised that the code of conduct had been refreshed, a mayoral induction programme developed, and a new training programme for members introduced, all aimed at improving member culture.</p> <p>Officers responded to a question on the link between culture and governance, stating that dependencies were taken into account when preparing the register, and this was being captured more formally in the risk software. The External Auditors advised that the Combined Authority was on the right track, with the 23/24 period expected to chart the journey and enhanced arrangements in place.</p> <p>The committee requested that the recommendation should extend beyond merely noting, but also include undertaking a deep dive, as there was currently no evidence of such an in-depth analysis having been conducted.</p> <p>In response to queries about climate change risk, officers clarified that the focus was on the activities of the CPCA to tackle climate change, rather than the climate change risks facing the CPCA area.</p> <p>The Committee <b>RESOLVED</b> to:          To note the report and supporting documentation to enable to Committee to undertake a Deep Dive into the Culture risk          To note the report and supporting documentation to enable to Committee to undertake a Deep Dive into the Governance VFM risk          To note the Corporate Risk Register, Dashboard and Heatmap</p> <p>Actions:          1 That recommendations for the committee going forward should be more specific in relation to the deep dives to state the Committee carried out deep dive and note with satisfaction.          2 The Next Corporate Risk report to include and make clear who looks at the what in relation to climate change risk.</p>
7	<p><b>Internal Audit Actions Tracker</b></p>
	<p>The Committee received the report which provided a mid-term summary report on annual progress of the internal audit actions from officers.</p> <p>The following points were raised during the discussion:-</p> <p>Officers responded to a question on the reasons why none of the actions have a named owner, stating that this information was left out for data protection reasons and a discussion could be held with the</p>

	<p>Data Protection Officer regarding its potential release.</p> <p>The Committee <b>RESOLVED</b> to: To note progress on the implementation of internal audit actions</p> <p>Actions: Report back to the committee at the next meeting whether or not the names of risk owners can be released. For this item to come back in September with new approach and members to decide how often it is to be reviewed.</p>
8	<p><b>Draft Statement of Accounts &amp; Annual Governance Statement 23/24</b></p>
	<p>The Committee received a report outlining the Annual Governance Statement for 2023/24 as well as the Statement of Accounts for 2023/24.</p> <p>The following points were raised during the discussion:-</p> <p>Officers responded to members' comments regarding the approval of statement of accounts, highlighting that according to the 2022 CIPFA guidelines, the A&amp;G should review, not approve, and this responsibility should be with the CA Board. The officers recommended that the committee propose a change in the CA Board's terms of reference.</p> <p>Officers responded to members' inquiries about whether there was a local code of governance and if it could have been presented to A&amp;G for review. They confirmed that the CA does have a local code of governance and it can indeed be brought to A&amp;G.</p> <p>Members requested CIPFA guidance documents be circulated to the committee.</p> <p>The Committee <b>RESOLVED</b> to note the report. a) Committee to review and approve the audited Statement of Accounts and Annual Governance Statement for 2023/2024</p> <p>Actions: 1 Officers to provide a view on the Committee making a recommendation to the CA Board to change their terms of reference to review not approve statements of accounts 2 Local Governance code to be reviewed and added to the next meeting's agenda 3 CIPFA Guidance be circulated to the committee members by officers.</p>
9	<p><b>External Audit - 23/24 Draft Audit Plan</b></p>
	<p>The Committee received the report from the External Auditors which provided the progress update.</p> <p>The Committee <b>RESOLVED</b> to note the report. a)The Committee noted to External Audit 24/24 Draft Audit Plan</p> <p>Actions: 1 Audit results report to come to the November meeting</p>
10	<p><b>Internal Audit - Progress Report</b></p>
	<p>The Committee received the progress report from Internal Audit.</p> <p>The Committee <b>RESOLVED</b> to:-</p> <p>a) Recommend to the Combined Authority Board that delegations detailed within the report were approved for the Chief Executive Officer ("CEO") b) Recommend to the Combined Authority Board that delegations detailed within the report were</p>

	<p>approved for the Assistant Director Human Resources (“ADHR”)</p> <p>Actions:</p> <p>1 Committee members to meeting with the External and Internal Auditors, after the December meeting.</p>
11	<p><b>Treasury Management Outturn Report 23/24</b></p>
	<p>The Committee received a report outlining the outturn position for 2023/24 against the prudential indicators included within the Treasury Management and Capital Strategies.</p> <p>The following points were raised during the discussion:-</p> <p>Officers confirmed that the performance indicators are reported mid-year, providing progress updates for the year 2024/25.</p> <p>Officers confirmed that training on CIPFA Treasury Management had been provided to members within the last year.</p> <p>The Committee <b>RESOLVED</b> to: Review and note the actual performance for the year to 31st March 2024 against the adopted prudential and treasury indicators.</p> <p>Actions: 1 Officers to check that Treasury Management training was scheduled for members in the current municipal year.</p>
12	<p><b>Code of Conduct &amp; Complaints Update</b></p>
	<p>The Committee received the annual report on code of conduct complaints.</p> <p>The following points were raised during the discussion:-</p> <p>Responding to a question from members advised them that timelines for Complaints could be impacted due to delays in collating relevant documentation.</p> <p>Officers responded to a question from members regarding complaints made about officers, where they advised that level 2 complaints are reported to the committee on an annual basis as part of the Information Governance update.</p> <p>The Committee <b>RESOLVED</b>: That the annual report on code of conduct complaints be reviewed and any areas for further work be identified.</p> <p>Actions: 1 An update of complaints about officers be brought back to the committee at the end of this year.</p>
13	<p><b>Work Programme</b></p>
	<p>The Committee received the report which provided the draft work programme for the municipal year 24/25.</p> <p>The following points were raised during the discussion:-</p>

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	<p>Members requested that the work programme look at 12 calendar months rather than the municipal year.</p> <p>The Committee <b>RESOLVED</b> to:</p> <p>To note the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year attached at Appendix 1.</p> <p>Actions:</p> <p>1 Officers to check the scheduled deep dives against the work programme 2 The work programme to be reviewed and amended to a one year out look rather than the coming municipal year.</p>
14	<b>Date of Next Meeting</b>
	<p>The next meeting is scheduled for 10am on the 26<sup>th</sup> September 2024. The meeting venue is Pathfinder House, Huntingdonshire DC.</p>

Chairman at the meeting on  
Thursday, 18 July 2024