



AUDIT AND GOVERNANCE COMMITTEE

FRIDAY, 8 NOVEMBER 2024

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

Minutes

1	Apologies for Absence
	Apologies received from Cllr Brown.
2	Declaration of Interests
	There were no declaration of interests made.
3	Chair's Announcements
	The Chair made the following announcements: Reminded members that there would be a private meeting with the auditors at the close of the public meeting.
4	Minutes of the previous meeting
	The minutes of the meeting on 26 th September were approved as an accurate record. The Action Log was noted by the Committee. The Chair queried what progress had been made in relation to the recruitment for the Independent Member and officers advised the recruitment process was due to begin in the next few weeks. The Chair suggested that a press release should be issued when the advert went live.
5	CPCA Update
	The Committee received a verbal update from the Executive Director for Resources.

	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • The Mayor advised that he had been invited to numerous meetings since the new government came to power; within the 100 days the CPCA had moved away from the Best Value Notice which wouldn't have been achieved without the hard work of officers. This was an opportunity to look forward and own what the CPCA went through and help others with the lessons learned. • The Mayor suggested that within the first three months of the new mayoral term that the Mayor be invited to attend the A&G Committee meeting. • In response to a question about the uplifting of gainshare the officers advised that conversations with government was specific to each Mayoral Combined Authority (MCA) as each were funded differently and there were different gainshare arrangements in place for each MCA. As the role of the CA changed there would need to be a different way to fund to ensure there was capacity and resourcing to support the areas that government wanted CA's to cover.. • The Mayor and officers advised that there was a different feeling in their dealings with Whitehall and a sense of working together to share lessons learned. • The Mayor suggested that going forward that the Committee may like to consider inviting Lead Members from the Board to attend meetings. The Chair suggested this might be an option to consider when the committee reviewed the Climate risk in February. <p>The Committee thanked the Mayor and officers for the update.</p> <p>ACTION:</p> <ol style="list-style-type: none"> 1) Mayor to be invited within the first 3 months of the new municipal year to attend a meeting. Invite the Lead Member for Climate to attend the February meeting.
6	<p>Corporate Risk Report</p>
	<p>The Committee received the report which requested they review the Corporate Risk Register, the risk appetite approach and a deep dive into a specific risk.</p> <p>The following points were raised during the discussion:</p> <ul style="list-style-type: none"> • In response to a question about the definition of a corporate risk the committee were advised that this was defined within the risk management framework – it also detailed what a risk was and how to escalate it. • There were monthly meetings held to discuss the risks and consider the need for escalation; the reporting of risks had now been centralised and the new system allows for the information of these to be reported to members. • In response to a question about the financial reporting, officers advised that every person within the organisation who had budget responsibility was set up so they could review budgets whenever required. • In response to a question about the climate change risk, the committee were advised that there were some that were collective challenges and that the action plan had a number of deliverables which had been approved by the Environment & Sustainable Communities Committee. The deep dive into climate change next year would help provide some clarity around this. <p>The Committee then discussed the deep dive into future funding with the following points raised:</p>

	<ul style="list-style-type: none"> • In response to a question about the Shared Ambition the officers advised that the Shared Ambition had been developed with a lot of external stakeholders; how the CA demonstrated the delivery of the Shared Ambition was a key focus of the new Independent Advisory and Support Group. • The Mayor advised that the Shared Ambition had been highlighted as a helpful target and there was a desire to embolden local organisations who had signed up to it. • In response to a question about how there would assurance that Shared Ambition spend is effective and appropriate, officers advised that there were checks and balances to ensure funding was following the priorities of the CPCA; all projects would need to be signed off and follow the processes through the Single Assurance Framework, Investment Committee and the CA Board. Assurance would also be provided through scrutiny of the accounts, the annual governance statement, internal audit reviews and external audit feedback. • The committee were advised that the main change that had impacted the future funding risk had been the change in government. <p>The Committee requested that</p> <p>The Committee RESOLVED:</p> <p>A To endorse the Corporate Risk Register, Dashboard and Heatmap B To undertake a deep dive into Future Funding risk C To review the schedule of deep dives D To endorse the risk appetite approach and review the draft statement</p> <p>ACTION:</p> <ol style="list-style-type: none"> 1) A schedule of deep dives for the next year to be brought to the February meeting so members had the opportunity to discuss and make suggestions.
7	<p>2024/25 Treasury Management Mid-Year Review</p>
	<p>The Committee received the report which requested they review the in-year performance against the prudential indicators included within the Treasury Management and Capital Strategies.</p> <p>The Committee RESOLVED:</p> <p>To note the in-year performance against the adopted prudential and treasury indicators.</p>
8	<p>Update on Cambridgeshire and Peterborough Combined Authority Subsidiary Companies</p>
	<p>The Committee received the report which provided an update concerning the status of the Combined Authority's subsidiary companies and the work being undertaken in relation to the administration and decision-making of those interests.</p> <p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • The Chair updated the Committee that concerns had been raised by the A&G Committee in regard to the CPCA subsidiary companies in the past; there had only been partial assurance from the internal auditors. The Mayor had been invited to attend and advise on the oversight of the subsidiary companies. • The Mayor advised that he was grateful that the subsidiary companies had been reviewed and

	<p>checks were now in place..</p> <ul style="list-style-type: none"> • In response to a question about the role of the Business Board and the Investment Committee, the committee were advised that the Business Board acted as an advisory panel to the organisation. The Investment Committee had Business Board members sitting on it to also provide advice and input into projects. There was also an Investment Panel that was made up of officers which had delegations given to it to review projects before they were taken through to the Investment Committee to ensure they would align with corporate priorities. • The Committee were advised that decisions that were up to £1m the Chief Executive Officer had delegated authority to approve; decisions between £1-5m had to be taken through Investment Committee and anything over £5m had to go through the CA Board. • In response to a question about the role of the A&G Committee and possible overlap with the terms of reference with the Investment Committee the committee were advised that the Investment Committee provided assurance to the A&G Committee. The Single Assurance Framework was relatively new and not a straightforward system and needed to be embedded – as the process was worked through any duplication around governance would need to be considered. • The Committee requested that a report was brought back to the February meeting which explained how A&G responsibilities were being impacted by the introduction of the Investment Committee. <p>The Committee RESOLVED to:</p> <p>A To Note the information provided on subsidiary companies of the Combined Authority B To note the roles of the Investment Committee and the Combined Authority Board in relation to the decision-making relating to Combined Authority subsidiary company interests C To agree to receive further updates on combined authority subsidiary company matters</p> <p>ACTION:</p> <ol style="list-style-type: none"> 1) Report to be brought to the February meeting which explained how A&G responsibilities were being impacted by the introduction of the Investment Committee.
9	<p>Internal Audit - Progress Report</p>
	<p>The Committee received the report which provided the progress report from the Internal Auditors, RSM.</p> <p>The Chair asked the internal auditor if he had any comments in relation to the subsidiary companies; RSM had looked at the companies for three financial years under the internal audit plans, and a number of issues had been identified in those audits, which were being addressed by Officers. The last review was undertaken in May 2024 and agreed actions that would be included in the follow up coverage scheduled for the fourth quarter, so some assurance against those actions would be brought to the committee in a future report.</p> <p>The Committee RESOLVED to note the report.</p>
10	<p>External Audit - Verbal Update</p>
	<p>The External Auditor advised that the 22/23 Audit Completion Report had been issued ahead of the 28th November meeting, to enable the meeting for sign off of the 2022/23 financial statements by the backstop set by government of the 13th December.</p>

	<p>The 23/24 accounts would reflect progress made and have an update on the Value for Money commentary in light of the Best Value Notice being lifted.</p> <p>In relation to the wording for the disclaimed audit opinion, the Committee were advised that all audit firms were working to the same guidance issued by National Audit Office/Financial Reporting Council, with wording that was very clear and provided links to legislation. The FRC has also issued some contextual information, which could provide background to the issue and a suggested approach should a press release be required.</p> <p>The Committee were advised there was a need for the February meeting to be rearranged due to the backstop for the 23/24 accounts needing to be signed off by the 28th February. The Committee agreed to move their February meeting to the 21st February.</p> <p>ACTION:</p> <p>1) The February A&G Committee meeting be rearranged to the 21st February 2025.</p>
11	<p>Work Programme</p>
	<p>It was resolved to:</p> <p>A Note the Committee Agenda Plan.</p>
12	<p>Date of Next Meeting</p>
	<p>The next meeting is scheduled for 28th November at 10am. The meeting venue is Pathfinder House, Huntingdonshire District Council.</p>

Chairman at the meeting on
Friday, 8 November 2024

This page is intentionally left blank