

**MINUTES OF THE MEETING OF THE
GOVERNANCE AND AUDIT COMMITTEE
HELD ON MONDAY, 16 OCTOBER 2023 AT COMMITTEE ROOM 1,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Debbie Simpson (Chair)	Independent Member
Councillor Jane Scullion (Deputy Chair)	Calderdale Council
Councillor Cathy Scott	Kirklees Council
Councillor Alan Lamb	Leeds City Council

In attendance:

Mark Outterside	Mazars Auditors
Alan Reiss	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Farhan Khaliq	West Yorkshire Combined Authority
Alexander Clarke	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

14. Apologies for Absence

Apologies for absence had been received from Councillor Hinchcliffe and Joanna Wardman.

15. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

16. Exclusion of the Press and Public

RESOLVED – That in accordance with paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, the public be excluded from the meeting during consideration of Appendix 4 to Agenda Item 8 on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

17. Minutes of the Meeting of the Governance and Audit Committee held on 24 July 2023

Resolved: That the minutes of the last meeting be approved.

18. Internal Audit Progress Report

Members considered a report which provided an update on internal audit progress against the new audit plan.

Work had been completed for those review carried over into the 2023/24 audit plan and a significant number of reviews had started.

The Committee noted the ongoing recruitment challenges in the internal audit team and the risk that sufficient work may not be completed in the current plan year.

Members discussed the difficulties around recruitment and the possibility to look into a graduate programme as a partial longer term solution. It was noted that the Combined Authority had been in discussions with the LGA around workforce planning and would explore further opportunities for staff training and development.

Members asked Fraud/Whistleblowing/Money Laundering referrals were on par with other Combined Authorities and if after the investigations had been completed. Officer could bring back outcomes from the instigations to the Committee and that work around benchmarking would begin.

The Chair asked for assurance that the most important audits were prioritised, especially given the limited resource of the team, and whether the plan could be RAG rated to see which audits were prioritised as well as a planned completed due date.

Members asked for an update on the Transport Operations & Passenger Experience agreed actions, with a significant number showing as in progress or as having missed their original date. Work was ongoing to implement the agreed actions and an update could be brought to a future meeting if the position remained the same.

Resolved: That the progress update be noted.

19. External Audit Progress Report

The Committee considered a report that provided an update on external audit matters.

Members noted the ongoing work to complete the 21/22 due to nationally mandated work on Local Government Pension Scheme. The work had been completed on 22/23 but the delay around the 21/22 audit had meant that the audit could not be finalised.

A letter from Government regarding the audit delays was attached at appendix 1 to the submitted report. Members discussed the situation around local government audits was unsatisfactory and the proposed way forward around backstops which might result in incomplete or modified opinions.

Members also asked about the increase to audit fees in a difficult financial setting for local authorities. Officers would bring forward the details around the fees at the next meeting but noted that the fees had been historically low given the amount of audit work completed.

Resolved: That the position on external audit work be noted.

20. Compliance and Monitoring

Members considered a report that provided an update on internal controls since the last meeting of the Committee.

There had been no changes to internal controls and no RIDDOR incidents.

Members noted the internal changes to officer boards and structures and the formation of the Corporate Change Management Board as well as the imminent introduction of CI Anywhere, a new integrated Finance, HR, and payroll system.

A first iteration of the compliance dashboard was attached at appendix 1 and Members thanked officers for all their hard work on the dashboard and that it would be a useful tool for the Committee. Members asked for benchmarking on the dashboard in relation to other Combined Authorities and if the complaints part of the dashboard could include the number of complainants.

Resolved:

- (i) That the report be noted
- (ii) That the dashboard be noted.

21. Risk Management

Members considered a report that provided an update on the Combined Authority's risk management strategy.

Resolved:

- (i) That the proposal to review the risk management strategy with an update on progress to be provided in early 2024 be noted and endorsed.
- (ii) That the work ongoing to embed risk management through all layers of officer governance be noted.

- (iii) That the revised corporate risk register be noted and endorsed.

22. Corporate Governance Update

Members considered a report that set out revisions made to the Code of Corporate Governance and provided a draft of the Annual Governance Statement.

Resolved:

- (i) That the proposed revisions to the Code of Corporate Governance endorsed and recommended to the Combined Authority.
- (ii) That the draft Annual Governance Statement including the Governance Improvement Plan be endorsed for publication in due course as part of the annual accounts.

23. Bus Reform

Members considered a report that provided an update on the bus reform programme.

Resolved: That the report be noted.