

**MINUTES OF THE MEETING OF THE
GOVERNANCE AND AUDIT COMMITTEE
HELD ON THURSDAY, 14 JANUARY 2021 AT REMOTE MEETING - TO
BE LIVESTREAMED HERE:
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ZK9A/LIVE](https://www.youtube.com/channel/UCAZJNSGPQZZT41VIBN2ZK9A/LIVE) (COPY AND PASTE THE LINK IN YOUR BROWSER)**

Present:

Councillor Susan Hinchcliffe	Bradford Council
Joanna Wardman	Independent Member
Councillor Shabir Pandor	Kirklees Council
Councillor Jane Scullion (Substitute)	Calderdale Council
Councillor Steven Leigh MBE	Calderdale Council

In attendance:

Bronwyn Baker	West Yorkshire Combined Authority
David Brown	Leeds City Council
Bhupinder Chana	Leeds City Council
Jonathan Sheard	West Yorkshire Combined Authority
Angela Taylor	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

22. Apologies for Absence

An apology for absence was received from Councillor Swift.

23. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

24. Exclusion of the Press and Public

There were no items that required the exemption of the press and public.

25. Minutes of the Meeting of the Governance and Audit Committee held on 27 November

Resolved: That the minutes of the meeting held on the 27 November be approved.

26. Treasury Management

Bhupinder Chana and David Brown from Leeds City Council were in attendance and gave a presentation to the Committee regarding the Combined Authority's treasury management arrangements.

Members had the following questions and comments:

- Members asked whether the arrangement with Leeds City Council represented value for money. It was noted that Leeds Council provided a highly skilled and mature treasury management function at a competitive rate and review yearly and was far more cost effective than the Combined authority developing the skills in house.
- Whether the level of debt held by the CA was manageable. Members noted that the loans dated from the Passenger Transport authority and servicing the debt was built into the budget on a yearly basis and was manageable and controlled.
- Investment in local authorities as a lower risk than banks given that some local authorities have experienced financial difficulties. Members noted that the underlying logic to this was that banks could fail and then investment could be at risk whereas local authorities are protected and there is assurance that the money would be returned.
- That the role of Treasury Management was to secure the Combined authority's resources to ensure that the money is available when it was required.
- Members requested more information regarding the risk management approach to Treasury management and that the approach to risk was highlighted at future meetings.

Resolved:

27. Internal Audit Progress Report

The Committee considered a report which provided an update on the work of internal audit.

Members noted that the revised internal audit charter had been updated to ensure full compliance with Public Sector Internal Audit Standards.

Members noted the risk around MCA deadlines and the various workstreams, particularly around the possible delays to the elections in May due to the pandemic.

Progress on the integrated systems for HR and finance was encouraging and was progressing well through the procurement process and would improve compliance and monitoring across the organisation.

Resolved: That the internal audit progress to date be noted.

28. External Audit Progress Report

Members consider a report that provided an update on external audit matters that had occurred since the last meeting.

The final annual audit letter was attached at appendix 1 to the submitted report which provided an unqualified opinion on the accounts and an unqualified opinion on value for money conclusion.

Members noted the new code of audit practice for 2020/21. The main changes included a move away from a binary audit conclusion and replaced by an annual narrative commentary in relation to value for money arrangements. The code meant that any concerns would be raised as and when they are identified. A more detailed briefing would be brought to the Committee meeting in March.

Resolved: That the report be noted.

29. Compliance and Monitoring

The Committee considered a report which set out any changes to arrangements for internal controls since the last meeting as well as the financial positions for 2020/21 and 2021/22.

There had been no significant changes or breaches in the arrangements for internal controls and no RIDDOR incidents in the period.

It was noted that the Combined Authority was close to achieving a balanced budget for this year and next year and the financial position would be finalised and brought to the Combined Authority on 4 February.

Members noted the low risk appetite in the Combined Authority's treasury management arrangements and asked for information on how that approach to risk compared with those of the constituent authorities.

Resolved: That the report be noted.

30. Mayoral Combined Authority Preparations - Decision-Making and Committee Arrangements

Members considered a report which updated the Committee on progress on the decision making and committee arrangements workstream of the Mayoral Combined Authority Ready Programme Board.

Members noted the work underway on the transfer of police and crime commissioner functions which was led by a transition working group with good involvement from the PCC office.

Members asked whether transition of the PCC would have an impact on the workload of internal audit. It was noted that there was already an internal audit function within the PCC and discussions were underway as to how the two

would work together in the future.

Resolved:

- (i) That the progress to date be noted.
- (ii) That an update be brought to the next meeting to include further information on the implications for the committee and on governance arrangements arising to the transfer of police and crime commissioner functions to the Combined Authority.