

**MINUTES OF THE MEETING OF THE
GOVERNANCE AND AUDIT COMMITTEE
HELD ON MONDAY, 24 JULY 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 Susan Hinchcliffe	Bradford Council
Joanna Wardman	Independent Member
Councillor Sam Firth (Substitute)	Leeds City Council

In attendance:

Mark Outterside	Mazars Auditors
Angela Taylor	West Yorkshire Combined Authority
Caroline Allen	West Yorkshire Combined Authority
Bronwyn Baker	West Yorkshire Combined Authority
James Nutter	West Yorkshire Combined Authority

1. Apologies for Absence

Apologies had been received from Cllr Lamb.

2. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

3. Exclusion of the Press and Public

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

4. Minutes of the Meeting of the Governance and Audit Committee held on 22 March 2023

Resolved: That the minutes be approved.

5. Governance Arrangements

The Committee considered a report which set out the governance arrangements for the committee and approved at the Combined Authority's annual meeting as well as a proposed work programme for the year.

Members noted the summary of grant applications considered during the last financial years under arrangements to address conflicts of interest.

Members asked for the joint independent audit to be added to the work plan

as well as for the value for money opinion from Mazars to be itemised.

Members discussed the role of the committee in bus franchising audit work currently underway. An external auditor had been appointed and was operating in a strict legislative guideline and that the outcome of that audit work could be brought back to the committee.

Resolved:

- (i) That the governance arrangements approved by the Combined Authority be noted
- (ii) That the summary of applications for grants considered during the last financial year under arrangements to address conflicts of interest be noted.
- (iii) That the workplan and the suggested additions be noted.

6. Review of Internal Control and Effectiveness of Internal Audit

The committee considered a report that outlined the result of the review of internal controls and the effectiveness of internal audit.

Members noted that the Director, Finance and Commercial Services had undertaken a review of internal audit and concluded that it complied with the necessary standards and had worked to an adequate standard throughout the year.

Members asked for more information about the external independent review next year. Planning was underway and an update would be brought to a future committee meeting of the Committee.

Resolved: That the outcome of the review of internal audit control and the effectiveness of internal audit be approved.

7. Internal Audit Annual Report and Opinion

The Committee considered a report that set out the Head of Internal Audit's Annual Opinion for 2022/23.

Internal audit had been able to complete sufficient work against the internal audit plan to enable the provision of an opinion which was not limited by volume or scope. The systems of control, governance, and risk management had been found to be adequate for 2022/23.

Given the growth of the Combined Authority, a piece of work had been undertaken to look at an audit universe to understand the full range that internal audit should be assuring.

Members asked about the management and timetabling of audits carried over from the previous year. A number of those audits carried over were in progress but not completed in time for the committee and two were deferred

but would be carried out. Only one audit had been removed from the plan as it could not be justified on risk basis.

It was noted that the audit universe work ensure that more transport would be a greater focus of audit and would also look at the resourcing around grant certification.

8. Resolved: That the report be noted
Internal Audit Progress Report

The Committee considered a report that a progress report on internal audit matters.

Members asked if a date of the last review of overdue actions could be added for clarity.

Members discussed the audit work on contract management across several audits and asked if work would be undertaken more holistically within the organisation. Work was ongoing with the commercial team on the development of contract management standards.

Resolved: That the report be noted

9. External Audit Progress Report

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

The triennial valuation of the Local Government Pension Scheme had been published CIPFA had ruled that auditors need to consider if there were a material difference between the figures, and would result in a further delay to the completion of the 21/22 accounts while this work was completed.

The delay to the conclusion of the 2021/22 audits meant that meaningful work has not yet progressed on the audit of the 2022/23 accounts. It was intended that a planning document as well as the draft accounts for the 22/23 audit would be brought to the next meeting of the committee.

10. Resolved: That the report be noted.
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.

To ensure comprehensive reporting of key indicators and other management information a dashboard was in development and areas to be included were outlined at 2.9 in the submitted report. A first draft of the dashboard would be brought to the next meeting of the committee for comment and discussion.

Members asked if the dashboard could look at comparability with other

Combined Authorities and how they monitor governance indicators.

Resolved: That the report be noted.

11. Treasury Management

The committee considered a report that provided an update on Treasury Management arrangements.

Members were supportive of the proposal for training on Treasury Management provided by colleagues at Leeds City Council.

Resolved: That the report be noted.

12. Risk Management

The committee considered a report that set out the risk management update.

The organisation had moved to a new delivery focused model as well as monthly internal reporting for risk against the business plans for each directorate. This approach had meant that there had not been sufficient resource in the team to formally update the corporate risk register since the last meeting. The corporate risk register would be updated and brought to the next meeting of the committee.

Members asked for thought on the processes around of the corporate risk register in how it is sequenced, a clear written protocol on the roles and responsibilities, and the escalation of risk within the organisation.

Resolved: That the report be noted.

13. Code of Corporate Governance

Members considered a report that provided an update on progress to revise the Code of Corporate governance.

The Code of Corporate Governance would continue be reviewed in line with the organisational evolution work and further reports on progress to amend the code would be brought to the next meeting of the committee.

Resolved: That proposed revisions to the code be endorsed and an updated version be brought back to the next meeting.