

**MINUTES OF THE MEETING OF THE
GOVERNANCE AND AUDIT COMMITTEE
HELD ON THURSDAY, 30 JULY 2020 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:

Andy Clayton (Chair)	Independent Member
Joanna Wardman	Independent Member
Councillor Susan Hinchcliffe	Bradford Council
Councillor Jane Scullion (Substitute)	Calderdale Council
Councillor Peter McBride (Substitute)	Kirklees Council
Councillor Steven Leigh MBE	Calderdale Council

In attendance:

Angela Taylor	West Yorkshire Combined Authority
Bronwyn Baker	West Yorkshire Combined Authority
Jonathan Sheard	West Yorkshire Combined Authority
Ben Kearns	West Yorkshire Combined Authority

1. Apologies for Absence

Apologies for absence were received from Councillor Pandor and Councillor Swift.

2. Declarations of Disclosable Pecuniary Interests

Under minute 8 in Councillor Scullion declared an interest in that she was a recipient of the West Yorkshire Pension Fund.

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 12 May

Resolved: That the minutes of the meeting of the Governance and Audit

Committee held on 12 May be approved.

5. Internal Audit Progress Report

Members considered a report which set out progress against delivery of the annual internal audit plan and the performance of Internal Audit.

Members noted that a different approach would be taken for the 20/21 plan with a greater emphasis on advice and guidance as opposed to compliance with focus given to the organisation's preparations to become a Mayoral Combined Authority.

The proposed changes to the plan were included in the progress report.

Members noted that the plan was ambitious and questioned if the internal audit function was confident of meeting the audit areas. Any instance in which resource was insufficient and priorities had to be chosen would be brought back to the Committee. Recruitment was underway for a principal auditor.

Members felt that the plan was robust and targeted and identified the most important areas, particularly ICT and cybersecurity.

The Chair requested that senior officers attend the Committee to ensure members had a more rounded view of the Combined Authority.

Members noted the key audit priorities outlined in the plan which would be essential to provide an end of year opinion in case of further disruption caused by the pandemic. Covid response, Devolution, MCA readiness and systems and compliance were identified as the key audit areas.

Resolved: That the progress of Internal Audit to date be noted

6. Review of Internal Audit and effectiveness of Internal Audit

Members considered a report on the outcome of a review of internal control and the effectiveness of internal audit.

Members noted that the 2019 independent external quality review which concluded that that West Yorkshire Combined Authority's internal audit activity generally conforms with the definition of Internal Auditing, the Code of Ethics and the Public Sector Internal Audit Standards.

Resourcing for the Internal Audit team would be kept under review and it was important that internal audit was focussed on key areas where they could add value.

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

7. Internal Audit Annual Report and Opinion 2019/20

Members considered a report which outlined the internal audit annual opinion

for the 2019/20 year.

The Head of Internal Audit reported that the opinion for the year was that the systems, controls, and governance was adequate.

Opportunities to improve controls had been identified and would be mostly systems driven. Workstreams had been established to look at the systems for HR, procurement and finance which could make reporting on compliance more efficient.

It was reported that enough work had been done to give an audit opinion for the year. The only third party assurance that had been relied upon related to treasury management.

Members discussed the need for assurance around data and cyber security and whether the internal audit function was equipped to carry out audits into these areas and the possible need to buy in audit specialisms.

The Chair requested a more joined up approach between the Governance and Audit Committee and the Overview and Scrutiny. A report would be brought to the next meeting providing an update on the work undertaken by the Overview and Scrutiny Committee.

Resolved: That the internal audit report and opinion be noted.

8. External Audit Progress Report

Members considered a report which provided an update on external audit matters since the last meeting.

It was reported to the May 2020 meeting that due to the Covid-19 outbreak public authorities had been granted deadline extensions for their annual accounts, with final accounts due by 30th November 2020. It was hoped that the accounts could be brought to this meeting but some audit work around pensions was outstanding.

It was proposed that the accounts and audit completion report be presented to the meeting in October 2020, which would meet the statutory deadline.

Mark Kirkham from Mazars reported that the bulk of the audit procedures had been completed and no significant adverse findings had been identified.

The Chair asked for more detail on the audit file relating to the West Yorkshire Pension Fund when it was available.

Resolved:

- (i) That the final audited annuals be presented at the 29 October meeting.
- (ii) That the external audit matters detailed in the report be noted.

9. Compliance and Monitoring

Members considered a report which set out arrangements for internal control since the last meeting.

It was reported that there have been no significant changes to internal controls in the period and monthly reconciliations are up to date

There had been no areas of concern raised regarding the Combined Authority's treasury managements arrangements.

It was reported that the 2019/20 financial outcome was a better year end position that initially predicted with a £1.3 million surplus.

Regarding the Revenue budget for 2020/21 it was noted that due to the impact of Covid 19 there was potential for a £12 million gap. This scenario was based on assumptions and the impacts of Covid 19 on the 20/21 budget remained unclear and would be adjusted as the situation progressed.

It was reported that the corporate risk register had been updated to reflect the pandemic and the work underway to become a Mayoral Combined Authority.

It was noted that no money from central government had been made available for Combined Authorities although discussions had taken place and the case was being made for the challenges facing Combined Authorities.

The Chair requested a deep dive into the work to become a Mayoral Combined Authority.

Resolved: That the report be noted.

10. Annual Accountability Reporting

The Committee considered a report which provided an annual report in respect of complaints and concerns raised about the LEP.

It was reported that there had been no complaints regarding the LEP, and a list of grant application considered under the conflict of interest procedures was set out in appendix 1.

Resolved:

- (i) That the Governance and Audit Committee notes that no complaints or concerns have been raised this year about the LEP (or about any member of the LEP Board) under the LEP's complaints procedures, the Combined Authority's complaints policy and the LEP's whistleblowing policy.
- (ii) That the Governance and Audit Committee notes the summary set out in Appendix 1 to this report, relating to grant applications considered under conflict of interest arrangements in place during 2019-20.