
Report to: Governance and Audit Committee

Date: 22 March 2023

Subject: **Compliance and Monitoring**

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1. Purpose of this report

- 1.1 To consider any changes to the arrangements for internal control in the West Yorkshire Combined Authority since the last meeting of the Committee.
- 1.2 To provide an update on emerging inflationary and other financial pressures identified in the coming year.

2. Information

- 2.1 This paper is provided to each meeting of the Governance and Audit Committee and provides information and assurance on governance issues. Any changes to, or failures of, internal control will be reported along with significant risk issues.

Internal controls

- 2.2 There have been no significant changes to internal controls in the period and monthly reconciliations are up to date.
- 2.3 Work continues on the implementation plan for the integrated Finance, HR and payroll system CIAnywhere and progress has been made in considering the control environment. In particular access controls and security which have been considered by the Project Board which includes the Director, Finance and Commercial Services, Head of Finance and the Head of Internal Audit.
- 2.4 The Regulatory and Compliance Board at officer level continues to meet and will provide information as required to this Committee and the Combined Authority. Its meetings have considered assurances provided by the work undertaken by internal audit, health and safety, information governance, risks and controls and compliance including financial, procurement, HR and other policies, safeguarding, statutory returns and transparency arrangements. Actions are being identified to ensure compliance is adequately documented

and evidenced. Internal Audit provides an update on its activities as a separate agenda item.

Key indicators

- 2.5 The Committee has requested regular information via key indicators, specifically with regard to accidents reportable to the Health and Safety Executive and with regard to key controls.
- 2.6 No RIDDOR incidents have been reported since the previous meeting and in this financial year.
- 2.7 Key indicators are monitored in relation to the suite of financial controls undertaken monthly in both the finance and the concessions and integrated ticketing team. These are both up to date as at the time of writing this report.

Q3 2022/23 Financial Update

- 2.8 The Combined Authority approved a revised revenue outturn budget at its meeting on 2 February along with the proposed revenue budget for 2023/24. Both of these presented a broadly balanced position after taking the opportunity to set aside some non recurring savings in 2022/23 to provide support in the coming year to bus tendered services and inflation on capital programmes.
- 2.9 Regular budget monitoring has continued in parallel with the detailed presentation to the 2 February meeting and this has identified a number of movements within individual budget lines as well as changes resulting from further funding receipts and approvals. This moves the net position from a small surplus of £145k as previously reported to a small deficit of £250k. It is expected as the year end approaches further revisions will be made and any budgeted expenditure not spent in the current year will be used to contribute to reserves and support the funding challenges in future years.

Capital Programme Update

- 2.10 The table below summarises the total expenditure on the Combined Authority's capital programme as at quarter 3 2022/23. This includes the current expenditure forecast on each funding programme in comparison with the budget forecast reported to the Combined Authority in February 2022 and to the Finance Resources and Corporate Committee in March 2022.

Capital Programme Expenditure	Forecast as at Combined Authority February 2023	Expenditure upto Quarter 3 2022/23	% of CA Forecast
Transport Programmes			
City Region Sustainable Transport Settlement	£66,059,941	£25,621,635	38.79%
Transforming Cities Fund (inc. Tranche 1) (non CRSTS)	£37,940,399	£25,454,935	67.09%
West Yorkshire plus Transport Fund	£58,626,946	£46,041,525	78.53%
Zero Emissions Bus Regional Areas	£3,818,701	£0	0.00%
Leeds Public Transport Investment Programme	£2,870,000	£1,732,822	60.38%
Integrated Transport Block (CA legacy projects)	£4,666,883	£2,941,672	63.03%
Active Travel	£6,856,529	£2,874,993	41.93%
New Station Fund	£3,687,541	£3,731,910	101.20%
Economic Development Programmes			
Getting Building Fund	£11,377,575	£10,575,616	92.95%
Brownfield Housing Fund	£9,000,000	£299,787	3.33%
Social Housing Decarbonisation Fund	£4,661,627	£1,544,808	33.14%
British Library North	£6,000	£0	0.00%
Corporate Projects	£1,897,281	£1,083,158	57.09%
Broadband	£1,204,119	£1,208,410	100.36%
Growth Deal - Economic Development	£123,300	£0	0.00%
Business Accelerator Fund	£2,301,895	£2,202,883	95.70%
Flood Alleviation Scheme	£12,565,000	£0	0.00%
Total Capital Spend	£227,663,737	£121,902,861	53.55%

- 2.11 Expenditure of over 50% (of the 2022/23 February 2023 forecast) at quarter 3 is in line with prior years and seasonality of the Combined Authority's annual capital spend. The majority of spend, often over 60%, tends to be achieved in the final quarter.
- 2.16. Most of the Combined Authority's forecast expenditure in 2022/23 is concentrated across five major programmes: the new City Region Sustainable Transport Settlement (CRSTS); the Transforming Cities Fund (TCF); the West Yorkshire plus Transport Fund; Getting Building Fund (GBF); and the Brownfield Housing Fund (BHF).

3 Tackling the Climate Emergency Implications

- 3.1 There are no climate emergency implications directly arising from this report. All projects approved through the assurance process are required to consider climate impact.

4 Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report. All projects approved through the assurance process are required to consider their impact on inclusive growth.

5. Financial Implications

5.1 As set out in the report.

6. Legal Implications

6.1 There are no legal implications directly arising from this report.

7. Staffing Implications

7.1 There are no staffing implications directly arising from this report.

8. External Consultees

8.1 No external consultations have been undertaken.

9 Recommendations

9.1 That the Committee consider the information contained in this report.

10 Background Documents

None

11 Appendices

None.