

**MINUTES OF THE MEETING OF THE
GOVERNANCE AND AUDIT COMMITTEE
HELD ON WEDNESDAY, 22 MARCH 2023 AT COMMITTEE ROOM 1,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Present:

Debbie Simpson (Chair)
Councillor Sam Firth
Joanna Wardman
Councillor Jane Scullion (Substitute)

Independent Member
Leeds City Council
Independent Member
Calderdale Council

In attendance:

Mark Dalton
Mark Outterside
Melanie Corcoran
Bronwyn Baker
Angela Taylor
James Nutter
Katie Wilby
Mark Wood
Ben Kearns

Mazars Auditors
Mazars Auditors
West Yorkshire Combined Authority
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48. Apologies for Absence

Apologies for absence had been received from Councillor Hinchcliffe, Councillor Pandor, and Councillor Swift.

49. Declarations of Disclosable Pecuniary Interests

There were no declarations of pecuniary interests at the meeting.

50. Exclusion of the Press and Public

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

51. Minutes of the Meeting of the Governance and Audit Committee held on 12 January

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

52. Internal Audit Progress Report

Members considered a report that set out an update on internal audit progress

against the current plan for 2022/23.

The Committee noted that recruitment remained challenging. The internal audit team continued to work with human resources to try and identify alternate actions to secure additional resource. Consideration was also being given to the appointment of an apprentice to the internal audit team, particularly on the counter-fraud side.

Relating to the progress on the fraud complaints, members noted that one had been closed and on receipt of further information it had been determined that no further investigation was necessary. One fraud investigation remained open and further information was awaited.

On the whistleblowing complaints, members noted that more information was awaited to progress the case from a Local Authority partner and would be reported to the Committee at a later date.

Progress against the plan was progressing well with a lot of reports in draft awaiting a management response.

An updated was provided on the minimal assurance from the last meeting, and internal audit were confident that good and timely progress had been made. A follow-up review had been planned for next year.

Work was underway with the finance team to collectively try to manage the grant certification work better to avoid disrupting the routine audit work.

Resolved: That the progress update be noted.

53. Internal Audit Draft Plan 2023/24

Members considered a report that set out the final internal audit plan for 2023/24 for approval.

Members noted two minor amendments to the plan. Following discussions with Directors and the Internal Leadership Board, a rolling programme of reviews around business planning and finance process to ensure that they were better linked and embedded within the organisation. Another audit had been added around the use and quality of open data.

Resolved: That the 2023/24 audit plan be approved.

54. Approval of Annual Accounts 2021/22

Members considered a report that presented the consolidated audited annual accounts 2021/22 for approval.

Members noted the audit completion report that a clean and unqualified audit opinion on the financial statements. One minor control recommendation had been identified and few minor amendments had arisen through the audit process. Mazars would report their value for money work at a later date, but no significant weaknesses had been identified.

Members wished to thank the finance team and recognised the challenges around the first time consolidated accounts with the Police and Crime accounts.

The Committee noted that once Mazars finished the work they would undertake to communicate with the Committee to provide a summary of the work and any findings from the outstanding areas.

Resolved: That the draft annual accounts 2021/22 be recommended for approval.

55. Revised Code of Corporate Governance

Members considered a report that set out revisions to the Code of corporate Governance.

Members noted that due to the organisational evolution programme and the Combine Authority's move towards an outcome/mission based model the code of corporate governance should be reviewed once more progress had been made.

It was anticipated that a review could be carried out in September/October 2023.

Resolved: That the proposal to review the Code of Corporate Governance in line with the progression of the Organisational Evolution programme be endorsed.

56. Treasury Management

Members considered a report that provided an update on Treasury Management activities.

It was proposed that training would be provided on treasury management at a future meeting of the Committee.

Members asked about the strategy to internalise available cash balances and that the Committee would be kept informed. Officers would find the best way to extract the information from the Capital Financing Requirement to present to the Committee.

Resolved: That the report be noted.

57. 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 capital spend at quarter 3 and asked if officers were

confident that full spend across the capital programmes would be achieved. Final returns were due in April and would be reported back to the Committee.

Resolved: That the report be noted.

58. Risk Management Strategy

The Committee considered an update on the corporate risk management strategy.

Members noted the work underway to adapt the risk management strategy to fit the outcome based model of the directorates, a discussion led approach to risk, and a differentiated risk management at different levels within the Combined Authority.

Members were supportive of the approach and suggested that it would be important for the organisation to agree a common understanding of risk and the tolerance levels to support the strategy.

Members asked if an assessment had been undertaken at a strategic level to benchmark against the IIA's risk maturity model. Officers had looked at maturity models and some actions had been implemented, as part of the organisational evolution it was expected that risk management would take on a higher profile within the Combined Authority. Members asked to see more information at a future meeting around the ambition to change the culture within the organisation around risk management.

Resolved: That the report be noted.

59. Governance and Audit Committee Forward Plan

Members considered a report which presented the 2023/34 forward plan for discussion.

Members were supportive of the suggested deep dive on matters relating to key delivery schemes across the directorates as well as more work on how internal governance and assurance systems were functioning.

Resolved: That the comments on the forward plan be noted.