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**Report to:** Governance and Audit Committee

**Date:** 24 July 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 consider and identify any additional areas the Committee would like to see included in the proposed dashboard development.

## **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, customer contact, 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.

### **Development of a Dashboard**

- 2.8 In order to support the reporting of key indicators and other management information for the Governance and Audit Committee, work is currently underway to review the reporting already in place through the newly established Corporate Performance Reporting arrangements, the Regulatory and Compliance Board and Internal Audit Progress Updates. It is anticipated that this dashboard will then form the basis for reporting on compliance going forward. It is also proposed to expand our publication scheme to include data on compliance and customer service performance.
- 2.9 Previous discussions with the Committee have identified a number of areas that the Committee would like to see included in the dashboard, for example:
  - 1. % of quorate committees
  - 2. % of committees cancelled
  - 3. Number of whistleblowing cases
  - 4. Number of fraud investigations
  - 5. % of audit recommendations implemented
  - 6. Number of limited assurances
  - 7. % of audits completed to plan
  - 8. % of committee self-reviews undertaken
  - 9. Customer service performance data
- 2.10 Work on this will take place over the summer with a view to bringing proposals for dashboard and expanded publication scheme to a committee meeting in October.

### **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. The year end position largely mirrors the expected position and work is now underway to prepare a full three year financial strategy to support the budget work that will commence in the autumn.

- 2.9 Capital expenditure forecasts were reported to the Combined Authority in February 2022 and to the Finance Resources and Corporate Committee in March 2022. Actual expenditure to the end of March 2023 was only slightly down on the £227m forecast reported.

### **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.
- 9.2 That the Committee identify any additional areas for inclusion in a future dashboard.

### **10 Background Documents**

None

### **11 Appendices**

None.