

**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)
Councillor Jane Scullion (Deputy Chair)
Councillor Susan Hinchcliffe
Councillor Sam Firth (Substitute)
Joanna Wardman

Independent Member
Calderdale Council
Bradford Council
Leeds City Council
Independent Member

In attendance:

Mark Outterside
Caroline Allen
Bronwyn Baker
James Nutter
Angela Taylor

Mazars Auditors
West Yorkshire Combined Authority
West Yorkshire Combined Authority
West Yorkshire Combined Authority
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 an 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 year under arrangements to address conflicts of interest.

Members asked for the joint independent audit report to be added to the work plan as well as for the value for money opinion form Mazars.

Members discussed the role of the committee in the bus franchising audit work currently underway. An external auditor had been appointed and was operating in a strict legislative framework 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 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 would be undertaken to look at the audit universe to understand the full range of work

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 opinion 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 a risk basis.

It was noted that the audit universe work would examine the need to make transport issues a greater focus of audit and would also look at the resourcing around grant certification.

Resolved: That the report be noted.

8. Internal Audit Progress Report

The Committee considered progress report on internal audit matters.

Members asked if the 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 a more holistic approach could be utilised within the organisation. Work was ongoing with the commercial team on the development of contract management standards which would address this.

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 and CIPFA had ruled that auditors would need to consider if there were a material difference between the figures. This had 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.

Resolved: That the report be noted.

10. 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.

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 further training on Treasury Management which would be 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 requested that the risk register be brought to every meeting. Members also asked for further thought on the processes around of the corporate risk register in how it would be sequenced, with and ask for 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 to 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.