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West Yorkshire Combined Authority

Annual Governance Statement 2022/23

This Annual Governance Statement reflects both the governance framework put in place for the West Yorkshire Combined Authority (Combined Authority) and the Combined Authority Group (the Group) for the year ended 31 March 2023.

1. Scope of Responsibility

The Combined Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Combined Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Combined Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk. The Combined Authority annually approves a Code of Corporate Governance consistent with the principles of CIPFA Solace framework "Delivering good governance in Local Government".

In accordance with the Accounts and Audit Regulations 2015 this Annual Governance Statement (AGS) considers compliance with the Corporate Governance Code and Framework and sets out how the Combined Authority 'ensures that the financial management is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.'

The Mayor is the Chair of the Combined Authority and also holds the policing and crime functions for West Yorkshire and has appointed the Deputy Mayor for Policing and Crime who has substantial delegated authority covering this area.

The functions of the West Yorkshire Police and Crime Commissioner transferred to the elected Mayor on 10 May 2021 and with regards to these functions the Mayor is held to account by the West Yorkshire Police and Crime Panel.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Combined Authority is directed and controlled and its activities through which it accounts to and engages with the community. The framework enables the Combined Authority to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services for its customers.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Combined Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically.

3. The governance framework

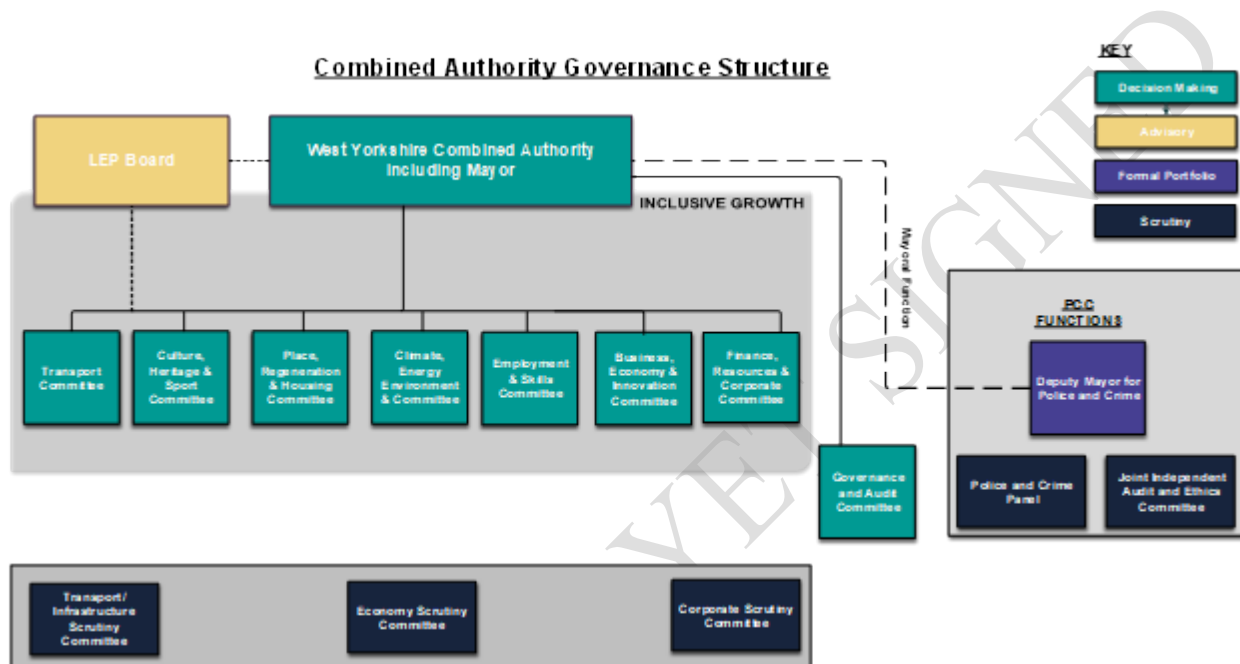
Our work is led by the Combined Authority. Corporate Policies and objectives are set and communicated by the Combined Authority. These are brought together in our business plans. The West Yorkshire Plan sets out our ambitions for West Yorkshire, through our vision, missions and range of policies and strategies.

The Mayor holds the statutory functions of the Police and Crime Commissioner (PCC) for West Yorkshire. Those functions can be delegated, with the exception of the duties to set a budget, prepare a Police and Crime Plan, and to appoint and remove a Chief Constable, which can only be exercised by the Mayor. The functions of determining police and crime objectives, attending the police and crime panel and preparing annual reports can only be delegated to the Deputy Mayor for Policing and Crime. The Mayor is held to account in respect of her police and crime functions by the Police and Crime Panel which consists of representatives from each district with crime and anti-social behaviour responsibilities plus independent members.

The Mayor has published her Police and Crime Plan, which reflects a shared vision with partners and has the overall aim of ensuring that communities in West Yorkshire are safe. Local priorities have been set in consultation with individuals, organisations and community safety partnerships that sit within the Plan.

A Partnership Executive Group (PEG) with a membership at strategic level from policing, community safety, the wider criminal justice system, victims and third sector organisations is in place. The PEG plays a key role in developing this strategic vision and the Police and Crime Panel (PCP) were also consulted on the Plan.

Governance Structure



- a) Corporate policies and objectives are set and communicated by the Combined Authority. The Combined Authority has clearly defined its ambitions to work with its partners across the region; these ambitions are set out in the West Yorkshire Plan, which was developed throughout 2022/23 and was launched in June 2023.

The West Yorkshire Plan sets out a shared vision, narrative, and ambitions for the region. The purpose of the West Yorkshire Plan is to:

- Explain who West Yorkshire is and what we want to achieve
- Set the trajectory for the longer-term up to 2040
- Ensure that government and wider local and national stakeholders are clear on the priorities and ambitions of the region
- Ensure that all regional partners speak with one strong voice

The WY Plan includes five missions, that are aspirational and represent long term ambitions for West Yorkshire. State of the Region reporting will continue to provide the monitoring framework underpinning the West Yorkshire Plan targets and wider policies and strategies of the Combined Authority.

The WY Plan strengthens our existing policy framework which includes a suite of policies and strategies aligned to areas of delivery.

The vision for West Yorkshire is

A brighter West Yorkshire - a place that works for all. An engine room of ideas and creativity, where anyone can make a home.

Five missions have been set to achieve this:

Mission One: A prosperous West Yorkshire – an inclusive economy with well paid jobs

Mission Two: A happy West Yorkshire – great places and healthy communities

Mission Three: A well-connected West Yorkshire - a strong transport system

Mission Four: A sustainable West Yorkshire – making lives greener

Mission Five: A safe West Yorkshire – a region where everyone can flourish.

All our policies and strategies work toward meeting at least one of these missions.

- b) A suite of supporting plans and strategies do and will set out further detail on a range of priority areas, including police and crime, economic strategy, climate and environment, housing and place, local area energy planning, local nature recovery, digital infrastructure, green infrastructure, skills and trade and investment. For details of the policies, strategies and priorities within the West Yorkshire Plan, please click [here](#).
- c) The Combined Authority publishes an annual State of the Region report, which provides information about the performance of West Yorkshire against key socio-economic and environmental indicators. The reports are available [here](#). The report provides a stock take of where West Yorkshire currently stands, using a basket of headline indicators. It highlights areas of strength and positive trends in the local economy but also flags key issues and challenges that are priorities for future action. The report aims to provide a balanced and objective view of economic performance in the region and gives some insight into the difference being made through the combined action of all partners in West Yorkshire.
- d) The Combined Authority itself has seven objectives from which outcomes are derived and performance measured. These are published as part of the Corporate Plan and inform the Combined Authority's annual business planning. Collectively, they help to ensure that everything the organisation delivers is centred around the goal of improving the lives of the people, businesses, and communities across West Yorkshire. They also support the delivery of the Mayor's ten pledges from her manifesto in 2021.

The seven corporate objectives are:

- Empowering our communities, towns and cities to thrive
- Building a sustainable, nature rich and carbon neutral region
- Creating an accessible, clean and customer focused transport system

- Supporting community safety and accountable, proactive policing
- Championing culture, sport and creativity
- Driving economic growth and innovation to enable good jobs
- Enabling a diverse, skilled workforce and accessible learning for all.

These objectives are used to support business planning and outcome setting for the organisation, and are used to aid reporting. The Corporate Plan is an annual document that sets out what the organisation will deliver over the coming year to achieve the overarching vision for the region as set out in the West Yorkshire Plan.

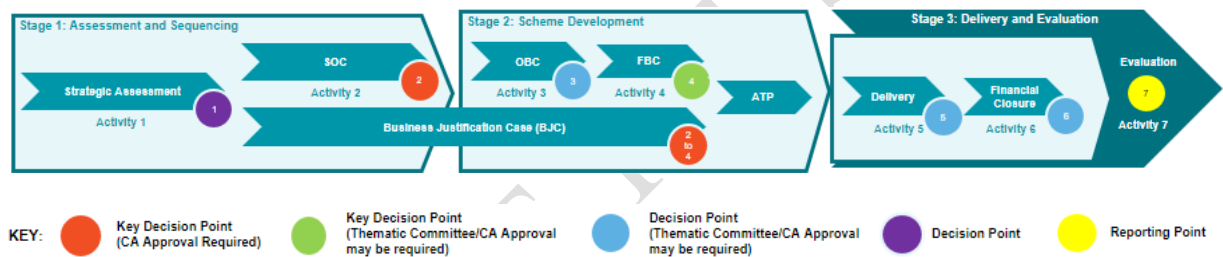
- e) The Combined Authority sets an annual business plan and budget. The business plan for 2023/24 was developed based around the outcomes that the organisation is seeking to achieve. At the heart of everything the Combined Authority does, including the outcomes it delivers on an annual or multi-year basis, are the seven corporate objectives.
- f) All Heads of Service across the organisation report progress against business plan outcomes, KPI and output delivery, as well as flagging risks. This reporting is fed into a central database and is analysed monthly. Senior officer Boards receive this analysis advising on progress against corporate objectives and business plan activities across the organisation. This allows oversight of delivery and any risks arising, so that these can be mitigated appropriately.

Through both officer boards and public committees targets are reviewed routinely in year. Where necessary, action is taken to mitigate risks to delivery and / or achievement of targets where these are off-track. Finance, Resources and Corporate Committee (FRCC) receive reports on progress against delivery of our annual business plan. Directorate business plans align with corporate objectives, and through this there are mechanisms to understand successes, progression and opportunities for improvement.

- g) Following the publication of the Levelling Up White Paper in February 2022, and consistent with the guidance from government, a LEP Integration Plan (IP) for West Yorkshire was submitted to government in July 2022 and a formal letter confirming that government endorsed the IP was received on 17 January 2023. At its meeting on 2 February 2023, the Combined Authority approved proposals to fully integrate the LEP into the Combined Authority including necessary governance changes. Work is continuing with the LEP Board to develop its evolving role with an emphasis on ensuring that the strong partnership between the public and private sector is further strengthened.
- h) The West Yorkshire Combined Authority Assurance Framework is in line with national best practice and is peer reviewed and has been updated on an annual basis building on existing good practice and reflecting any changes in both government guidance and improvements to the Combined Authority's procedures. The Assurance Framework was comprehensively reviewed during 2020/21 for February 2021, as part of the required preparations for becoming a Mayoral Combined Authority and to comply with the revised National Local Growth Assurance Framework Guidance. Minor changes were made for February 2022 and February 2023. In June 2023 the West Yorkshire Combined Authority Assurance Framework was revised to account for the changes to the LEP governance arrangements following the approval of the

LEP Integration Plan by the Combined Authority. All changes have been considered and approved through internal governance arrangements and submitted and approved by Central Government. A further comprehensive peer review is being undertaken during 2023 for approval by the Combined Authority and Central Government in February 2024.

- i) The Assurance Framework supports decision making on projects and guides investment decisions across the full portfolio of capital interventions. It sets out the appropriate safeguards and processes to be put in place to ensure the proper use of public funds and that value for money is secured and outcomes are clearly agreed when investing in schemes. This includes the prioritisation process for identifying the schemes that are included for funding with a three stage approval process, as set out in the diagram below, now in place to enable the prioritisation of schemes. The Combined Authority must approve all schemes at least once in their lifetime, usually decision point 2, with subsequent decisions delegated thereafter to one of the Combined Authority's thematic committees or Chief Executive, as set out in the Assurance Pathway and Route approved by the Combined Authority.



- j) The Combined Authority's scrutiny arrangements consist of opposition-led politically balanced Overview and Scrutiny committees. 2022/23 focussed on embedding an expanded Scrutiny function (implemented in 2021/22) consisting of three committees, each with 16 cross-party councillors from across West Yorkshire (and York). The three committees are: Corporate Scrutiny, Transport & Infrastructure Scrutiny and Economy Scrutiny. Scrutiny publishes an annual report providing an overview of all the issues and topics the committees considered during the year. This year they scrutinised, amongst other things, inflation and its effect on the budget and staffing, the Bus Service Improvement Plan and the CA's role in transport and planning applications, and Adult Education Budget and the new economic strategy and Enterprise Zones. The three committees also each hold Mayor's Question Times every year in which the Mayor is questioned on her direct and soft powers relating to each of the Committees' remit. The questioning mainly focused on the cost-of-living crisis and effects on the organisation's delivery and objectives.
- k) In addition, the Combined Authority continues to assist and advise local Council scrutiny enquiries where the topics affect its sphere of activity.
- l) The Combined Authority's Governance and Audit Committee is responsible for overseeing the effective operation of the systems of governance, risk management, internal control (including internal audit) and treasury management. It has responsibility for the approval of the annual accounts. In accordance with changes in legislation there

has been an independent Chair for the Committee during 2022/23. An officer Regulatory and Compliance Board chaired during 2022/23 by the Director, Finance and Commercial Services, provides an operational level management and review of internal control, risk, health and safety, information security and governance arrangements in place. This is transitioning during 2023/24 to the Corporate Centre Management Board chaired by the Chief Operating Officer.

- m) Staff roles are defined and documented through role profiles. These set out clear competencies and accountabilities for each role and are key to making successful recruitment decisions. Appointments have been made to all the posts required by statute, including Head of Paid Service (which forms part of the Chief Executive's role), s73 Officer (Director, Finance and Commercial Services), and the Monitoring Officer (Deputy Director Legal, Governance & Compliance).
- n) Staff behaviours are guided by the Combined Authority's values and its Codes of Conduct and a similar Code exists for Members; both employees and Members are required to maintain a register of interests. Completed registers of interest are available for inspection on the Combined Authority website.
- o) The Combined Authority conforms to the requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2015)*. The Chief Financial Officer is the Director, Finance and Commercial Services who is a key member of the leadership team and is responsible for the proper administration of the Combined Authority's financial arrangements through a suitably qualified and resourced finance function.
- p) An internal team provide the internal audit service to the Combined Authority. Public Sector Internal Audit Standards (PSIAS) require the purpose, authority and responsibility of the internal audit activity to be defined in an internal audit charter, consistent with the definition of Internal Auditing, the Code of Ethics and the Standards. The Internal Audit Charter establishes internal audit's position within the organisation, including the mandatory nature of the Chief Audit Executive's role; functional reporting relationship with the management team; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- q) Compliance with established procedures, laws and regulations is ensured by a system that requires all decisions to set out all legal and financial implications. Schemes of officer delegation ensure that decisions are made at the appropriate level within the Combined Authority. This includes the Mayor's PCC Scheme of Delegation and Scheme of Consent to the Chief Constable. Procedures and policies are in place to ensure compliance with the Freedom of Information Act, Data Protection Act and Health and Safety requirements. A whistleblowing policy and guidance notes are available on the website. Regular reviews and exception reporting are conducted through the officer Regulatory and Compliance Board and through the Member Governance and Audit Committee, including arrangements for risk management.
- r) Risk management is embedded in the activities of the Combined Authority. A Corporate Risk Management Strategy, including a risk policy and risk appetite statement, has been endorsed by the Governance and Audit Committee and sets out the way in which risks are identified, recorded and monitored. Reviews of the key strategic risks are undertaken by the Combined Authority and the Governance and Audit Committee.

- s) In respect of the Mayor's PCC functions, the Mayor has also established a Joint Independent Audit Committee (JIAC) which oversees the control environment of the Chief Constable and the Police and Crime functions, undertaking the functionalities of an Audit Committee in line with CIPFA guidance. The Committee receives regular reports from both internal and external audit. It provides independent assurance to both the Mayor and the Chief Constable on the adequacy of the corporate governance and risk management arrangements and the associated control environment.
- t) A system of formal procedures, Contracts Standing Orders and Financial Regulations protect the organisation. These are reviewed and approved annually, with minor updates made as required during the year. A Procurement Strategy has been approved by the Combined Authority as well as the West Yorkshire Investment Strategy, which is updated annually.
- u) The Mayor's Police and Crime Plan 2021-2024 was launched on 10 March 2022, and sets out the strategic vision for policing, community safety and joint working with the wider criminal justice system across West Yorkshire over a three-year period. In doing so they had regard to the Strategic Policing Requirement and the West Yorkshire Police Strategic Assessment, and the Plan was developed in close consultation with the public of West Yorkshire as well as a wide range of key stakeholders and partners.
- v) The Police and Crime Plan puts the safety of women and girls at its centre. Substantial on-line and social media engagement has been generated during the development of the Plan. During 2021 the Mayor's public survey attracted 2,433 responses, 950 people were spoken to face-to-face, a call for evidence on the safety of women and girls was launched and extensive partner consultation took place, supplemented by a detailed needs assessment, to inform the Mayor's first Police and Crime Plan. Engagement with members of the public and partners has continued and the Mayor's Safety of Women and Girls Strategy was launched in November 2022 at the Mayor's second VCSE (Voluntary, Community and Social Enterprise) conference which brought together 110 people from a range of partner organisations.

4. Review of Effectiveness

The Combined Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by the work of the Internal Audit section and that of management within the Combined Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by external auditors.

The Combined Authority has in place a system based on a framework of contract standing orders, financial regulations and administrative controls including codes of conduct and administrative policies and procedures. All key administrative controls and financial instructions are reviewed on a regular basis by the Combined Authority's management with internal audit undertaking reviews based on risk. Contract standing orders and financial regulations are updated as required and re-approved annually by the Combined Authority at its Annual Meeting. In terms of financial accounting the Combined Authority utilises a core financial system which is tested and evaluated annually by internal and external audit. During the last year, the Chief Financial Officer has provided to the Governance and Audit Committee a regular confirmation that key controls have been operating in the period.

Regular reports are also provided to the Regulatory and Compliance Board that key controls have been operating in the period.

One of the key responsibilities within the Combined Authority is to determine, agree and monitor the annual budget. This responsibility involves setting an appropriate budget to fulfil the resource requirements of the Combined Authority in undertaking its transport, economic development and regeneration activities. This budget is an integrated one for the full breadth of the activities of the Combined Authority, including the bringing together of transport and economic policy funding. The Corporate directorate ensures that the most effective arrangements are in place to enable delivery of the Combined Authority's objectives and the budget is defined to follow these arrangements.

The budget setting process requires a comprehensive budget report to be presented to the full Combined Authority which gives a detailed forecast outturn for the current financial year and the proposed budget for the forthcoming financial year. The budget process is overseen and scrutinised by Members through the Member Budget Working Group, Overview and Scrutiny Committee, Governance and Audit Committee and the Combined Authority and is shared with the LEP Board.

Regular review of revenue and capital budgets is undertaken by senior management with regular updates to the Combined Authority and other committees presented through the year.

Within the Combined Authority budgetary responsibility is devolved to Budget Holders and Controllers who are responsible for monitoring and controlling their assigned budget. Regular budget performance reports are prepared by Finance for those charged with governance to ensure ongoing budgetary control is achieved.

The Treasury Management function for the Combined Authority is undertaken in conjunction with Leeds City Council. Reliance is placed on assurance from their internal audit section that appropriate controls and governance are in place

An internal team provides the internal audit resource for the Combined Authority. The work of Internal Audit is informed by an assessment of risk and a strategic audit plan is devised based on these assessments. This plan is submitted to the Combined Authority's Governance and Audit Committee for consideration and approval. Regular update reports are provided to the Governance and Audit Committee by the Head of Internal Audit on the outcome of the agreed audits and any audit recommendations made. Internal Audit also maintain their own systems to monitor progress in implementing audit recommendations which is also reported regularly to the Governance and Audit Committee and the officer Regulatory and Compliance Board.

From the work undertaken during the financial year 2022/23 and taking into account other sources of assurance, the Head of Internal Audit has reached the opinion that, overall, the Combined Authority's framework of control and governance is operating adequately.

As mentioned previously, the Assurance Framework is reviewed annually in accordance with HM Government Local Growth National Assurance Framework guidance. The latest version was published on 28 February 2023 and revised in June 2023 to account for the changes to the LEP Constitution and governance arrangements following the approval of the LEP Integration Plan by the Combined Authority. The Assurance Framework was comprehensively reviewed during 2020/21 for February 2021, as part of the required

preparations for becoming a Mayoral Combined Authority and minor changes were made for February 2022 and February 2023. A further comprehensive peer review has been undertaken during 2023 for approval by the Combined Authority and Central Government in February 2024.

As part of the Strategy, Communications and Intelligence Directorate in the Corporate Centre, a Strategic Portfolio Office (SPO) manages a three stage pipeline approval process, designed to support the West Yorkshire Combined Authority Assurance Framework. All partner authorities delivering schemes funded by the Combined Authority follow this framework and close working with partner authorities is key to successful delivery of the wide ranging portfolio.

The SPO also provide regular reports to the Combined Authority, the thematic committees and the Finance, Resources and Corporate Committee on progress and performance of the many funding programmes that the Combined Authority is responsible for.

The Combined Authority has in place risk management arrangements that are continually reviewed and improved. An officer Regulatory and Compliance Board met during the year on a periodic basis to ensure consistency in the assessment and management of risk and to provide an overview of the process. The Combined Authority's corporate risk register is maintained and considered regularly by the Governance and Audit Committee with risk management comprising a standard item on the agenda for this committee.

Building on the work previously undertaken on risk management, work continued to consolidate all risk registers throughout the organisation and to ensure that risk is considered consistently in line with the principles set out in the revised Corporate Risk Management Strategy.

Internal Audit's Quality Assurance and Improvement Program ensures that activity is assessed against the requirements of professional standards, the definition of Internal Audit and the Code of Ethics as specified by the Institute of Internal Auditors.

An independent external quality review which assessed the Internal Audit function in relation to compliance with Public Sector Internal Auditing Standards (PSIAS) was considered by the Governance and Audit Committee in 2019/20. The conclusion was that the Internal Audit activity generally conforms to the definition of internal auditing, the Code of Ethics and the PSIAS. The action plan that arose from that review has been actioned and the next external review will be due in 2024.

The Combined Authority has reviewed its systems of internal control, including the internal audit function and concluded that it complies with the requirements of PSIAS and the Local Government Application Note.

A Value For Money self-assessment was undertaken by management and forms part of the overall opinion by the external auditors for the annual accounts.

Reviewing the effectiveness of the governance framework for the Policing Functions

The Mayor has overall responsibility for the discharge of all the powers and duties placed upon her and has a statutory duty 'to maintain an efficient and effective police force'. The JIAC considers the adequacy of the governance framework, referring matters to the Mayor and/or Chief Constable as appropriate.

The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within WYP at least annually. WYP's Internal Audit provided an independent opinion on the adequacy and effectiveness of the system of internal control and concluded that reasonable assurance can be given regarding the overall internal control environment in the last opinion provided.

In terms of the Mayor's Police and Crime Plan, governance arrangements to support the development and delivery of the Police and Crime Plan includes a range of partnership boards including the Local Criminal Justice Board, the Combatting Drugs Partnership, Vision Zero Board, Domestic and Sexual Abuse Board, Criminal Justice and Mental Health Forum and the West Yorkshire Anti-Slavery Partnership, all chaired by the Deputy Mayor for Policing and Crime. The Mayor held regular strategic meetings with the Chief Officer Team (COT) to look at how WYP could best deliver on the priorities in the Plan.

The Mayor maintains a risk register focused on key risks associated with delivery of the Police and Crime Plan, and the working of the Policing and Crime Team. The Mayor also maintains strategic oversight of risk management arrangements in WYP through reports to the Joint Independent Audit Committee (JIAC). A revised structure of regular governance and accountability meetings with the Chief Constable has been implemented by the Mayor with quarterly Governance, Performance Scrutiny and Community Outcomes meetings.

5. Programme of Improvement

As part of the Combined Authority's digital programme, a project of work is underway to fully implement and provide assurance against the Information Commissioner's Data Protection Accountability Framework.

During 2022/23 the Combined Authority underwent a programme of significant change to ensure it is fit for purpose for its changing role over the next five-plus years. This follows the change in scale and remit of the organisation as a result of the West Yorkshire devolution deal and arrival of the Mayor in May 2021.

Following an independent review of the organisation's strengths and capabilities, the recommendation was accepted to change the organisation's operating model from process driven to outcome focussed in order to enable greater read across from strategic ambitions to the outcomes delivered. In order to embed this, a restructure of the organisation was undertaken to create five thematic 'outcome directorates' supported by a strengthened Corporate Centre. A complementary set of activities focussed on culture change and embedding positive behaviours has also taken place and continues into 2023/24.

The Combined Authority's S73 Officer works closely with the Assistant Chief Officer in West Yorkshire Police to retain an oversight of financial governance and the Combined Authority's s.73 Officer and Monitoring Officer are represented on Mayor's Quarterly Governance meeting with the Chief Constable. A review of the Mayor's PCC delegations and consents to the Chief Constable will be undertaken to align with the disbanding of current regional procurement arrangements.

A proposal for a revised Joint Independent Ethics Committee will be considered by the Mayor and Chief Constable.

6. Significant Governance Issues

This section considers any significant issues that have arisen during the year. This is by exception only.

Policing and Crime Regional Procurement

Following a review by Chief Constables of the efficiency and effectiveness of the regional procurement collaboration for policing, a decision has been taken to exit the current collaboration arrangements hosted by South Yorkshire. Work is underway to transition procurement activity back to local forces and PCCs which will include a review of the Mayor's delegations and consents to the Chief Constable.

LEP Integration

The publication of the Levelling Up White Paper in February 2022 provided clarity that for LEPs within Mayoral Combined Authority (MCA) areas, the LEPs would be integrated into the MCA. Following this, in July 2022 a LEP Integration Plan (IP) for West Yorkshire was submitted to government. A formal letter confirming that government endorsed the IP was received on 17 January 2023.

Following this the Combined Authority made governance changes to fully integrate the LEP into the Combined Authority.

Integration of the LEP into the Combined Authority meant that separate constitutions and governance models were no longer required or appropriate. Therefore, the LEP Constitution and documents were withdrawn as a suite of documents and replaced with a new Article within the Combined Authority's Constitution setting out the LEP governance arrangements. Thus, ensuring that the best practice elements were retained combined with integrating elements where appropriate into other existing parts of the Combined Authority's Constitution, providing greater consistency and clarity. This includes maintaining the following principles:

- The LEP Board remains private sector led.
- EDI principles around board members.
- Having roles such as SME champion and Diversity Champion.
- Adherence to the Members' Code of Conduct and Conflicts of Interest Policy.
- Transparency retained with published agendas and minutes and meetings held in public.

In addition, as part of these changes the LEP Chair became a mayoral appointment.

A number of further changes flow from the significant programme of organisational change that has been completed this year. This includes significant changes to the key elements of the Combined Authority's Corporate strategy and performance monitoring processes, including:

- Introduction of an integrated corporate system to provide improved efficiencies in budget management, HR management and business processes which will help to strengthen controls and provide better management information to support compliance.
- Shift to outcome-led Multi-Year Business Planning to ensure greater focus on long term outcomes for West Yorkshire, linked to the West Yorkshire Plan;

- Shift to an outcome-led in-year business plan approach, enabling focus on the specific activities for each directorate which will contribute to the multi-year outcomes;
- Refined corporate performance reporting enabling the senior leadership team and senior management (through Internal Leadership Board / Senior Management Team meetings) to have greater oversight and control over month-on-month progress, risks and issues against business plan objectives.

Success of the above is also contingent on the review and realignment of officer delegations and decision-making boards (set out in greater detail in section 7 below), which will ensure the information flows are working appropriately and that decisions are being made at the right level to enable outcomes to be achieved.

7. Governance Improvement Plan for 2023/24

Although no significant issues have been identified as a result of this year's evaluation, we are committed to continually strengthening and improving our governance arrangements and, during 2023/24, will particularly focus on the following key activities some of which may extend into 2024/25.

Area	Action to be taken
Officer decision making	An internal review of the current officer board structure has commenced in tandem with a review of the internal scheme of officer delegations. As a consequence of the organisational changes that have recently taken place and which are continuing (as set out in the earlier part of this report) there is a need to realign the decision making arrangements to ensure that there is effective and proportionate empowerment at the different levels of the officer structure. This will enable agile and informed decision making at the right level whilst ensuring sufficient safeguards and oversight are retained through a clear and transparent accountability framework.
Risk management/governance	Risk reporting is evolving in line with the move to outcome focussed directorates and given the level of change currently underway it is imperative that our processes are reviewed and revised where needed to ensure a comprehensive risk management strategy is maintained and that escalation routes are understood and adopted across an expanding workforce and set of directorates.

Compliance	<p>There is an opportunity within the new structural changes to review and revise how we currently monitor compliance and importantly how failures are addressed, targeting resources and activity on those areas of compliance that pose the greatest risk. It is intended to review and revise the Terms of Reference of the Regulatory & Compliance Board and membership again. Work is underway in conjunction with the Governance & Audit Committee to implement a compliance dashboard to provide the Committee with the information to allow them to effectively challenge and support good governance and accountability arrangements.</p>
Transparency	<p>There is a desire to increase our transparency, particularly in relation to delegated decisions taken by officers to enable the public to understand what decisions have been taken, why by officers and to increase their ability to hold the organisation to account. This is an area which will form part of a planned programme of implementing a revised officer delegation scheme.</p>
Policing and Crime	<p>In preparation for the disbandment of the regional procurement collaboration, local policing and crime procurement activity will be transitioned to the Combined Authority and West Yorkshire Police with supporting changes to governance procedures and resourcing.</p> <p>A proposal for a revised Joint Independent Ethics Committee will be considered by the Mayor and Chief Constable.</p>

8. Conclusion

We are satisfied that an effective system of internal control has been in place throughout the financial year and is ongoing.

Throughout 2022/23 the Combined Authority has demonstrated an ongoing commitment to best practice and good corporate governance consistent with the principles of the CIPFA/SOLACE Framework in Local Government and this is clearly demonstrated by the adoption of an updated Corporate Governance Code and Framework which captures and summarises these updated principles. We are also satisfied with the improvements that are continuing under the guidance of the Governance and Audit Committee.

Tracy Brabin

Ben Still

Mayor and Chair

Chief Executive

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