

Request for Information

1. How do you exercise oversight of management's processes in relation to:

- Undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud or error?

The Committee relies on the technical expertise of those in the finance function, including the Chief Financial Officer, to prepare the financial statements such that they are free from material error. Robust internal controls are in place (and regularly audited) to aid the prevention of fraudulent transactions in the financial systems and hence in the financial statements.

- Identifying and responding to risks of fraud in the Authority, please detail any specific risks of fraud which management have identified and classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist?

The Internal Audit Plan focuses on those areas of higher risk; the assessment of risk includes fraud and as such there is an annual audit of areas where cash and/or electronic payment is involved. The results of those audits are reported back to the Governance and Audit Committee. The audit plan itself contains a section on both pro-active and reactive responses to fraud.

- Communicating to employees its view on business practice and ethical behaviour?

All employees are required to read the code of conduct as part of their induction process on joining West Yorkshire Combined Authority. This sets out the standards of behaviour expected, providing an ethical framework within which to work and covers a number of topics including the requirement to declare prejudicial or personal interests and guidance on gifts and hospitality. Additionally Contract Standing Orders and Financial Regulations set out further instructions on how resources are utilised in a legally compliant way.

- Communicating to you the processes for identifying and responding to fraud or error?

Internal Audit provide a regular report to the Governance and Audit Committee and this includes any reported or alleged frauds. The process of investigation frauds is set out in the Fraud Response Plan, owned by Internal Audit and covered by the Quality Assurance Improvement Plan (QAIP) which is signed off periodically by this Committee. Any material errors that occur will be reported to the Committee in the regular paper on internal controls and financial monitoring.

2. How do you oversee management processes for identifying and responding to possible breaches of internal control? Are you aware of any significant breaches of internal control during 2017/18?

The Governance and Audit Committee receives regular reports on the management and monitoring of internal controls. It reviews the annual accounts and receives regular reports on the budgetary position and on treasury management. The Internal Audit strategic audit plan is considered and approved by the Committee and may include any areas where there is deemed to be a higher risk of control failure. The Code of Corporate Governance sets out the framework of internal control and the other management processes in place and these are reviewed by the Committee annually through the Annual Governance Statement which forms part of the annual accounts.

We are not aware of any significant breaches of internal control during 2017/18.

3. How do you gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of significant non-compliance during 2017/18?

West Yorkshire Combined Authority employs a full legal team headed by a qualified solicitor who attends all full meetings of the Combined Authority and provides input to papers. Other officers are specifically tasked with considering changes in legislation relating to their particular areas, such as health and safety and employment law. Officers meet regularly to consider risks, including those of non-compliance and any such matters of significance would be reported to this Committee.

To our knowledge there have been no instances of significant non-compliance during 2017/18.

4. Are you aware of any actual or potential litigation or claims that would affect the financial statements?

We are unaware of any actual or potential litigation or claims that would affect the financial statements.

5. Have you carried out a preliminary assessment of the going concern assumption and if so have you identified any events which may cast significant doubt on the Combined Authority's ability to continue as a going concern?

Officers will undertake a formal assessment of going concern as part of the year end process and report back to this Committee with the draft financial statements. We are unaware of any events that could cast doubt on the Combined Authority's ability to continue as a going concern.