

**West of England Combined Authority
WECA Audit Committee**

Thursday, 28 April 2022, 10:30am
The Guangzhou Room, Bristol City Council

Present:

Cllr Geoff Gollop, Bristol City Council (Chair)
Cllr Hal MacFie, Bath and North East Somerset
Council
Cllr Rob Appleyard, Bath & North East Somerset
Council
Cllr Andrew Brown, Bristol City Council (as
substitute for Cllr Tim Kent)
Cllr Zoe Goodman, Bristol City Council (as
substitute for Cllr Brenda Massey)

Mark Hatcliffe, Independent Member of WECA
Audit Committee
Cllr John Ashe, South Gloucestershire Council
Cllr Heather Mack, Bristol City Council (as
substitute for Cllr David Wilcox)
Cllr Steve Pearce, Bristol City Council (as
substitute for Cllr Mark Bradshaw)
Cllr Jonathan Hucker (as substitute for Cllr Steve
Smith)

Officers In Attendance:

Patricia Greer, Chief Executive
Richard Ennis, Interim Director of Investment and
Corporate Services
Selonge Russell, Head of Finance
Stephen Gerrard, Interim Director of Legal and
Democratic Services

Tom Foster, David Bray and Jon Roberts (Grant
Thornton, External Auditors)
Jeff Wring and Pete Charles (Audit West, Internal
Audit)

Apologies:

Cllr Matthew Riddle, South Gloucestershire
Council
Cllr David Wilcox, Bristol City Council (Cllr
Heather Mack attended as substitute)
Cllr Tim Kent, Bristol City Council (Cllr Andrew
Brown attended as substitute)

Cllr Mark Bradshaw (Cllr Zoe Goodman attended
as substitute)
Cllr Brenda Massey (Cllr Steve Pearce attended
as substitute)
Cllr Steve Smith (Cllr Jonathan Hucker attended
as substitute)

Minutes

1	Evacuation Procedure The evacuation procedure was noted.
2	Apologies for absence Apologies for absence were noted and as listed above in the attendance list.
3	Declarations of Interest under the Localism Act 2011 No declarations of interest were declared under the Localism Act 2011.
4	Minutes The minutes of the meeting held on 9 December 2021 were agreed as a correct record and signed by the Chair.
5	Items from the Public No statements or questions had been received from members of the public.
6	Petitions

	No petitions had been received.
7	<p>Monitoring & Evaluation & Risk Management Frameworks</p> <p>The Committee considered a report on the annual review and update of the West of England Combined Authority Monitoring & Evaluation Framework and the Risk Management Framework. The Committee was asked to endorse the Monitoring & Evaluation and Risk Management Frameworks for 2022.</p> <p>The following points were raised:</p> <ul style="list-style-type: none"> • Members asked how conflicts between internal and external monitoring requirements were managed. In response it was noted that the monitoring regime was well established with external monitoring an additional requirement. Many of the grants came with specific monitoring criteria which were part of the Assurance Framework; • Members asked that the Forward Plan be published ideally with a 12 month lead-in time allowing time for proper scrutiny. It was confirmed that this was the intention; • Members raised concerns that there was not currently a deputy mayor at the Authority and asked that this be resolved and the issue reported back to a future Audit Committee meeting. The constitution of the Authority reflected what was set out in the Order. It was confirmed that decision-making was captured within the risk register; • It was asked whether sufficient discussions were taking place while reports were in draft stage. In response officers stated that discussions took place at all levels as reports worked their way through the system; • It was confirmed that the climate action plan was a living document and the Authority had recruited a Head of Environment to oversee the work. Climate change work was a thread that ran through all the work of the Authority, including as a section in all Committee reports; • The risk register, which had been attached for information to the report, was noted. Members did ask that this be circulated regularly to Committee members. It was requested that the Chair, Mark Wakefield and Jeff Wring discuss an appropriate timetable. Internal Audit stated that the scoring system was monitored to make sure it was robust and individual risks were tested. There was both pre-action and post-action management actions in place; • An updated Climate and Ecological Action Plan had been developed and once agreed and a monitoring and evaluation plan would be developed; • Updates on Risk 7 and the trend field in the risk register would be made; • Members asked that an internal fraud briefing be arranged in due course; <p>Agreed:</p> <ol style="list-style-type: none"> (1) That the Monitoring & Evaluation and Risk Management Frameworks for 2022 be endorsed; (2) That the Risk Register be circulated to committee members on a regular basis; (3) That an informal session on fraud be arranged; (4) That the Interim Director of Legal and Democratic Services bring forward a report on the situation with the deputy mayor to the next meeting.
8	<p>Informing The Audit Risk Assessment</p> <p>The Committee considered a report which set out the the effective two-way communication between the Combined Authority’s external auditors and Audit Committee (as those charged with governance). The report covered some important areas of the auditor risk assessment where Grant Thornton, WECA’s appointed auditors, were required to make inquiries of the Audit Committee under auditing standards.</p>

	<p>“Grant Thornton: Informing the audit risk assessment for West of England Combined Authority 2021/22” was appended to the report.</p> <p>It was reported that the expectation of familiarity for the Committee with the accounting estimates had increased and it was therefore requested that a workshop be arranged to present the estimates to Committee members.</p> <p>It was also stated that it was important for Auditors to anticipate fraudsters actions, as fraudsters were always looking for weaknesses in the system. The Fraud Review had a list of recommendations that could be shared.</p> <p>Agreed: The committee confirms that the West of England Combined Authority management response to the auditor risk assessment was a true reflection of the Authority’s management processes.</p>
9	<p>External Audit Plan</p> <p>This report set out the planned external audit work that would be undertaken by Grant Thornton for the year ended 31 March 2022.</p> <p>The “Grant Thornton External Audit Plan for the year ending 31 March 2022” was appended.</p> <p>The Audit work focussed on the key responsibilities of external auditors to investigate unusual behaviour. There was close liaison between internal and external auditors. The report also set out the proposed fees. These were set in consultation with the PSAA (Public Sector Audit Appointments) body.</p> <p>Agreed: That the (Grant Thornton) External Audit Plan for year ended 31 March 2022 be approved.</p>
10	<p>External Audit Progress Report and Sector Update</p> <p>This Committee received a report which provided the Committee with a report on progress in delivering Grant Thornton’s responsibilities as the Authority’s external auditors.</p> <p>The West of England Combined Authority Audit Progress Report and Sector Update for Year ending 31 March 2022 was appended.</p> <p>The Auditors gave a progress update at the meeting and confirmed the timetable for signing off the Authority’s accounts. There was an industry move to include a section on climate change in the account’s narrative in addition to cyber security. Involvement of the Committee in this process could include an informal consultation process.</p> <p>Agreed: That the report be noted.</p>
11	<p>Value for Money Arrangements 2020-21</p> <p>The Committee received a report which provided the WECA Audit Committee with an overview of Grant Thornton’s initial findings to date on the financial sustainability objective as prescribed by the National Audit Office (NAO) Code of Audit Practice.</p> <p>Grant Thornton would bring an updated version of this report at a future meeting. It was reported that there were no improvement recommendations being made.</p> <p>Agreed: That the report be noted.</p>

12	<p>Internal Audit Annual Report 2021/22</p> <p>Pete Charles and Jeff Wring, Audit West (Internal Audit) presented a report detailing the Annual Report of the Internal Audit service which set out progress against the Plan, gave a summary of audit performance and key issues, and the formal opinion on the internal control framework.</p> <p>The Internal Audit report showed 89% of audits had been completed on time and there had been a 100% customer satisfaction rate for two years in a row.</p> <p>It was noted that there had been one whistleblowing case that had been investigated.</p> <p>Agreed: That the Internal Audit Report 2021/22 and formal opinion on the internal control framework be noted.</p>
13	<p>Internal Audit Plan 2022/23</p> <p>Pete Charles and Jeff Wring, Audit West (Internal Audit), presented the Internal Audit Plan for 2022/23 for approval. The following were appended:</p> <p>Appendix 1 – Internal Audit Plan 2022/23. Appendix 2 – Internal Audit Charter</p> <p>The Plan had been subject to consultation with the Director of Investment and Corporate Services (S73 Officer) and WECA's Senior Management. The Internal Audit service (Audit West) use the reasonable assurance model to compile the plan.</p> <p>Agreed: That the report be noted and the Internal Audit Plan attached at Appendix 1 be approved.</p>
	<p>The next meeting has been arranged for Wednesday, 8 June 2022, 2.00 pm.</p> <p>Meetings for 2022/23 would be as follows. Members were keen to use venues other than Council buildings if possible and asked officers to explore this option:</p> <p>13 July 2022 9 November 2022 11 December 2022 2 March 2023</p>