

A meeting of the  
**West of England Combined Authority Audit Committee**

will be held on

**Date: Thursday, 2 March 2023**

**Time: 10.30 am**

**Place: Bristol City Council Council Chamber, City Hall**

Notice of this meeting is given to members of the West of England Audit Committee as follows

Cllr Geoff Gollop, Bristol City Council  
Cllr Mark Bradshaw, Bristol City Council  
Cllr Sarah Classick, Bristol City Council  
Cllr Jonathan Hucker, Bristol City Council  
Cllr Brenda Massey, Bristol City Council  
Cllr David Wilcox, Bristol City Council  
Cllr Rob Appleyard, Bath & North East Somerset Council  
Cllr Hal MacFie, Bath & North East Somerset Council  
Cllr John Ashe, South Gloucestershire Council  
Cllr John O'Neill, South Gloucestershire Council  
Cllr Matthew Riddle, South Gloucestershire Council  
Mark Hatcliffe, Independent Member of Audit Committee

**Enquiries to:**

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# West of England Combined Authority Audit Committee Agenda

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- Attend all West of England Combined Authority, Committee and Sub-Committee meetings unless the business to be dealt with would disclose 'confidential' or 'exempt' information.
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- Inspect agendas, reports and minutes of the Combined Authority and all Combined Authority Committees and Sub-Committees for up to six years following a meeting.
- Inspect background papers used to prepare public reports for a period public reports for a period of up to four years from the date of the meeting. (A list of background papers to a report is given at the end of each report.) A background paper is a document on which the officer has relied in writing the report.
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- Have a reasonable number of copies of agendas and reports (relating to items to be considered in public) made available to the public attending meetings of the Combined Authority, Committees and Sub-Committees
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## OTHER LANGUAGES AND FORMATS

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**Please phone 0117 42 86210**

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## 1. EVACUATION PROCEDURE

In the event of a fire, please await direction from the West of England Combined Authority staff who will help assist with the evacuation. Please do not return to the building until instructed to do so by the fire warden(s).

## 2. APOLOGIES FOR ABSENCE

To receive apologies for absence from Members.

## 3. DECLARATIONS OF INTEREST UNDER THE LOCALISM ACT 2011

Members who consider that they have an interest to declare are asked to: a) State the item number in which they have an interest, b) The nature of the interest, c) Whether the interest is a disclosable pecuniary interest, non-disclosable pecuniary interest or non-pecuniary interest. Any Member who is unsure about the above should seek advice from the Monitoring Officer prior to the meeting in order to expedite matters at the meeting itself.

## 4. MINUTES

5 - 10

To consider and approve the minutes from 12 December 2022 of the West of England Combined Authority Audit Committee.

## 5. ITEMS FROM THE PUBLIC (QUESTIONS, STATEMENTS, PETITIONS)

### WRITTEN PUBLIC QUESTIONS (written procedure)

1. Any member of the public can submit a maximum of two written questions in advance of this meeting.

2. The deadline for the submission of questions is 5.00 pm, at least 3 clear working days ahead of a meeting. For this meeting, the deadline for questions is **5.00 pm on Friday 24 February 2023**.

3. Questions should be addressed to the Chair of the meeting and e-mailed to [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)

4. Under the direction of the Chair, wherever possible, written replies to questions will be sent to questioners by the end of the working day prior to the meeting.

5. Please note - under the Combined Authority's committee procedures, there is no opportunity for oral supplementary questions to be asked at committee meetings.

6. The written questions and replies will be circulated to committee members in advance of the meeting and published on the Combined Authority website.

### PUBLIC STATEMENTS

1. Any member of the public may submit a written statement (or petition) to this meeting.

2. Please note that one statement per individual is permitted.

3. Statements must be submitted in writing and received by the deadline of 12 noon on the working day before the meeting. For this meeting, the deadline for statements is **12 noon on Wednesday 1 March 2023**. Statements should be emailed to [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)

4. Statements will be listed for the meeting in the order of receipt. All statements will be sent to committee members in advance of the meeting and published on the Combined Authority website.

## **5. Please note:**

If any member of the public wishes to attend the meeting to orally present their statement, they are asked please to notify the Combined Authority's Democratic Services team of this at the point when their statement is submitted and by 12 noon on the working day before the meeting at the very latest.

For those presenting their statements at the meeting, up to 3 minutes 'speaking time' is permitted for each statement. The total time available for the public session at this meeting is 30 minutes.

## **6. AUDIT COMMITTEE - REVIEW OF EFFECTIVENESS** 11 - 24

This report updates the Audit Committee on best practice requirements to carry out a self-assessment and evaluation of the effectiveness of the Audit Committee. To be presented by Internal Audit.

## **7. INTERNAL AUDIT PLAN - 2023/24** 25 - 38

This report updates the Audit Committee on the methodology used to create the Internal Audit Plan and asks for Member input on activities, areas or themes they would like to be considered within the Internal Audit plan for 2023/24. To be presented by Internal Audit.

## **8. THE WEST OF ENGLAND COMBINED AUTHORITY AUDIT PROGRESS REPORT AND SECTOR UPDATE** 39 - 50

This paper provides the West of England Combined Authority's Audit Committee with Grant Thornton's progress on delivering its responsibilities as external auditors for year ending 31 March 2022.

## **9. RISK MANAGEMENT & INFRASTRUCTURE RISK REGISTER** 51 - 58

To present the current Infrastructure Directorate Risk Register and to provide an update on the Combined Authority's Corporate Risk Register.

## **10. RESPONSE TO AUDIT FINDINGS & ACTION PLAN** 59 - 70

At its meeting on 9 December 2022, the West of England Combined Authority Committee approved the attached emerging action plan developed in response to the findings of the recent external audit report. The Committee agreed that the action plan should be presented to Audit Committee to consider and review with feedback presented back to Combined Authority Committee on 17 March 2023.

## **11. AUDIT COMMITTEE FORWARD WORK PLAN** 71 - 76

The report presents to the Audit Committee a forward work plan covering the next financial year 2023-2024.

**Next meeting: Date Not Specified**

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

Monday, 12 December 2022, 10.30 am - 12.32 pm  
Oak Hall, Bradley Stoke Town Council, The Jubilee Centre, Savages Wood Road, Bradley Stoke, South Gloucestershire, BS32 8HL

**Present:**

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|--|---|
| Cllr Geoff Gollop, Bristol City Council  | Cllr John Ashe, South Gloucestershire Council         |
| Cllr Sarah Classick, Bristol City Council  | Cllr John O'Neill, South Gloucestershire Council      |
| Cllr Jonathan Hucker, Bristol City Council   | Cllr Matthew Riddle, South Gloucestershire Council    |
| Cllr Brenda Massey, Bristol City Council   | Mark Hatcliffe, Independent Member of Audit Committee |
| Cllr David Wilcox, Bristol City Council  |   |
| Cllr Winston Duguid, Bath & North East Somerset Council (as substitute for Cllr Rob Appleyard) |   |

**Officers In Attendance:**

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| Selonge Russell, Head of Finance                 | Richard Ennis, Interim Director of Investment and Corporate Services |
| Steve Finnegan, Financial Accountant             |  |
| Mark Wakefield, Head of Chief Executive's Office |  |

**Apologies:**

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| Cllr Hal MacFie, Bath & North East Somerset Council | Cllr Mark Bradshaw, Bristol City Council |
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Cllr Rob Appleyard, Bath & North East Somerset Council (Cllr Winston Duguid attended as substitute)

**Minutes**

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| 1 | <p><b>Evacuation Procedure</b><br/>The evacuation procedure was set out.</p>   |
| 2 | <p><b>Apologies for absence</b><br/>Apologies for absence had been received from Cllr Mark Bradshaw (Bristol City Council) and Cllr Rob Appleyard (Bath &amp; North East Somerset Council).</p> <p>Councillor Winston Duguid (Bath &amp; North East Somerset Council) attended as substitute for Cllr Rob Appleyard.</p>   |
| 3 | <p><b>Declarations of Interest under the Localism Act 2011</b><br/>There were no declarations of interest declared under the Localism Act 2011.</p>  |
| 4 | <p><b>Minutes</b><br/>The minutes of the meeting held on 17 November 2022 were discussed. The Committee felt that the minutes did not adequately capture the full extent of the discussion that had taken place on the Auditors VfM report on Governance issued by the Combined Authority's External Auditors, Grant Thornton (Item 8). Councillor Riddle felt that the minutes needed further detail as several of the Members raised issues which were not included.</p> <p>Councillor Gollop stated that Cllr Riddle's comments had been echoed by Cllr Savage at the meeting of the West of England Combined Authority Committee on 9 December 2022. Cllr Gollop himself stated that he was unhappy that there was no reference to anyone speaking and the tone of the minutes themselves. He therefore requested that information be added.</p> <p>It was moved by Cllr Riddle and seconded by Cllr Wilcox and unanimously</p> <p>Resolved:</p> |

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|   | <p>(1) That the minutes of the previous meeting not be agreed and that the minutes be constructed in line with the discussion that took place at that meeting;</p> <p>(2) That the minutes be brought to the next meeting for approval.</p> <p>There was a further discussion on the Auditors VfM report on Governance issued by the Combined Authority’s External Auditors, Grant Thornton (Item 8). The Chair stated that following the lengthy discussion at the last meeting of the Audit Committee the Combined Authority Committee had been adjourned. An updated Action Plan had been brought forward and had been agreed by the Combined Authority Committee at its reconvened meeting on 9 December 2022. The Chair believed that positive progress had been made on this issue.</p> <p>The Interim Director of Investment and Corporate Services stated that the Action Plan would be kept as a ‘living document’ e.g. constantly updated. Discussions would take place on the plan at both Audit and Scrutiny Committees. The Authority would also be working with the peer review body SOLACE to help move things forward.</p> <p>Jon Roberts, Grant Thornton, External Auditors, stated that he was impressed by the tone of unanimous acceptance of the Action Plan and the progress made to date.</p> <p>The following comments were also raised:</p> <ul style="list-style-type: none"> <li>• The Chair of the Audit Committee was praised for his leadership on this issue;</li> <li>• Combined Authorities were operating in a competitive environment and needed to present a united front to Government in order to secure funding;</li> <li>• The Audit Committee were keen to hold an additional meeting, say in late January or early February 2023 in order to review the Action Plan. They asked that the agreed Action Plan be circulated as soon as possible. It was also requested that updates on the Plan be clearly marked;</li> <li>• In response to a question Jon Roberts confirmed that they had made as many as five statutory recommendations previously to public bodies;</li> <li>• The timetable for the planned Senior Management Restructure was queried with the feeling it should be implemented prior to October 2023;</li> <li>• Work on the Action Plan would be in collaboration with the UAs;</li> <li>• The Committee welcomed the plan to formally record management performance reviews;</li> </ul> <p>The Chair thanked the Committee for their comments.</p> |
| 5 | <p><b>Chair’s Announcements</b><br/>There were no Chair’s announcements.</p>   |
| 6 | <p><b>Items from the Public (Questions, Statement and Petitions)</b><br/>Two statements had been received from Members of the Public. Details had been published on the Authority’s website.</p>   |
| 7 | <p><b>Updated Audit Findings [External Audit]</b><br/>Jon Roberts and David Bray introduced a report which provided the West of England Audit Committee with Grant Thornton’s Audit Findings for the West of England Combined Authority for year ending 31 March 2022 (updated as at 30 November 2022). The letter of representation was attached at Appendix 2.</p> <p>The changes made to the document had been highlighted in red. A number of issues were brought to the Committee’s attention including REFCUS payments, employee benefits and completeness of expenditure and additional testing. Further information on these issues were set out on Pages 11 and 12 of the Auditor’s report.</p>   |

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|   | <p>The following points were raised in discussion:</p> <ul style="list-style-type: none"> <li>• It appeared that there had been no effect on the revenue account but merely had a presentational effect on the balance with no effect on reserves and additional controls had now been brought in;</li> <li>• The Interim Director of Investment and Corporate Services stated that the 2021 accounts had been underestimated due to an accrual and checks were needed to see whether there had been any others. It highlighted that basic checks had been needed to be carried out more frequently with material adjustments to confirm that they had been done in the right way;</li> </ul> <p>The Committee was asked to delegate the final sign off of the final audited financial statements (including the Annual Governance Statement) to the Chair of the Committee who would also be required to sign the letter of representation.</p> <p><b>Resolved:</b></p> <ol style="list-style-type: none"> <li>(1) That Grant Thornton’s Audit Findings for the West of England Combined Authority for year ending 31 March 2022 (updated as at 30 November 2022) be noted;</li> <li>(2) That the Chair of the West of England Combined Authority Audit Committee be asked to sign off both the final audited financial statements (including the Annual Governance Statement) on behalf of the Committee and the Letter of Representation as attached at Appendix 2.</li> </ol>  |
| 8 | <p><b>Treasury Management Strategy 2023/24 including Treasury Management 2022/23 Monitoring Update</b></p> <p>Steve Finnegan, Financial Accountant, presented a report explaining that the Chartered Institute of Public Finance and Accountancy’s, (CIPFA), Treasury Management in the Public Services Code of Practice, required the authority to approve a Treasury Management Strategy before the start of each financial year. The 2023/24 Strategy would be submitted to the January 2023 West of England CA Committee for approval alongside the 2023/24 budget papers. The Audit Committee was asked to recommend any amendments prior to it being submitted to the January 2023 West of England Combined Authority Committee for approval and to note the 2022/23 Treasury Management monitoring update as detailed at the end of Appendix 1.</p> <p>The following comments were made:</p> <ul style="list-style-type: none"> <li>• The £40m borrowing mentioned had been purely for cashflow purposes as the CRSTS payment had been delayed. Half the borrowing had been paid back and the other half would be paid back in Quarter 1 2023;</li> <li>• It was stated that investments were made following two ratings and advice from the Authority’s Treasury Management advisors. Often Combined Authorities and Local Authorities would receive funds at roughly the same time meaning it was sometimes difficult to place investments. The Local Authorities were vetted before any loans were made. Investments to the Government could also be made, it was important that safety was the main consideration when investing public money. Security was therefore given a higher priority than yield;</li> <li>• The Authority was currently earning more through pooled funds. The forecast investment income to 31 March 2023 was £3.2m with an average rate of interest earned of circa 1%;</li> <li>• It was noted that although the aspiration of investing in with organisations which shared the Authority’s objectives could be done in principle it was ultimately for taxpayers to decide. These types of investments would have to be made in</li> </ul> |

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|   | <p>accordance with existing regulations;</p> <ul style="list-style-type: none"> <li>It was noted that there was no guidance yet on the statutory override of controls and the situation needed resolving before 31 March 2023;</li> </ul> <p><b>Resolved:</b></p> <p>(1) That the Treasury Management Strategy for 2023/24 be noted and the Committee's comments be taken into account by the West of England Combined Authority Committee when submitted for approval in January 2023;</p> <p>(2) That the 2022/23 Treasury Management monitoring update, as detailed at the end of Appendix 1, be noted.</p>   |
| 9 | <p><b>Risk Management</b></p> <p>Mark Wakefield, Head of the Chief Executive's Office, introduced a report providing an update on the operation of the Combined Authority's Risk Management Framework and presenting the current Corporate Risk Register (CRR).</p> <p>The Corporate Risk Register was last reviewed in September 2022 to update in the context of UK economic and political uncertainty. Mitigations had been kept up to date with a further review in November 2022 (this was attached at Appendix A).</p> <p>The most notable changes are summarised as follows:</p> <ul style="list-style-type: none"> <li>Inflation risk had become more serious. A key additional mitigation had been the development of the inflation report to Committee;</li> <li>Resourcing and scheduling of major programmes was now in the delivery phase (CRSTS and BSIP);</li> <li>Audit VfM Report and the potential impact on government view of the combined authority and future funding;</li> <li>Political decision-making impacting delivery, in the light of May 2023 elections and relationship dynamics noted in the audit report;</li> <li>Unitary Authority budget pressures impacting project delivery;</li> <li>Pandemic specific risk closed.</li> </ul> <p>The following points were raised:</p> <ul style="list-style-type: none"> <li>In respect of RO25 which highlighted £250m of works in 24/25 leading to costs outside the funding envelope, it was asked what the spend would be in 2023/24 as inflation would lead to less value. This would be reviewed to ensure that the risk was appropriately worded;</li> <li>There were risk registers also at Directorate level, service level and project level. The risks at the top level (corporate level) was being presented here. CRSTS had a separate Risk Register. The Committee asked whether they could have sight of this;</li> <li>The Chair indicated that he wished to see who the post holder responsible for each risk was be clearly identified in the register. A summary of the risk register for buses and trains was requested. It was suggested that the Infrastructure Risk Register be brought to the next meeting;</li> <li>The Committee also requested a briefing on the Authority's Governance issues, especially in respect of alternative governance arrangements in the absence of the CEO or Metro Mayor;</li> <li>It was noted that the Overview &amp; Scrutiny Committee may wish to call Doug Claringbold, Managing Director of First Bus, to one of their meetings to ask about the current situation with local bus services;</li> <li>Overview &amp; Scrutiny Committee and Audit Committee wished to see a detailed Risk Register for members' input at future meetings;</li> </ul> |



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|    | <p><b>Resolved:</b></p> <p>(1) That the priorities for further developing the risk management framework following its approval in April 2022 be endorsed;</p> <p>(2) That the Corporate Risk Register (CRR) be noted.</p>   |
| 10 | <p><b>Appointment of External Auditors</b></p> <p>The Interim Director of Infrastructure and Corporate Services introduced a report informing the Committee that Grant Thornton were the appointed External Auditors for the West of England Combined Authority and had been appointed under the Public Sector Audit Appointments, (PSAA) process for the Statements of Accounts period up to, and including, the 2022/23 financial year.</p> <p>The PSAA had invited public sector bodies to 'opt in' for a further audit period from 2023/24 to 2027/28. The Combined Authority had taken up this offer, as agreed through a formal decision at the Combined Authority Committee held on the 28 January 2022.</p> <p>The report confirmed the outcome of the PSAA procurement. Grant Thornton had been successful in winning a contract in the procurement, and the PSAA was appointing this firm as the auditor of West of England Combined Authority for five years from 2023/24.</p> <p><b>Resolved:</b> That the appointment of Grant Thornton as the External Auditors for the West of England Combined Authority for five years from 2023/24 be noted.</p>  |
| 11 | <p><b>Forward Plan of Committee Items</b></p> <p>The Forward Plan of upcoming items for the Audit Committee for the remainder of 2022/23 was circulated. The Committee was keen to provide a mechanism for feeding comments into the West of England Combined Authority Committee for its consideration.</p> <p>Once the Committee dates for 2023/24 had been finalised (taking into account that two of the three Unitary Authorities as well as North Somerset Council were holding elections in May 2023) a twelve month Forward Plan could be scoped and circulated.</p> <p>Members were also minded to attend Cipfa's training programme which would consist of a half a day training on the role of the Audit Committee, to be held virtually. A diary appointment would be circulated when a convenient date was found. It was also noted that training for Councillors newly appointed to the Committee after May 2023 would need to be arranged.</p> <p>The Committee was also keen to hold an additional meeting prior to the meeting scheduled for early March 2023 to discuss the outcomes of the Action Plan arising from the Auditor's Value for Money report, preferably in early February 2023.</p> |
|    | Thursday, 2 March 2023, 10.30 am, Bristol City Council Council Chamber, City Hall   |

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**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY AUDIT COMMITTEE**

**DATE: 02 MARCH 2023**

**REPORT TITLE: AUDIT COMMITTEE – REVIEW OF EFFECTIVENESS**

**AUTHOR: JEFF WRING (INTERNAL AUDIT)**

**1. Purpose of Report**

- 1.1 This report updates the Audit Committee on best practice requirements to carry out a self-assessment and evaluation of the effectiveness of the Audit Committee.
- 1.2 The results of this assessment would potentially feed into any Member training requests and ultimately the Committee's Annual report.
- 1.3 Attached is an example of a process using questions devised by CIPFA and the Committee are asked for their views on options to take this assessment forward.

**2. Recommendations**

The Audit Committee is asked to comment on the options for carrying out a self-assessment review of the Committee's effectiveness.

**3. Background / Issues for Consideration**

- 3.1 As part of best practice and to support good governance the Audit Committee should carry out a self-assessment review of its effectiveness on a periodic basis. Ideally this should be annually based on available resources and a review has not been completed since the first two years of the Authority's operation. It is felt appropriate therefore to carry out a review in 2023 and identify any areas for investment and improvement.
- 3.2 The rest of this report sets out some context and indicative areas for review with a key question review attached at Appendix 1.
- 3.3 The review will be facilitated by the engagement lead from Internal Audit and the Committee is asked to consider options for how they would like to carry out this review process –
  - As a full Committee with officer support (Physically or Virtually)
  - As a sub-committee with officer support (Physically or Virtually)
  - Through the Chair and Vice Chair with officer support (Physically or Virtually)
- 3.4 It is intended the review should take place between April and May to feed into the Annual Report of the Committee which would be prepared for an Audit Committee meeting in June or July.

#### 4. Report Narrative / Main Context

- 4.1 An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.
- 4.2 The improvement tool below can be used to support a review of effectiveness. It identifies the broad areas where an effective audit committee will have impact.

Figure 1: The influential audit committee



- 4.3 The table includes examples of what the audit committee might do to have impact in each of these areas.
- 4.4 The third area includes key indicators that might be expected to be in place if arrangements are in fact effective. These indicators are not directly within the control of the audit committee, as it is an advisory body. They do provide an indication that the authority has put in place adequate and effective arrangements, which is the purpose of the committee.
- 4.5 Use the tool for discussion and evaluation of the strengths and weakness of the committee, identifying areas for improvement.

| Areas where the audit committee can have impact by supporting improvement                    | Examples of how the audit committee can demonstrate its impact  | Key indicators of effective arrangements   | Your evaluation: strengths, weaknesses and proposed actions |
|--|---|--|---|
| <b>Promoting the principles of good governance and their application to decision making.</b> | <ul style="list-style-type: none"> <li>Supporting the development of a local code of governance.</li> <li>Providing a robust review of the AGS and the assurances underpinning it.</li> <li>Supporting reviews/audits of governance arrangements.</li> <li>Participating in self-assessments of governance arrangements.</li> <li>Working with partner audit committees to review governance arrangements in partnerships.</li> </ul> | <ul style="list-style-type: none"> <li>Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements.</li> <li>Local arrangements for governance have been clearly set out in an up-to-date local code.</li> <li>The authority's scrutiny arrangements are forward looking and constructive.</li> <li>Appropriate governance arrangements established for all collaborations and arm's-length arrangements.</li> <li>The head of internal audit's annual opinion on governance is satisfactory (or similar wording).</li> </ul> |   |

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| <p><b>Contributing to the development of an effective control environment.</b></p>   | <ul style="list-style-type: none"> <li>• Encouraging ownership of the internal control framework by appropriate managers.</li> <li>• Actively monitoring the implementation of recommendations from auditors.</li> <li>• Raising significant concerns over controls with appropriate senior managers.</li> </ul>  | <ul style="list-style-type: none"> <li>• The head of internal audit's annual opinion over internal control is that arrangements are satisfactory.</li> <li>• Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified.</li> <li>• Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement.</li> </ul> |
| <p><b>Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.</b></p>        | <ul style="list-style-type: none"> <li>• Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking.</li> <li>• Monitoring improvements to risk management.</li> <li>• Reviewing accountability of risk owners for major/strategic risks.</li> </ul>   | <ul style="list-style-type: none"> <li>• A robust process for managing risk is evidenced by independent assurance from internal audit or external review.</li> </ul>   |
| <p><b>Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.</b></p> | <ul style="list-style-type: none"> <li>• Reviewing the adequacy of the leadership team's assurance framework.</li> <li>• Specifying the committee's assurance needs, identifying gaps or overlaps in assurance.</li> <li>• Seeking to streamline assurance gathering and reporting.</li> <li>• Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit.</li> </ul> | <ul style="list-style-type: none"> <li>• The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies.</li> </ul>   |
| <p><b>Supporting effective external audit, with a focus on high quality and timely audit work.</b></p>                                       | <ul style="list-style-type: none"> <li>• Reviewing and supporting external audit arrangements with focus on independence and quality.</li> <li>• Providing good engagement on external audit plans and reports.</li> <li>• Supporting the implementation of audit recommendations.</li> </ul>   | <ul style="list-style-type: none"> <li>• The quality of liaison between external audit and the authority is satisfactory.</li> <li>• The auditors deliver in accordance with their audit plan, and any amendments are well explained.</li> <li>• An audit of high quality is delivered.</li> </ul>   |

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|---|---|--|
| <p><b>Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.</b></p>                                    | <ul style="list-style-type: none"> <li>• Reviewing the audit charter and functional reporting arrangements.</li> <li>• Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</li> <li>• Actively supporting the quality assurance and improvement programme of internal audit.</li> </ul>   | <ul style="list-style-type: none"> <li>• Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment).</li> <li>• The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <a href="#">Statement on the Role of the Head of Internal Audit</a> (2019).</li> </ul> |
| <p><b>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</b></p> | <ul style="list-style-type: none"> <li>• Reviewing how the governance arrangements support the achievement of sustainable outcomes.</li> <li>• Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</li> <li>• Reviewing the effectiveness of performance management arrangements.</li> </ul>   | <ul style="list-style-type: none"> <li>• Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.</li> <li>• The authority's arrangements to review and assess performance are satisfactory.</li> </ul>   |
| <p><b>Supporting the development of robust arrangements for ensuring value for money.</b></p>   | <ul style="list-style-type: none"> <li>• Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee.</li> <li>• Considering how performance in value for money is evaluated as part of the AGS.</li> <li>• Following up issues raised by external audit in their value-for-money work.</li> </ul>  | <ul style="list-style-type: none"> <li>• External audit's assessments of arrangements to support best value are satisfactory.</li> </ul>   |
| <p><b>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</b></p>         | <ul style="list-style-type: none"> <li>• Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014).</li> <li>• Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks.</li> <li>• Assessing the effectiveness of ethical governance arrangements for both staff and governors.</li> </ul> | <ul style="list-style-type: none"> <li>• Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements.</li> </ul>   |

---

**Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.**

- Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it.
  - Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English.
  - Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency.
  - Publishing an annual report from the committee.
- The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.
  - The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion.
  - The authority has published its financial statements and AGS in accordance with statutory guidelines.
  - The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements.
-



4.6 Views of the Committee are therefore sought to finalise the review process.

### **Consultation**

5 Proposal has been consulted with Senior Management and the Chair of the Audit Committee. Ongoing consultation will continue with the Audit Committee throughout the year.

### **Other Options Considered**

6 Not applicable.

### **Risk Management/Assessment**

7 The review is drawn up on a risk-based approach, in line with CIPFA best practice.

### **Public Sector Equality Duties**

8 Embedded within the audit process is consideration of compliance with statutory guidance and regulations which includes those relating to equality and diversity.

### **Finance Implications, including economic impact assessment where appropriate:**

9 No direct implications.

### **Legal Implications:**

10 No direct implications.

### **Climate Change Implications**

11 No direct implications.

### **Land/property Implications**

12 No direct implications.

6

### **Human Resources Implications:**

13 No direct implications.

### **Appendices:**

None

Report Author: Jeff Wring – Audit West (Internal Audit)

West of England Combined Authority Contact: Richard Ennis – Interim CEO & Stephen Fitzgerald – Interim Director of Investment and Corporate Services

#### Background Papers

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 70 Redcliff Street, Bristol BS1 6AL; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk).

# Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

| Good practice questions | Does not comply                                      |                         |                      |                   | Fully complies         |
|-------------------------|--|-------------------------|----------------------|-------------------|------------------------|
|                         | Partially complies and extent of improvement needed* |                         |                      |                   |                        |
|                         | Major improvement                                    | Significant improvement | Moderate improvement | Minor improvement | No further improvement |
| Weighting of answers    | 0  | 1                       | 2                    | 3                 | 5                      |

## Audit committee purpose and governance

- 1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?
- 2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?
- 3 Has the committee maintained its advisory role by not taking on any decision-making powers?
- 4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?
- 5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?
- 6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?
- 7 Does the governing body hold the audit committee to account for its performance at least annually?

\* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

| Good practice questions  | Does not comply   |  |  |  |  | Partially complies and extent of improvement needed |  |  |  |  | Fully complies       |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
|--|-------------------|--|--|--|--|---|--|--|--|--|----------------------|--|--|--|--|-------------------|--|--|--|--|------------------------|--|--|--|--|
|  | Major improvement |  |  |  |  | Significant improvement                             |  |  |  |  | Moderate improvement |  |  |  |  | Minor improvement |  |  |  |  | No further improvement |  |  |  |  |
| Weighting of answers   | 0                 |  |  |  |  | 1   |  |  |  |  | 2                    |  |  |  |  | 3                 |  |  |  |  | 5                      |  |  |  |  |
| 8 Does the committee publish an annual report in accordance with the 2022 guidance, including:   |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| <ul style="list-style-type: none"> <li>compliance with the CIPFA Position Statement 2022</li> </ul>  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| <ul style="list-style-type: none"> <li>results of the annual evaluation, development work undertaken and planned improvements</li> </ul>                               |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| <ul style="list-style-type: none"> <li>how it has fulfilled its terms of reference and the key issues escalated in the year?</li> </ul>                                |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| <b>Functions of the committee</b>  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| 9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?                                     |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Governance arrangements  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Risk management arrangements   |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Internal control arrangements, including:  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| <ul style="list-style-type: none"> <li>financial management</li> <li>value for money</li> <li>ethics and standards</li> <li>counter fraud and corruption</li> </ul>    |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Annual governance statement  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Financial reporting  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Assurance framework  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| Internal audit   |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| External audit   |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| 10 Over the last year, has adequate consideration been given to all core areas?  |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| 11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance? |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |
| 12 Has the committee met privately with the external auditors and head of internal audit in the last year?   |                   |  |  |  |  |   |  |  |  |  |                      |  |  |  |  |                   |  |  |  |  |                        |  |  |  |  |

| Good practice questions | Does not comply   |                         |                      |                   |                        | Partially complies and extent of improvement needed |  |  | Fully complies |
|-------------------------|-------------------|-------------------------|----------------------|-------------------|------------------------|---|--|--|----------------|
|                         | Major improvement | Significant improvement | Moderate improvement | Minor improvement | No further improvement |   |  |  |                |
| Weighting of answers    | 0                 | 1                       | 2                    | 3                 | 5                      |   |  |  |                |

### Membership and support

|   |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|
| <p><b>13</b> Has the committee been established in accordance with the 2022 guidance as follows?</p> <ul style="list-style-type: none"> <li>• Separation from executive</li> <li>• A size that is not unwieldy and avoids use of substitutes</li> <li>• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation</li> </ul> |  |  |  |  |  |  |  |  |
| <b>14</b> Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?   |  |  |  |  |  |  |  |  |
| <b>15</b> Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?  |  |  |  |  |  |  |  |  |
| <b>16</b> Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?   |  |  |  |  |  |  |  |  |
| <b>17</b> Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?   |  |  |  |  |  |  |  |  |
| <b>18</b> Is adequate secretariat and administrative support provided to the committee?   |  |  |  |  |  |  |  |  |
| <b>19</b> Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?   |  |  |  |  |  |  |  |  |

### Effectiveness of the committee

|   |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|
| <b>20</b> Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work? |  |  |  |  |  |  |  |  |
| <b>21</b> Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?                                   |  |  |  |  |  |  |  |  |
| <b>22</b> Are meetings effective with a good level of discussion and engagement from all the members?                                       |  |  |  |  |  |  |  |  |
| <b>23</b> Has the committee maintained a non-political approach to discussions throughout?  |  |  |  |  |  |  |  |  |

| Good practice questions   | Does not comply                                     |                         |                      |                   |                        | Fully complies |
|---|---|-------------------------|----------------------|-------------------|------------------------|----------------|
|   | Partially complies and extent of improvement needed |                         |                      |                   |                        |                |
|   | Major improvement                                   | Significant improvement | Moderate improvement | Minor improvement | No further improvement |                |
| Weighting of answers  | 0   | 1                       | 2                    | 3                 | 5                      |                |
| 24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers? |   |                         |                      |                   |                        |                |
| 25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?  |   |                         |                      |                   |                        |                |
| 26 Do audit committee recommendations have traction with those in leadership roles?   |   |                         |                      |                   |                        |                |
| 27 Has the committee evaluated whether and how it is adding value to the organisation?  |   |                         |                      |                   |                        |                |
| 28 Does the committee have an action plan to improve any areas of weakness?   |   |                         |                      |                   |                        |                |
| 29 Has this assessment been undertaken collaboratively with the audit committee members?  |   |                         |                      |                   |                        |                |
| <b>Subtotal score</b>   |   |                         |                      |                   |                        |                |
| <b>Total score</b>  |   |                         |                      |                   |                        |                |
| <b>Maximum possible score</b>   |   |                         |                      |                   |                        | <b>200**</b>   |

\*\* 40 questions/sub-questions multiplied by five.

## **The West of England Combined Authority Audit Committee**

The functions of the audit committee shall include:

- (i) reviewing and scrutinising the authority's financial affairs;
- (ii) reviewing and assessing the authority's risk management, internal control and corporate governance arrangements;
- (iii) reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; and
- (iv) making reports and recommendations to the Combined Authority in relation to the reviews they have conducted.
- (v) To consider and approve the Annual Statutory Accounts

Save for the provision in Section A – Standing Orders (Descriptions and Rules of Procedure), that can only apply to a meeting of the West of England Combined Authority, the rules of procedure will apply to meetings of the Audit Committee.

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## ITEM 07

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
AUDIT COMMITTEE**

**DATE: 02 MARCH 2023**

**REPORT TITLE: INTERNAL AUDIT PLAN - 2023/24**

**AUTHOR: JEFF WRING & TARIQ RAHMAN – (INTERNAL AUDIT)**

### **1. Purpose of Report**

- 1.1 This report updates the Audit Committee on the methodology used to create the Internal Audit Plan and asks for Member input on activities, areas or themes they would like to be considered within the Internal Audit plan for 2023/24.
- 1.2 A draft plan has already been created based on consultation with Senior Management and current assessments and is attached at Appendix 1.
- 1.3 The Audit Committee is asked to note that Internal Audit will continue to plan with flexibility in order to react to changes throughout the year. The plan will therefore be kept under review and adjusted as necessary as the year progresses

### **2. Recommendations**

- The Audit Committee is asked to comment on any areas or themes that they would like to be considered for the Internal Audit Plan 2023/24.
- The Audit Committee is asked that, subject to comments above it approves the plan attached at Appendix 1

### **3. Background / Issues for Consideration**

- 3.1 The Public Sector Internal Audit Standards require Internal Audit to prepare a risk-based plan. The work of the Internal Audit Service is to provide independent assurance to the Combined Authority's senior officers and members that governance, risk management and controls are sufficient in ensuring delivery of the Combined Authority's objectives.
- 3.2 The Plan has been subject to consultation with the Interim CEO (previously Interim Director of Investment and Corporate Services (S73 Officer)) and The Authority's Senior Management. The Internal Audit service (Audit West) use the reasonable assurance model to compile the plan, of which the essential elements are as follows
- 3.4 Notwithstanding the assessment, specific circumstances (such as a significant reputational issue or request of the CEO, S73 Officer or Senior Management Team) may on occasion mean that a new audit area is included in the Plan.

- 3.5 Historically, 100 days were provided for audit work since the Combined Authority was set up in 2017. However, the organisation has grown and undergone significant change, including substantial new funding streams in excess of £1BN which have created new risks and opportunities. In addition, the VFM review carried out by External Audit highlighted the continued journey to improve good governance, all of which directly and indirectly impact on Internal Audit delivery.
- 3.6 Therefore to ensure that risks can be adequately addressed, and that sufficient work is carried out to form an overall assurance opinion, the Interim CEO (previously Interim S73 Officer) has agreed to increase the number of days needed to a minimum of 250.
- 3.7 In order to support this work Internal Audit (through One West) will partner with Bristol City Council's Internal Audit Team to deliver future audit work. This will benefit the Combined Authority by providing a wider pool of auditors with different knowledge, skills and experience.

**4. Report Narrative / Main Context**

**4.1 Background - Reasonable Assurance Model**

- 4.2 The planning process is based on the fundamental requirement that the Audit Plan proposed will deliver sufficient work to enable the Chief Internal Auditor to independently assess the internal control framework of the Combined Authority and provide a 'reasonable assurance' opinion at the end of each year. The model we use – the Reasonable Assurance Model - has previously been reported to the Committee.
- 4.3 It was created and adopted in conjunction with a number of other councils in the South West and the Model approach won a Public Finance award in 2017.
- 4.4 The model is outlined in the following diagram with the key element being the high-level assessment of 8 'good governance' themes.



4.5 In addition, the Chartered Institute of Internal Auditors has published a report which highlights organisational significant risks for 2023 and these should be considered when preparing audit plans. Areas relevant to the public sector are as follows:

- Cybersecurity and data security
- Human capital, diversity and talent management
- Macroeconomic and geopolitical uncertainty
- Climate change and environmental sustainability
- Business continuity, crisis management and disasters response
- Financial risk
- Organisational governance and corporate reporting

### **Consultation & Input – Audit Committee**

4.6 Significant consultation and assessment has already taken place with Senior Management and a draft Audit Plan has been compiled at Appendix 1.

4.7 To finalise this process the Audit Committee as a key stakeholder and with responsibility for approving the Audit Plan is asked for comments on the plan. Therefore, we wish to obtain views and feedback on any other areas which could be considered for potential inclusion in the Internal Audit Plan for 2023/ 24.

4.8 Currently the Audit Plan at Appendix 1 has allocated time to the following areas -

|   | <b>DIRECTORATE</b>              | <b>AUDIT SUBJECT</b>                                  | <b>REASONABLE ASSURANCE THEME</b>                 |
|---|---------------------------------|---|---|
| 1 | Infrastructure                  | CRSTS Programme Management                            | Financial Management/ Procurement & Commissioning |
| 2 | Infrastructure                  | CRSTS Risk Management                                 | Risk Management                                   |
| 3 | Infrastructure                  | Project Management – Quality Assurance Framework      | Risk Management / Corporate Governance            |
| 4 | Investment & Corporate Services | Health & Safety and Wellbeing – Contractor Monitoring | Asset Management                                  |
| 5 | Investment & Corporate Services | Health & Safety and Wellbeing - Corporate             | Asset Management                                  |
| 6 | Investment & Corporate Services | Cyber Security - Malware and Ransomware               | Information Technology/ Governance                |
| 7 | Investment & Corporate Services | Risk Management                                       | Risk Management / Corporate Governance            |
| 8 | Environment                     | Retrofit Accelerator Project                          | Programme & Project Management                    |

|    |                                 |                              |   |
|----|---------------------------------|------------------------------|---|
| 9  | Investment & Corporate Services | Treasury Management          | Financial Management                                    |
| 10 | Investment & Corporate services | Income & Bank Reconciliation | Financial Management                                    |
| 11 | All                             | Counter Fraud & Corruption   | Risk Management/ Asset Management/ Financial Management |
| 12 | All                             | Grant Certification Work     | All   |
| 13 | All                             | Corporate Governance         | All   |
| 14 | All                             | Follow Up Audits 2022/23     | All   |

4.9 It should also be noted that within the commitments made above Internal Audit will continue to:

- Provide support on request to senior management on the corporate governance framework within the Authority;
- Provide advice on request in relation to new or changed systems of internal control during the year including significant updates and revisions to key financial systems, processes, policies and procedures;
- Provide advice on request to Services on carrying out investigations in relation to financial irregularities. This may require, where requested, Audit staff to take on the Investigating Officer role in compliance with the disciplinary procedures.

4.10 Views of the Committee are therefore sought to finalise the Audit Plan.

### **Consultation**

5 To develop and deliver the Annual Audit Plan the Internal Audit Service has consulted widely with officers and members. Ongoing consultation will continue with the Audit Committee throughout the year.

### **Other Options Considered**

6 Not applicable.

### **Risk Management/Assessment**

7 The Audit Plan is drawn up on a risk-based approach, in line with Public Sector Internal Audit Standards.

### **Public Sector Equality Duties**

8 Embedded within the audit process is consideration of compliance with statutory

guidance and regulations which includes those relating to equality and diversity.

**Finance Implications, including economic impact assessment where appropriate:**

9 The number of planned audit days has been increased from 100 to 250 days.

**Legal Implications:**

10 No direct implications.

**Climate Change Implications**

11 No direct implications.

**Land/property Implications**

12 No direct implications.

**Human Resources Implications:**

13 No direct implications.

**Appendices:**

None

Report Author: Jeff Wring – Audit West (Internal Audit)

West of England Combined Authority Contact: Richard Ennis – Interim CEO & Stephen Fitzgerald – Interim Director of Investment and Corporate Services

**Background Papers**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 70 Redcliff Street, Bristol BS1 6AL; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk).

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# Appendix 1

## Internal Audit Plan 2023/24

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**Audit West**

Delivering Independent Assurance to the Public Sector

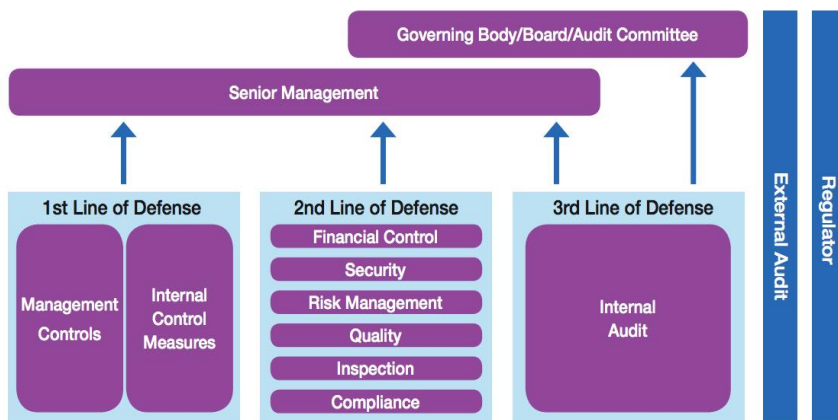
# 1. Our Role

## Introduction

The West of England Combined Authority (WECA) is striving to be a driving force for clean and inclusive economic growth in the West of England with the aim to ensure that people benefit from more job opportunities, a stronger economy and a higher quality of life. To achieve this the Authority has recognised the importance of excellence in resource management and sound governance as fundamental to achieving these priorities.

Internal Audit fully recognizes its need to be flexible and agile in the face of the significant changes affecting the whole of the public sector and meet the needs of its stakeholders. Independent assurance which is strong but supportive can provide a helpful and positive role not just to services but to elected Members and the Community at large by demonstrating that the Authority is operating effectively and protecting its assets and resources for the benefit of all its stakeholders.

## Three Lines of Defence Model



By being independent of management Internal Audit (through Audit West) maintain the third line of defence and we will continue to do this effectively by working with all our stakeholders - especially the Audit Committee, Statutory Officers and Senior Management – to improve the service we offer and provide an independent voice in supporting good governance.

We also aim to offer continued value to all our clients based on the following key priorities –

- **Use of our Reasonable Assurance Model**
- **Maximising Use of Technology**
- **Investment in Skills**
- **Offering complimentary assurance services**
- **Providing Value for Money**

The remainder of this document outlines our approach and also the indicative areas for our audit and assurance plan for 2023/24.



## 2. Your Priorities & Plans

# OPERATING FRAMEWORK

Our operating framework sets out our priorities for clean and inclusive economic growth in the West of England.

### OUR AMBITIONS

The West of England is a place of growth and innovation, where economic, cultural and environmental diversity is celebrated and forms the foundation of prosperity for all.

We are investing in people and places – including jobs, skills, transport, homes, and digital connections – to ensure we are creating healthy communities where people want to live, work and visit.

Central to everything we do is our ambition to address climate change, secure good jobs and ensure decent homes for all our people.

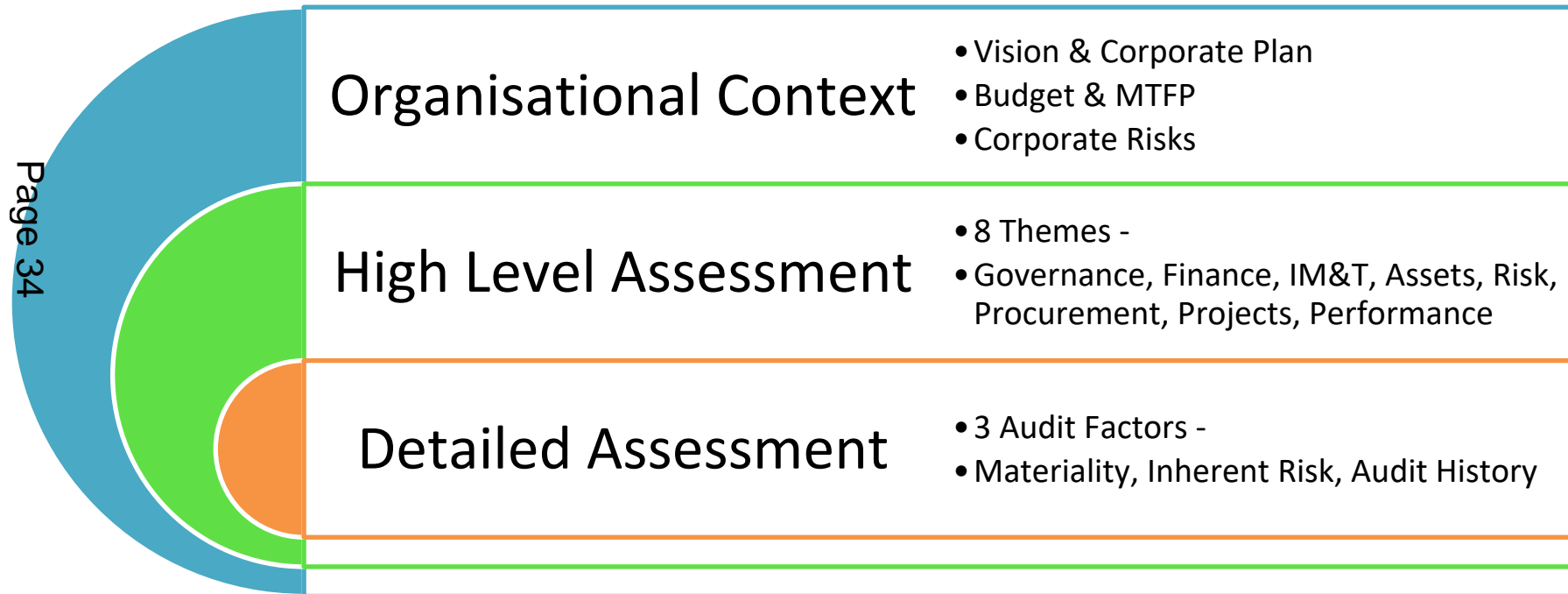
We will achieve our ambitions by working with our communities to deliver our priorities for infrastructure, skills and business.



### 3. Reasonable Assurance Model – Producing the Audit Plan

The model is based on the fundamental requirement that the audit plan proposed will deliver sufficient work to enable the Head of Audit to independently assess the internal control framework and give a reasonable assurance opinion at the end of each year.

This involves considering the current context of the Authority, what a 'healthy organisation' requires to operate effectively and then assessing independently against this in a staged process as follows –

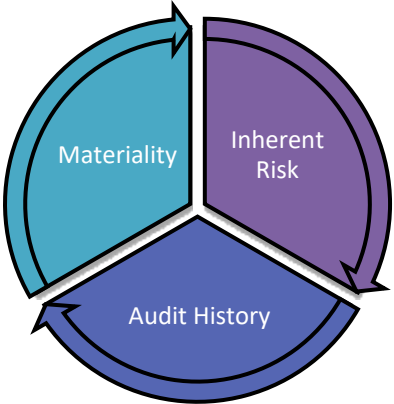


**HIGH LEVEL ASSESSMENT AREAS – REASONABLE ASSURANCE**

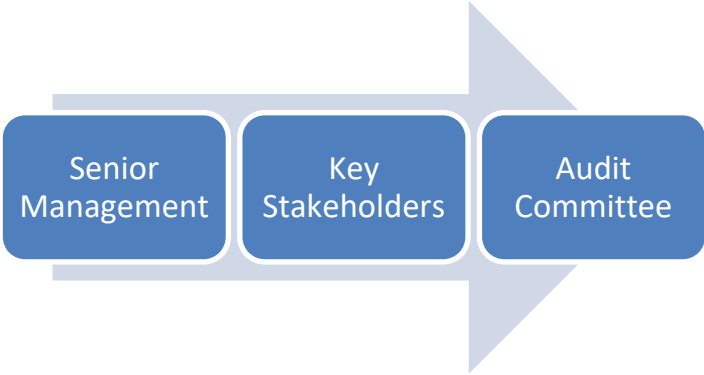


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**DETAILED CRITERIA – AUDIT PLAN LISTING**



**CONSULTATION & APPROVAL**



## 4 Areas for Review – 2023/24

ANNEX A

| Internal Audit Plan - Areas   | Directorate/<br>Service Area    | Reasonable<br>Assurance Theme            |
|---|---------------------------------|--|
| <b>Organisational &amp; Corporate Functions (175 Days)</b>                            |                                 |  |
| CRSTS (City Region Sustainable Transport Settlement) - Programme Management (25 days) | Infrastructure                  | Financial Management & Procurement       |
| CRSTS (City Region Sustainable Transport Settlement) - Risk Management (10 days)      | Infrastructure                  | Risk Management & Corporate Governance   |
| Corporate Project Management – Quality Assurance Framework (15 days)                  | Investment & Corporate Services | Programme & Project Management           |
| Health & Safety and Wellbeing – Contractor Monitoring (15 days)                       | Investment & Corporate Services | Asset Management                         |
| Health & Safety and Wellbeing – Corporate (15 days)                                   | Investment & Corporate Services | Asset Management                         |
| Retrofit Accelerator Project (15 days)  | Environment                     | Programme & Project Management           |
| Treasury Management (20 days)   | Investment & Corporate Services | Financial Management                     |
| Income & Bank Reconciliation (15 days)  | Investment & Corporate Services | Financial Management                     |
| Risk Management (20 days)   | Investment & Corporate Services | Risk Management                          |
| Cyber Security – Malware & Ransomware (25 days)                                       | Investment & Corporate Services | Information Management & Risk Management |

|   |     |  |
|---|-----|--|
| <b>Counter Fraud &amp; Corruption – Various (20 Days)</b>                 | All | Financial Management & Risk Management |
| <b>Grant Audit Certification – Various (20 Days)</b>                      | All | Financial Management & Risk Management |
| <b>Follow-Up Reviews – Various (10 Days)</b>                              | All | All Themes                             |
| <b>Corporate Governance – Various (25 Days)</b>                           | All |  |
| Annual Governance Review (AGS)  | All | Corporate Governance                   |
| Audit Planning & Internal Control Assessment – Reasonable Assurance Model | All | All Themes                             |
| Audit Committee & Senior Management Support                               | All | All Themes                             |
|   |     |  |

## CONTACT DETAILS

|                          |  |
|--------------------------|--|
| <b>Engagement Lead –</b> | Jeff Wring<br>01225 477323<br><a href="mailto:jeff_wring@bathnes.gov.uk">jeff_wring@bathnes.gov.uk</a>       |
| <b>Audit Manager -</b>   | Tariq Rahman<br>01225 477256<br><a href="mailto:Tariq_Rahman@bathnes.gov.uk">Tariq_Rahman@bathnes.gov.uk</a> |
| <b>Address</b>           | One West<br>Bath & North East Somerset Council<br>The Guildhall<br>High Street<br>BATH,<br>BA1 5AW           |



**ITEM 8**

## **WEST OF ENGLAND COMBINED AUTHORITY AUDIT COMMITTEE**

**2 MARCH 2023**

### **REPORT SUMMARY SHEET**

#### **AUDIT COMMITTEE– THE WEST OF ENGLAND COMBINED AUTHORITY AUDIT PROGRESS REPORT AND SECTOR UPDATE**

##### **Purpose**

This paper provides the West of England Combined Authority’s Audit Committee with Grant Thornton’s progress on delivering its responsibilities as external auditors for year ending 31 March 2022.

##### **Summary**

This report includes the following key information:

- Audit Deliverables
- Sector Update

##### **Recommendations**

The Audit Committee are asked to note the report.

**Contact officer:** Stephen Fitzgerald

**Position:** Interim Director of Investment and Corporate Services

**Email:** Stephen.Fitzgerald@westofengland-ca.gov.uk

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# The West of England Combined Authority Audit Progress Report and Sector Update

**Year ending 31 March 2022**

Audit Committee 2 March 2023

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| Audit Deliverables          | 6    |
| Sector Update               | 7    |

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Combined Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction

## Your key Grant Thornton team members are:

### Jon Roberts

Key Audit Partner

E: [jon.roberts@uk.gt.com](mailto:jon.roberts@uk.gt.com)

### David Bray

Senior Manager

E: [david.bray@uk.gt.com](mailto:david.bray@uk.gt.com)

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a summary of emerging national issues and developments that may be relevant to you as a Combined Authority.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications [www.grantthornton.co.uk](http://www.grantthornton.co.uk)

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

# Progress at 6 February 2023

## Financial Statements Audit

We produced an initial Audit Findings Report in late October 2022 and presented this to the Combined Authority's Audit Committee on 17 November 2022. We also provided the Audit Committee with a verbal update of our progress at that meeting.

We produced a further Audit Findings Report in late November and presented this to the Audit Committee on 12 December 2022, together with a verbal update.

We subsequently issued an unqualified audit opinion on the Combined Authority's financial statements for the year ended 31 March 2022 on 22 December 2022.

We issued a final Audit Findings Report on that date and requested this be circulated to Audit Committee members.

At that time we were unable to issue our certificate for the year because we had not completed:

- our work on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources and issued our Auditor's Annual Report; and
- the work necessary to issue our Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2022.

The National Audit Office (NAO) issued the guidance regarding the Whole of Government Accounts work for 2020/21 in July 2022 and so we do not expect to be in a position to complete that aspect of our work in the foreseeable future..

## Value for Money

### 2020/21

We had previously reported our interim findings to the Audit Committee on 28 April 2022 and 12 October 2022. Our Governance Report was presented to the Committee meeting on 17 November 2022.

This Governance Report contained:

- three statutory recommendations;
- two key recommendations; and
- four improvement recommendations.

The three statutory recommendations that arose from that work were considered by the Combined Authority in a public meeting on 9 December 2022.

Our Auditor's Annual Report for 2020/21 was issued on 22 December 2022 and we requested this be circulated to Audit Committee members.

### 2021/22

In our audit plan for 2021/22 we advised the Audit Committee that we would undertake our risk assessment regarding the Combined Authority's arrangements to secure value for money in the 2021/22 financial year once our work for 2020/21 had been completed.

At the time of writing, this risk assessment was in progress and we expect to report our findings in the Spring.

# Audit Deliverables

## 2020/21 Deliverables

|   | Planned Date  | Status                  |
|---|---------------|-------------------------|
| <p><b>Auditor's Annual Report</b></p> <p>This Report communicates the key issues arising from our Value for Money (VFM) work.</p> | December 2022 | Issued 22 December 2022 |
| <p><b>Certificate</b></p> <p>The certificate confirms that the audit has been completed.</p>                                      | December 2022 | Issued 22 December 2022 |

## 2021/22 Deliverables

|  |               |   |
|--|---------------|---|
| <p><b>Audit Plan</b></p> <p>We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Combined Authority's 2021/22 financial statements and the Auditor's Annual Report on the Combined Authority's Value for Money arrangements.</p> | April 2022    | Presented to April 2022 Audit Committee |
| <p><b>Audit Findings Report</b></p> <p>The Audit Findings Report will be reported to the Combined Authority's Audit Committee on completion of our work.</p>   | November 2022 | Issued 22 December 2022                 |
| <p><b>Auditors Report</b></p> <p>This includes the opinion on your financial statements.</p>   | November 2022 | Issued 22 December 2022                 |
| <p><b>Auditor's Annual Report</b></p> <p>This Report communicates the key issues arising from our Value for Money work.</p>  | Spring 2023   | See pages 4                             |

## 2022/23 Deliverables

|  |     |  |
|--|-----|--|
| <p><b>Audit Plan</b></p> <p>We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Combined Authority's 2022/23 financial statements and the Auditor's Annual Report on the Combined Authority's Value for Money arrangements.</p> | TBC | We expect to present this to the next Audit Committee meeting. |
|--|-----|--|

# Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:



Public Sector



Local  
government

# Audit Market Developments

## Financial Reporting Council Report On The Quality Of Local Audit

In late October 2022 the Financial Reporting Council (FRC) published its inspection findings into the quality of major local body audits in England, which includes large health and local government bodies.

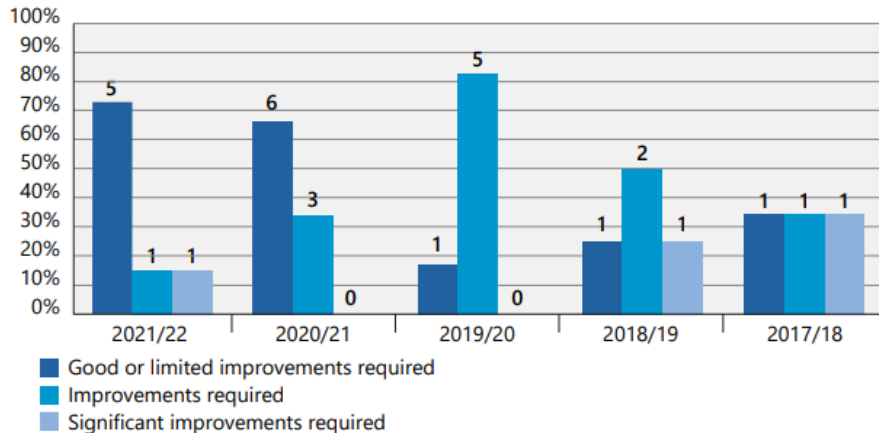
The Quality Assurance Department (QAD) of the Institute of Chartered Accountants in England and Wales (ICAEW) inspects a sample of local audits that do not meet the definition of a ‘major’ local audit and the FRC’s report also includes a summary of their findings.

The FRC reported that 71% of Grant Thornton audits inspected (7 in total) were assessed as either good or limited improvements required.

This is a pleasing result and reflects on our significant investment in audit quality over recent years. The positive direction of travel over the past five years is illustrated below:

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Our assessment of the quality of financial statement audits reviewed



The FRC also inspected our work on VfM arrangements at four bodies.

It is pleasing to note that all of these inspections were assessed as requiring no more than limited improvements (which is the same as the previous year).

As far as the ICAEW are concerned, overall, the audit work reviewed was found to be of a good standard.

Seven of the eight files reviewed (88%) were either ‘good’ or ‘generally acceptable’, but one file ‘required improvement’.

The ICAEW identified one of our files as requiring ‘Improvement’ – but it should be noted that this was a 2019-20 file and therefore the learnings from prior years’ review could not have been taken into account, an issue recognised by the ICAEW in their report to us.

The ICAEW found that our VfM work was good on each of the files reviewed, and they did not identify any issues with this aspect of the audit teams’ work.

Whilst are pleased with our continuing improvement journey, we continue to invest in audit quality to ensure that the required standards are met.

The full report can be found [here](#).



Financial Reporting Council



# Grant Thornton – Nearly 60 councils at risk of ‘running out of money’ next year

Grant Thornton has warned that the soaring cost of living combined with a decade of austerity could see up to a sixth of English councils fully deplete their reserves in 2023-24 without substantial spending cuts.

Research found that, as a result of higher inflation, councils are expected to have a cumulative budget deficit of £7.3bn by 2025-26 – an increase of £4.6bn since forecasts made at the beginning of 2022/23.

Grant Thornton said that although reserves were bolstered by more than £5bn in 2020-21 due to higher government funding, these balances will “continue to unwind through the long tail of Covid-19” with close to 60 councils forecast to use all earmarked and unallocated reserves next year.

Without additional income, authorities would need to make savings of over £125 per person by 2025-26, equal to the average yearly spend on homelessness, sports and leisure, parks and open spaces, libraries and waste services.

Phillip Woolley, Head of Public Services Consulting at Grant Thornton, said: “Local government has faced unprecedented demands and pressures over the last decade and without action from both central government and councils, in the face of these inflationary pressures, the list of authorities in need of exceptional support looks set to grow quickly.

“Our research shows the additional Covid-19 funding, while critical to support immediate challenges, has not addressed underlying systemic issues or the precariousness of councils’ financial sustainability in the face of economic instability.



“Local authorities are also now facing the risk of interest rate rises, increasing debt financing costs and the real risk of reduced funding from central government, in response to the current economic turmoil facing the country. Without committed intervention from all sides, there is a risk that the sector levels down instead of up.”

Grant Thornton estimated unitary authorities would have the largest budget gap (£1.8bn) by 2025-26, but district councils would have the largest gap compared to net spending at 10.2%.

The firm added that austerity and changing policy demands have left councils struggling to innovate in their services and prevented investment in finance and procurement, diminishing the sector’s ability to tackle medium-term challenges.

Grant Thornton said additional government funding alone will not lead to improvements, and that councils should focus on improving governance and developing financial stability plans.

Joanne Pitt, local government policy manager at CIPFA, said: “With no spending review and no fair funding review, CIPFA shares Grant Thornton’s concerns about the financial sustainability of some in the sector.

“While there are actions local authorities can take to strengthen their own financial resilience, they are facing significant inflationary pressures and rising demand which makes this hugely challenging for the sector.”







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**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
AUDIT COMMITTEE**

**DATE: 2<sup>nd</sup> March 2023**

**REPORT TITLE: RISK MANAGEMENT AND INFRASTRUCTURE RISK  
REGISTER**

**DIRECTOR: STEPHEN FITZGERALD & ALISTAIR KIRK**

**AUTHOR: MARK WAKEFIELD,  
HEAD OF CHIEF EXECUTIVE'S OFFICE**

### **Purpose of Report**

- 1 Present the current Infrastructure Directorate Risk Register
- 2 To provide an update on the Combined Authority's Corporate Risk Register

### **Recommendation**

- 3 For Audit Committee to note and comment on the Infrastructure Risk Register and the Corporate Risk Register.

### **Background / Issues for Consideration**

- 4 Following discussion at the Audit Committee in December 2022, a timetable has been developed for approval to bring the corporate risk register and selected high level risk registers to audit committee.
- 5 The proposed timetable is as follows:
  - 2023 Q1 – Infrastructure Risk Register
  - 2023 Q2 – Fraud Risk Register
  - 2023 Q3 – Climate Risk Register
  - 2023 Q4 – Business & Skills Risk Register
  - 2024 Q1 – Strategy & Innovation Risk Register
- 6 The latest Corporate Risk Register will also be presented each quarter.
- 7 The combined authority is in the process of establishing a corporate governance board at senior officer level to manage the governance and associated risk issues in the organisation.

### **Infrastructure Risk Register**

- 8 As requested in December, the Infrastructure risk register is brought for review and is attached at Appendix A.
- 9 As set out in the risk management framework, appropriate escalation through projects and programme risk reviews have taken place.
- 10 Current most significant /active risk/mitigations/notables are:

- a. Funding and inflationary pressures are the most significant risk to achieving the region's delivery programme. This is also reflected in the overall corporate risk. A review of costs and schedule is due to commence on the City Region's Programme over the next quarter to understand the impact and mitigation of this risk.
- b. Achieving and maintaining the political and public mandate which is required to deliver the climate change commitments outlined by our regional Mayors and Leaders. This risk is indelibly linked to funding. The Transport Decarbonisation Strategy is expected to report its findings to the July Committee meeting. This is expected to require choices, which may require unprecedented levels of socio-economic change. While this risk can be mitigated by the provision of a robust evidence base, behavioural education and prioritisation of funding; several choices are expected to be challenging.
- c. Building sufficient capacity and capability to match our portfolio delivery requirements will continue to remain a key risk for Infrastructure for the foreseeable future, as well as for the organisation generally. Establishing strategic supply chain partnerships as well as developing requisite team skills and capacity will be essential for delivery success.
- d. The risk to rural connectivity and wider bus usage as the result of economic, commercial pressures is the most immediate risk in the portfolio. As a mitigation to this the Combined Authority is due to implement a Demand Responsive Transport service. Exacerbating this risk is the driver shortage. Work is underway to mitigate this via our Business and Skills recruitment initiative and by agreeing contractual obligations with the supply chain around service provision.

### **Corporate Risk Register**

- 11 The CRR has been updated to reflect the comments of the Audit Committee in December 2022, individual risk owners and mitigations are named, replacing teams.
- 12 The risks and mitigations have been reviewed and updated, the CRR is at Appendix B.
- 13 The most notable changes are summarised as follows:
  - Whilst the inflation risks have materialised, the work to quantify and then respond through matching a revised programme to the budget is underway.
  - Supported Bus services risk is removed as the contracts in place now match the levy funding available
  - This risk is replaced by the DRT implementation and mitigations to maximise the timeliness and effectiveness of these services
  - Health and Safety risk added to reflect the increased role the CA will have as the delivery programme increases

### **Consultation**

- 14 The Corporate Risk Register is produced in conjunction with risk and mitigation owners. As with the directorate risk registers, escalation follows project and programme reviews of the risks and mitigations.

### **Other Options Considered**

- 15 None, Audit Committee have asked to be kept informed.

- 16 Without a formal risk management framework and processes we will be unable to anticipate and take preventative action to avoid risk and will instead incur time and additional cost in managing the consequences of unplanned events.
- 17 We have provided a copy of our Corporate Risk Register as an appendix to this report.

### **Public Sector Equality Duties**

- 18 There are no equality implications arising directly from this report.

### **Finance Implications, including economic impact assessment where appropriate:**

- 19 The monitoring and evaluation framework provides assurance that limited resources will be utilised to their best effect to ensure activity is appropriate and proportionate.

Advice given by: Stephen Fitzgerald, Interim Director of Investment and Corporate Services

### **Legal Implications:**

- 20 The Accounts and Audit (England) Regulations 2015 state that “A relevant authority (the Council) must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk”. The risk management framework meets this requirement and is an essential part of good governance for the Combined Authority.

Advice given by: Stephen Gerrard, Interim Director of Legal and Democratic Services

### **Climate Change Implications**

- 21 There are no specific climate implications arising directly from this report.

### **Land/property Implications**

- 22 *n/a*

### **Human Resources Implications:**

- 23 None arising from this report. If specific workforce risks are identified they will be managed in line with policy and best practice in consultation with the Human Resources Team.

Advice given by: Alex Holly, Head of People and Assets

### **Appendices:**

Appendix A – West of England Combined Authority Corporate Risk Register

**Background papers:** *n/a*

### **West of England Combined Authority Contact:**

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 70 Redmill Street, Bristol BS1 6AL; email: [democratic.services@westofengland-ca.gov.uk](mailto:democratic.services@westofengland-ca.gov.uk)



| INFRASTRUCTURE - SERVICE RISKS |                    |                          |   | LAST UPDATED 08/02/2023   |   |   | Inherent Score |   | Residual Risk Score |   |       |       | Action Owner   |   |  |        |                     |
|--------------------------------|--------------------|--------------------------|---|---|---|---|----------------|---|---------------------|---|-------|-------|--|---|--|--------|---------------------|
| ID                             | Category           | Date entered on register | Risk Description  | Risk Impact   | L | I | Priority       | Mitigation  | L                   | I | Score | Trend | Target Date for mitigation   | Owner   |  | Status | Date of Last Update |
| INF-R011                       | Delivery           | 17/11/21                 | <b>Resource &amp; Capacity:</b><br>There is a risk that there is insufficient resource and capacity to deliver the Infrastructure work programme; this risk applies to the Combined Authority and our Unitary Authority partners. This risk is conflated by tight timescales from DfT and overall lack of resource in the supply chain.   | That programmes have a slow start and we risk the overall delivery programme. Progress will be reported to the public via DfT heightening the reputational risk.  | 4 | 4 | 16             | <b>TREAT 1:</b> Utilise procurement frameworks/specialist resource agencies to bolster resource and capacity to support major strategic procurement projects and peaks in resource requirements. Ensure that all staff and organisations understand how to access and forward plan to maximise change of availability of resources.<br><b>TREAT 2:</b> Agree resource plan with programme teams and refine scheduling capabilities so that critical path roles are easily identified and resourced for.<br><b>TREAT 3:</b> Discuss resource position with Bristol City Council and BaNES on options for projects, staff to ensure delivery of the programme is protected.<br><b>TREAT 4:</b> Market Testing to demonstrate comparable rates for project management roles by HR working with the PMO to increase recruitment and retention | 3                   | 3 | 9     | ↑     | TREAT 1: February 2023<br>TREAT 2: March 2023<br>TREAT 3: March 2023<br>TREAT 4: March 2023                | Director of Infrastructure                                | TREAT 1: Interim Head of Commercial<br>TREAT 2: Head of PMO<br>TREAT 3: Interim Director of Infrastructure<br>TREAT 4: Head of PMO/Head of HR        | Open   | 08/02/23            |
| INF-R007                       | Statutory function | 29/09/20                 | <b>Reduction in Bus Services - Commercial &amp; Supported:</b><br>There is an issue that there is a reduction in bus services due to the residual impact of the pandemic, inflationary pressures, reduction in bus passenger numbers which has also led to reduced commercial viability of bus services   | Funding pressures cannot be met by Government, leading to service cuts across the region, including where services are deemed to be socially necessary i.e. Supported Bus Services. Services require additional public funding to maintain. It also undermines our ability to deliver the bus service improvements set out in the BSIP.   | 4 | 4 | 16             | <b>TREAT 1:</b> Secure BSIP funding and deliver the Enhanced Partnership<br><b>TREAT 2:</b> Work with Operators and UA's on BSIP to develop a financially sustainable network using BSIP funding to pump prime services where appropriate e.g. increasing frequencies towards "turn up and go".<br><b>TREAT 3:</b> Work with CRSTS to provide infrastructure to enable faster bus journeys. Ensure Trans Ops is included in scope and design decisions to ensure that the infrastructure improves the ability to improve journey times.   | 3                   | 3 | 9     | ↔     | TREAT 1: Jan 2023 Completed<br>TREAT 2: March 2025<br>TREAT 3: Various as per OBC/FBC dates                | Head of Integrated Transport Operations                   | TREAT 1+2: Head of Transport Ops<br>TREAT 3: Head of Capital Delivery  | Open   | 09/02/23            |
| INF-R005                       | Policy             | 28/02/19                 | <b>Evidence Base:</b><br>There is an issue that the legacy impacts of the Covid Pandemic still uncertain and may impact the current evidence base.  | The impact of this is that as we move towards decarbonisation there is a risk that the information currently available is not sufficient to monitor our key metrics such as car dependency and measure the impact of the programmes we are delivering   | 3 | 4 | 12             | <b>TREAT 1:</b> Update our transport model and evidence base (WERTM project - west of England transport model); update our transport carbon data and evidence base (transport decarb project), following this the updated data will be used to review and if required refresh our Joint Local Transport Plan - JLTP5 Continued work with partners nationally (e.g. DfT, UTG M9 etc) to look at national and international trends, scenario planning and steps to connect people post pandemic.<br><b>TREAT 2:</b> Agree what measures and KPI's need to be put in place to monitor performance; determine what additional data should be collected and agree funding and plan to deliver this.  | 2                   | 4 | 8     | ↔     | TREAT 1: Summer 2024<br>TREAT 2: Summer 2024   | Director of Infrastructure                                | TREAT 1 + 2: Head of Transport Strategy  | Open   | 09/02/23            |
| INF-R002                       | Delivery           | 20/01/19                 | <b>Programme Management Maturity:</b><br>There is a risk that there is a residual resistance to the implementation of a Authority programme office by teams within the CA and UA's leading to delays in implementing new ways of working. This risk is compounded by the relatively low level of maturity in project, programme and portfolio management across all organisations | Programme delays and lack of efficiency leading to additional costs, unnecessarily constraining funding across the portfolio. Distorting ability to manage Interfaces and dependencies with a lack of clarity in programme responsibility ultimately losing funding or not making best use of allocated funds. Unable to demonstrate economic growth with gainshare funding being withdrawn. Misaligned processes and procedures across different organisations | 3 | 4 | 12             | <b>TREAT 1:</b> Maturity Assessment, Gap analysis and Improvement plan to be implemented<br><b>TREAT 2:</b> Robust Financial management and Scheduling information to be implemented to ensure MI is adequate for decision making<br><b>TREAT 3:</b> Set up a PMO project to roll out and define best practice. Work with UA colleagues to obtain buy in to key processes to ensure consistency where possible  | 2                   | 3 | 6     | ↔     | TREAT 1: May 2023<br>TREAT 2: May 2023<br>TREAT 3: Aug 2023  | Director of Infrastructure                                | TREAT 1: Head of PMO<br>TREAT 2: Head of PMO + Head of Finance<br>TREAT 3: Head of PMO   | Open   | 09/02/23            |
| INF-R005                       | Delivery           | 30/08/22                 | <b>Cost Inflation:</b><br>There is a risk that due to inflationary pressures the current funding available is not sufficient to deliver the agreed scope of works for the Infrastructure Portfolio of works   | Descoping may be required or value engineering of projects  | 5 | 5 | 25             | <b>TREAT:</b><br>Risk contingency pot for CRSTS is to be held by CA, MOU agreed to ensure decisions on scope/descope and impact of inflation are made by the accountable body; also to ensure risk of price increases is spread among partners. Commercial Partner commenced on 13th February 23 who are responsible for undertaking Cost Estimation exercise on the baseline (detailed forensic review) across all major projects (Feb 23-May23). This will be part of the Deep Dive reviews. Exploring options for commercial and procurement value for money through portfolio benefits across all projects and through the tendering for Tier One (Design and Build) Contractor, which could potentially streamline procurement exercises and or leverage economies of scale and achieve better rates.                                | 4                   | 4 | 16    | ↔     | TREAT: July 2023   | CEO/SMT and Director of Investment and Corporate Services | Head of Capital Delivery, Interim Head of Commercial   | Open   | 02/02/23            |
| INF-R008                       | Delivery           | 30/08/22                 | <b>Schedule Delays:</b><br>There is a risk that there will be significant delays to project delivery schedules, particularly for the M32 and Bristol to Bath Projects, due to complicated approvals processes or highly sensitive nature of project scopes and necessary political sign off for key decisions   | Delay to schedule, impact on project mandates, scope, quality and benefits  | 5 | 5 | 25             | <b>TREAT 1:</b> Agree MOU on the City Regions Programme (of which M32 and Bristol to Bath are projects) to agree ways of working and decision pathways, outline governance and decision pathways for projects as part of meeting terms of reference, hold joint discussions between all key stakeholders on M32 including DfT and National Highways. Input clause into Grant Conditions to ensure escalations, early warnings of slippage and potential recovery capabilities on the project are available.<br><b>TREAT 2:</b> Agree additional delegations to ensure more frequent decisions can be made.  | 4                   | 5 | 20    | ↑     | TREAT 1: Sept 2023<br>TREAT 2: March 2023  | Director of Infrastructure                                | Head of Capital Delivery   | Open   | 09/02/23            |
| INF-R009                       | Statutory function | 30/08/22                 | <b>Statutory Authority:</b><br>There is a risk that the Combined Authorities lack of statutory authority to conduct certain elements of Highways works, land purchase, CDM or CPO will impact our ability to progress project works   | Inability to act as main deliver vehicle on projects, such as M32 and Bristol to Bath, inability to purchase land or carry out CDM, CPO activities  | 5 | 5 | 25             | <b>TREAT 1:</b> Identify what statutory authority powers are required. Discuss options with Unitary Authority colleagues on how best to meet these to ensure efficient and effective delivery.<br><b>TREAT 2:</b> Agree with our delivery partners in the Unitary Authorities what our role as a client and sponsor is and what can be delivered by the Combined Authority and via the Unitary Authorities.<br><b>TREAT 3:</b> Establish integrated project teams to ensure that the client sponsor and deliver agents work collaboratively to deliver the required outcomes  | 4                   | 4 | 16    | ↔     | TREAT 1: May 2023<br>TREAT 2: March 2023<br>TREAT 3: April 2023  | CEO   | Director of Infrastructure   | Open   | 09/02/23            |
| INF-R010                       | Delivery           | 02/02/23                 | <b>Health &amp; Safety:</b> There is a risk that the Combined Authority is unable to meet its responsibilities as Client under CDM for projects where the Combined Authority has allocated this role.   | Significant health and safety risk occurs causing serious injury or fatality on site.<br>Risk of legal action against the authority and specific senior officers who hold nominated safety roles.   | 3 | 4 | 12             | <b>TREAT 1:</b> Set up CDM strategy for Portfolio. Review CDM strategies for all projects for which the Combined Authority is not the direct, use interim experience resource.<br><b>TREAT 2:</b> Organisational assessment to be undertaken to assess the Combined Authority's competence and capability to undertake the Client role on projects.<br><b>TREAT 3:</b> CDM plans to be created for all live projects.<br><b>TREAT 4:</b> Recruit Health and Safety team to ensure we have the correct set up and assurance in place.<br><b>TREAT 5:</b> As an interim, utilisation of experienced team members within Capital Delivery team to support more junior members of the team in conducting reviews of Risk and Method Statements and Safety Audits for any on-site works.   | 2                   | 4 | 8     | ↑     | TREAT 1: July 2023<br>TREAT 2: July 2023<br>TREAT 3: April 2023<br>TREAT 4: Sept 2023<br>TREAT 5: Feb 2023 | Director of Infrastructure                                | TREAT 1: Head of HSQE/Capital Delivery<br>TREAT 2: Head of PMO<br>TREAT 3: Programme Managers<br>TREAT 4: Head of PMO<br>TREAT 5: Programme Managers | Open   | 08/02/23            |

|          |             |          |   |   |   |   |    |   |   |   |    |  |   |  |      |          |
|----------|-------------|----------|---|---|---|---|----|---|---|---|----|--|---|--|------|----------|
| INF-R011 | Governance  | 02/02/23 | <b>Governance:</b><br>There is a risk that the Combined Authority governance requirements and meeting timetables are not conducive to the speed of decision making required for a complex portfolio of infrastructure works.                              | Delay to schedule, cost and risk profile.   | 3 | 5 | 15 | <p><b>TREAT 1:</b> Provide detailed forward plan for key decisions to governance forums to ensure visibility of plan progress and key decisions required. Ensure this is part of reporting processed and look to automate from project schedules. Request Committee agree a 3 year schedule for Committee meetings to enable projects to plan. Develop a detailed project lifecycle and agree decision points/makers and stage gates. Roll out formalised monthly reporting to all remaining projects in Infrastructure</p> <p><b>TREAT 2:</b> Seek to delegate change control to monthly forums, to ensure pace of delivery is maintained.</p> <p><b>TREAT 3:</b> Provide additional resource to Grant Assurance team and PMO teams to ensure capacity in the assurance of business cases and stage gates and support quicker feedback and assurance processes. Look to align Grant Assurance and PMO processes where appropriate.</p> <p><b>TREAT 4:</b> Conduct Business case and delivery assurance workshops to explore efficiencies in both processes. Work with Head of Grant Management on a streamlined business case process for smaller lower risk projects.</p> | 2 | 2 | 4  | <p>TREAT 1: July 2023</p> <p>TREAT 2: March 2023</p> <p>TREAT 3: Sept 2023</p> <p>TREAT 4: April 2023</p>  | CEO                                     | <p>TREAT 1: Head of PMO</p> <p>TREAT 2: Head of PMO</p> <p>TREAT 3: Head of PMO &amp; Head of Grant Assurance</p> <p>TREAT 4: Head of PMO &amp; Head of Grant Assurance</p>  | Open | 08/02/23 |
| INF-R012 | Procurement | 02/02/23 | <b>Market Capacity:</b> There is a risk that the level of infrastructure programmes across the UK will reduce the markets capacity to provide sufficient resources to undertake the portfolio of works.   | Delay to schedules, increased cost due to hyper competitive sellers   | 3 | 3 | 9  | <p><b>TREAT:</b> Commercial have completed first round of market engagement which has confirmed appetite and capacity. Further rounds of engagement will be undertaken to ensure the right suppliers (and their supply chains) are included in the large strategic tenders to be undertaken during 2023. process. Continued discussions on the procurement strategy and procurement plan with Unitary Authorities to incorporate holistic view on market requirements and agree mitigation plans for key peaks</p>  | 2 | 3 | 6  | <p>TREAT 1: July 2023</p>  | Interim Head of Commercial              | Interim Head of Commercial   | Open | 08/02/23 |
| INF-R013 | Resource    | 02/02/23 | <b>Skills</b><br>Lack of personnel with the skills to deliver on programmes within the Combined Authority and partner Unitary Authority delivery agents. Risk is conflated by tight timescales from DFT and overall lack of resource in the supply chain. | Incorrect or lack of relevant skill set may impact the quality of delivery and value for money on commercial aspects, or more severe impacts due to breach of contract or other critical failures   | 4 | 4 | 16 | <p><b>TREAT 1:</b> Utilise procurement frameworks to bolster resource and capacity for call off arrangements - update Jan 23. now available to CA and UA- now have Strategic Delivery Partnership arrangement with Arcadis, Arup, Nichols; Professional Services Framework with Atkins, Aecom &amp; WSP, Cost Estimator and Legal Frameworks are work in progress along with Tier One contractor.</p> <p><b>TREAT 2:</b> Skills - conduct skills plan and gap analysis. Strategic Delivery Partner to work with HR/PMO to propose career planning, progression and self assessment using APM capability framework and bespoke framework for non project skills set.</p>   | 2 | 3 | 6  | <p>TREAT 1 - March 2023</p> <p>TREAT 2: Sept 2023</p>  | Director of Infrastructure              | <p>TREAT 1: Head of PMO</p> <p>TREAT 2 - Head of PMO</p>   | Open | 08/02/23 |
| INF-R014 | Funding     | 02/02/23 | <b>Future Funding:</b><br>There is a risk that the level of funding in the future will not be sufficient to deliver the level of change of required in the region   | Impact on achieving climate change objectives, impact on ability to delivery Future for West mass transit programme   | 4 | 4 | 16 | <p><b>TREAT 1:</b> Transport Strategy to identify options for alternative funding sources, work with MP's and Leaders/Majors Councillors to gain political support and champion to central government</p> <p><b>TREAT 2:</b> Production of walking &amp; cycling investment plan, 10 Year Rail Plan, decarbonisation strategy and EV strategy; which will identify future development projects; review of JLTP and major scheme programme delivery plan and demand management against these strategies</p> <p><b>TREAT 3:</b> Complete the Future4WEST Strategic Outline Case and agree next steps and prioritisation and identify necessary funding to deliver these works</p>   | 3 | 4 | 12 | <p>TREAT 1: Ongoing</p> <p>TREAT 2: Various for different strategies</p> <p>TREAT 3: July 2023</p>   | Director of Infrastructure              | Head of Transport Strategy   | Open | 08/02/23 |
| INF-R015 | Political   | 02/02/23 | <b>Political:</b><br>There is a risk that the current method of deciding which projects to deliver is based on a split by population rather than prioritised against impact or benefits.  | Impact on achieving climate change objectives and political mandate; funding allocated does not achieve strategic impact for the region   | 4 | 4 | 16 | <p><b>TREAT 1:</b> Provide a robust evidence base to ensure that decision makers are informed on the impact of their decisions on benefits. Incorporate this evidence base to ensure it is clear on reasoning for recommendations</p> <p><b>TREAT 2:</b> Strategy Team are working with Mayors and Leaders to agree Regional Strategic priorities against which the portfolio can be prioritised.</p>   | 3 | 4 | 12 | <p>TREAT 1: Ongoing</p> <p>TREAT 2: April 2023</p>   | Director of Infrastructure              | Head of Transport Strategy   | Open | 08/02/23 |
| INF-R016 | Political   | 02/02/23 | <b>Political and Public Mandate:</b><br>There is risk that the decisions that need to be made to deliver on the climate change commitments may meet significant political and public opposition   | Delivery of schemes which achieve climate change do not proceed   | 5 | 5 | 25 | <p><b>TREAT 1:</b> Build engagement with Environment team, Transport Board, MPs, Mayors and Leaders on big choices</p> <p><b>TREAT 2:</b> Public engagement on real terms impact of climate change key issues, the need for change and decisions required as well as the benefits. Look to use the model for behaviour training on climate change and its impact that North Somerset are developing</p>   | 4 | 4 | 16 | <p>TREAT 1: Ongoing</p> <p>TREAT 2: Jun - Dec 2023</p>   | Director of Infrastructure              | Head of Transport Strategy   | Open | 08/02/23 |
| INF-R017 | Political   | 02/02/23 | <b>Comms &amp; consultation:</b><br>There is a risk that the level of comms and consultation required by the Infrastructure Programme will overwhelm the public and or not reach the full audience required to ensure robust feedback                     | Scheduling conflicts and resource capacity issues; confusion on key messages unless its co-ordinated sufficiently; feedback on consultations from select members of the public so holistic view is not achieved   | 3 | 3 | 9  | <p><b>TREAT 1:</b> Comms team to produce integrated comms plan for the region and include this in monthly Regional Comms meetings.</p> <p><b>TREAT 2:</b> Look to integrate comms and consultations on a location basis to ensure consistent and coherent messages to the public</p> <p><b>TREAT 3:</b> Appoint a comms partner via supply chain to bolster capacity when required</p>  | 2 | 2 | 4  | <p>TREAT 1: March 2023</p> <p>TREAT 2: March 2023</p>  | Head of Comms                           | <p>Infrastructure Comms Business Partner</p>   | Open | 08/02/23 |
| INF-R018 | Delivery    | 09/02/23 | <b>Rural Services:</b><br>There is a risk that there is a loss of rural connectivity due to service reductions and timely implementation of alternative transport solutions.  | <p>Impacted rural areas may not be adequately served by public transport; rural areas may need to resort to car traffic; decarbonisation targets will not be achieved, social isolation.</p> <p>If Demand responsive transport is not delivered in time and to the contracted standard of service this will have a reputational impact on the Combined Authority and exacerbate political sensitivities with the Unitary Authorities.</p> | 5 | 5 | 25 | <p><b>TREAT 1:</b> Roll out a Demand Responsive Transport service to rural areas, which will improve connectivity with existing commercial services supported by capital investment in modal interchange.</p> <p><b>TREAT 2:</b> Work with Operators and UA's to develop higher frequency conventional services to enable DRT to connect people with main urban areas.</p>  | 2 | 5 | 10 | <p>TREAT 1: June 2023</p> <p>TREAT 1: April 2023</p> <p>TREAT 2: April 2023</p>  | Head of Integrated Transport Operations | Programme Manager for BSIP   | Open | 08/02/23 |
| INF-R019 |             | 21/02/23 | <b>Modal Shift:</b><br>There is a risk that the portfolio of works will not achieve modal shift nor increase capacity in more sustainable modes of transport across the region.   | Climate change and modal shift targets not met. Value for money and benefits not achieved. Continued rise in congestion and subsequent impact on poor air quality and health issues   | 4 | 5 | 20 | <p><b>TREAT 1 - Long Term:</b> Introduce a future mass transit solution to provide sustainable transport options. Develop business cases following approval of the SOC at Committee.</p> <p><b>TREAT 2 - Long Term:</b> Explore demand management and behaviour change initiatives to incentivise use of sustainable transport modes.</p> <p><b>TREAT 3 - Medium Term:</b> Deliver City Regions programme to enable improvements to bus, walking &amp; cycling networks to improve journey times, reliability and convenience.</p> <p><b>TREAT 4 Short Term:</b> Deliver Future Transport Zones Programme and develop mobility (modal) interchange hubs to enable easier end to end journeys</p> <p><b>TREAT 5 Short Term:</b> Deliver Future Transport Zones Data Hub and MaaS app to enable improved decision making on future transport projects and deliver improved, integrated end to end customer travel choices.</p> <p><b>TREAT 6 Short Term:</b> Increase Electric Vehicle charging infrastructure across the region, by utilising Green Recovery Funding and bidding for the LEVI funding.</p>   | 4 | 4 | 16 | <p>New</p> <p>TREAT 1: SOC at July Committee</p> <p>TREAT 2: Summer 2024 (JLTP)</p> <p>TREAT 3: March 2027</p> <p>TREAT 4: March 2024</p> <p>TREAT 5: March 2024</p> <p>TREAT 6: March 2024 and summer 2023 for LEVI</p> | Director of Infrastructure              | <p>TREAT 1: Head of Transport Strategy</p> <p>TREAT 2: Head of Transport Strategy</p> <p>TREAT 3: Head of Capital Delivery</p> <p>TREAT 4: Head of Integrated Transport Operations</p> <p>TREAT 5: Head of Integrated Transport Operations</p> <p>TREAT 6: Head of Capital Delivery and Head of Transport Strategy</p> | Open | 21/02/23 |



| WECA Risk Register |                    | Last Updated 30/11/2022   |  | Inherent Risk Score |   | Residual Risk |   | Trend |   | Risk Owner(s) |       | Mitigation (action) Owner(s)                |  |
|--------------------|--------------------|---|--|---------------------|---|---------------|---|-------|---|---------------|-------|---|--|
| ID                 | Category           | Risk Description  | Risk Impact  | L                   | I | Score         | Mitigation  | L     | I | Score         | Trend | Risk Owner(s)                               | Mitigation (action) Owner(s)   |
| CRR030             | Financial          | External factors, such as energy costs, inflation and conflicts may drive the UK into recession and affect our projects and their benefit to residents.   | (a) Project costs could increase by 8-10% or more in individual sectors. In infrastructure, we have quantified an £80m+ additional inflation challenge<br><br>(b) Our portfolio of projects may no longer be the best route to realising benefits for residents, and additional steps may be needed to ensure benefit realisation  | 5                   | 4 | 20            | (a) Cross cutting assessment of the known and potential financial impacts on programmes and the headroom brought to committee regularly<br>Strengthen the Commercial team, ensure specifications are tight, strong negotiations with suppliers to manage costs. There will an expectation that partners will take a share of cost rises.<br><br>We have just appointed a cost and estimating partner to undertake portfolio level cost review to establish revised cost outturns; we are undertaking a re-baselining exercise to re-priorities the portfolio in light of cost pressures<br><br>(b) Monitor the situation and be ready to mobilise, adapt the support available reflecting the Metro Mayors priority to develop opportunities to tackle cost of living impacts.<br><br>Ensure benefit realisation is kept under review through highlight reports and the programme review board.<br><br>Work with Government to make the case for additional funding and support. We have already demonstrated our ability to do this in our         | 4     | 3 | 12            | ↑     | Chief Executive                             | Director of Infrastructure<br><br>Director of Investment & Corporate Services<br><br>Head of Policy & Strategy |
| R025               | Delivery           | Moving to the delivery phase and scaling up the capacity and capability across our partners to deliver additional major programmes, CRSTS, BSIP.  | Capacity to deliver multiple major schemes to the same timescale. Market may not be able to meet the demand all at the same time. £250m of works in 24/25. leading to costs outside the funding envelope.<br><br>Funding awarded by the government may need to be returned. Projects may not have sufficient funding from other sources to realise their benefits. Other projects may be at risk if other funding sources are reallocated. | 4                   | 4 | 16            | 1. Commercial Frameworks to enable the supply chain to deliver the scale and volumes required: we have developed our commercial strategy to build our strategic capability across the supply chain, including strategic programme delivery partner (awarded); cost and estimating partner (awarded); soon to appoint our land and property, and legal partner; and soon to go to market for our technical integrator and design/build partners<br><br>2. Prioritisation and re-sequencing exercise to minimise concurrent disruption to the network and smoothing demand on the supply chain.<br>3. Strengthen monitoring of scheme progress and spend through programme highlight reports.<br>4. Scheme progress and spend forecasts as part of the support and challenge at programme review board monthly.<br>5. Review of the composition and funding mix of programme, and management of substitution/funding swaps between streams to prioritise, within constraints, based on deadlines.<br>6. Continue to seek local flexibility of funding | 3     | 3 | 9             | ↔     | Director of Infrastructure                  | Director of Infrastructure<br><br>Director of Investment & Corporate Services                                  |
| CRR 031            | Delivery           | Recruiting/retaining the skilled staff needed as the org structures around the delivery of major new programmes, in terms of the scale of the requirement, the cost of living/market pressures and the changes to senior posts/use of interims while structures are developed.                            | (a) Ability to attract and retain at the right level and specialism, breadth and depth is increasingly difficult in a competitive market and found to be a regional challenge.<br><br>(b) Time may be needed for new and interim post holders to be fully up to speed which could lead to delays.  | 4                   | 4 | 16            | (a) Ensure that staff pay and benefits are competitive in the local and regional market, with particular focus on specialist and hard to recruit posts. Contribute to national negotiations on staff pay, alongside our regional local government partners, to influence an outcome based on balancing the cost of living challenges with budgetary pressures<br><br>Strategic programme delivery partner is being brought into the organisation.<br><br>(b) Interim directors have been in place for the whole financial year to date.<br>Stable leadership team is developing structures for the organisation that reflects new funding and sustainable resources to deliver.   | 3     | 3 | 9             | ↑     | Chief Executive                             | Head of People & Assets  |
| R024               | Financial          | Unitary Authority funding settlement from government may impact staff resource and match funding, reducing viability of projects in delivery as well as proposals/business cases in development.  | Affected projects may not meet planned milestones and lead to knock on delays to benefit realisation, cost escalation / abortive costs.  | 5                   | 4 | 20            | 1. Early identification in specifying resources applied, project risk logs and via the programme review board process.<br>We are undertaking a portfolio level re-baselining exercise to establish revised and up to date cost outturns and prioritisations, to go back to DFT in summer.<br>2. Pipeline of proposals to replace unviable projects and realise benefits through alternative schemes.<br>3. Assurance Framework capable of reacting quickly.   | 4     | 3 | 12            | NEW   | Director of Investment & Corporate Services | Director of Infrastructure<br><br>Director of Investment & Corporate Services                                  |
| CS-R002            | Financial          | There is a risk that the way that Government funds Combined Authorities, including its approach to levelling up, will result in less funding to support delivery of projects and priorities as some funding schemes come to an end.   | CA capacity is currently resourced through time limited funding streams - Mayoral Capacity Fund and Business Rates Retention pilot, CRSTS and BSIP. Without confirmed longer term funding the CA would not be able to retain high calibre staff, balance its budget or deliver against its priorities, especially for deprived communities   | 4                   | 5 | 20            | Discussions ongoing with HMRC and Treasury both directly and with other Combined Authorities who are also impacted. A medium term financial plan is in place. Progress made in setting the 2022/23 revenue budget to reduce reliance on short term funding streams through more robust recharging to projects<br>Revised structures in development to reflect delivery of CRSTS and BSIP funding streams.<br>Continue the dialogue to make the case to Government for investment in the region  | 3     | 4 | 12            | ↔     | Chief Executive                             | Director of Investment & Corporate Services  |
| R026               | Reputation         | The Value for Money report of the external auditor may affect our reputation with the government and residents.   | The combined authority may not be as successful in future bids to the government for funding or powers.  | 4                   | 4 | 16            | The agreement and implementation of the action Plan addressing all the recommendations.   | 3     | 3 | 9             | NEW   | Chief Executive                             | Head of Policy & Strategy  |
| WECA-R003          | Delivery           | There is a risk that Committee members may be unable to reach agreement on key proposals, particularly in the context of imminent elections in the Unitary Authorities.   | The CA would be unable to realise the opportunities and benefits emerging from the activities and projects.<br><br>Funding allocations and project delivery would be delayed, increasing costs and damaging relationships and the reputation of the region.  | 4                   | 5 | 20            | Our Assurance Framework is agreed annually and sets out how funding decisions are made. Our Investment Programme is agreed. Strong partnership working arrangements are in place to ensure that proposals are developed to support and complement the priorities and objectives of the constituent councils. Noted that good progress made in the January 2022 Committee Cycle where the 2022/23 CA Revenue budget was voted through unanimously.<br><br>Ongoing activity to build on the relationships with the UAs to support delivery. Political leaders working together on regional priorities to develop a shared position on proposed allocations of available funding streams.  | 4     | 4 | 16            | ↑     | Chief Executive                             | Director of Investment & Corporate Services<br><br>Head of Policy & Strategy                                   |
| WECA-R007          | Legal & Governance | As with any public sector body that administers grant funding, there is a risk of fraud, bribery or corruption.   | Financial loss, reputational damage.   | 3                   | 4 | 12            | Controls & prevention measures incorporated in key operational processes. Annual review of arrangements.<br>Development of a specific fraud risk log for regular review in the service and at audit committee.  | 2     | 3 | 6             | ↓     | Director of Investment & Corporate Services | Head of Finance  |
| CRR032             | Delivery           | There is a risk that supported bus services will need to be withdrawn due to higher and unaffordable contract prices caused by continuing low passenger numbers (still only 76% of pre-Covid levels at 30.11.22), fuel costs and driver shortage for operators.<br><b>CLOSED AND REPLACED BY DRT RISK</b> | Some communities will see a loss or reduction in their bus service and increased isolation from core health, leisure, shopping and employment opportunities. Fewer sustainable travel options will lead to higher car use.   | 4                   | 4 | 16            | Committee have made a decision on supported bus contracts, which now match the new contract prices to the money available by the levy.<br>The introduction of DRT will mitigate the impact of changes to supported services.  | 3     | 3 | 9             | ↓     | Director of Infrastructure                  | Head of Integrated Transport Operations  |
| CRR034             | Delivery           | There is a risk that the introduction of DRT services will not be fully completed by 3rd April across the whole region.   | Phasing the introduction of DRT services over up to 3 months from early April, may leave some areas with out any service coverage post early April.  | 4                   | 4 | 16            | (i) Driver shortages may be mitigated by reducing the seater size of buses to reduce driver licence requirements<br>(ii) Recruitment expertise and resources focussed on drivers, monitoring in place.<br>(iii) Consideration to extending some supported services and seeing if we can use BSIP funds to cover these costs<br>(iv) Appropriately resourced project team to maximise the progress to be made across all aspects of the implementation plan.   | 3     | 3 | 9             | NEW   | Director of Infrastructure                  | Director of Infrastructure   |
| WECA-R008          | Delivery           | The actions to address the climate and ecological emergencies aren't suitably integrated within the work of the Combined Authority.   | We won't be able to minimise the carbon contribution from our investments<br><br>We won't enable the regional economy and infrastructure to be resilient to climate change.<br><br>Our reputation will be damaged by not acting to deliver our public commitments<br><br>We won't use our influence and investments to support nature's recovery.  | 4                   | 4 | 16            | Under the leadership of the Head of Environment, monitoring of the CESAP is now well established. There is a focal point to bring climate impacting proposals and conversations together. Early identification of new opportunities and where delivery is at risk is now embedded. We will create a specific risk log for delivery of the CESAP which will be owned by the Environment Directorate. Recruitment exercises have enabled a fuller compliment of staff in the Environment Directorate which is enabling the start of work to integrate our goals from the CESAP into our investments and partnership across the organisation. This will take time but the work is underway.  | 3     | 4 | 12            | ↑     | Head of Environment                         | Head of Environment  |

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## ITEM 10

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
AUDIT COMMITTEE**

**DATE: 2 MARCH 2023**

**REPORT TITLE: RESPONSE TO AUDIT FINDINGS AND ACTION PLAN**

**DIRECTOR: JESS LEE**

**AUTHOR: RACHEL PYKETT**

### **Purpose of Report**

- 1 At their meeting on 9 December 2022, the Combined Authority's Committee approved the attached emerging action plan developed in response to the findings of the recent external audit report. The Committee agreed that the action plan should be presented to Audit Committee to consider and review with feedback presented back to the Committee at the meeting on 17 March 2023.

### **Recommendation**

It is recommended Audit Committee:

1. Review the emerging action plan, highlighting any feedback to be presented back to CA Committee.
2. Note the terms of reference agreed for the Independent Peer Challenge Review that CA Committee agreed should be taken forward with the support of SOLACE.
3. Note that the Chair of Audit Committee has been interviewed by the SOLACE team as part of the Peer Review process and will continue to be involved as the work progresses.

### **Background / Issues for Consideration**

- 2 At the CA Committee meeting on 9<sup>th</sup> December, committee resolved to fully accept the findings of the report presented by the external auditors and to consider and approve the emerging action plan. The emerging action plan discussed by CA Committee on the 9<sup>th</sup> December is attached at Annex 1.
- 2.1 Committee resolved that the action plan should be presented to Audit Committee and Scrutiny & Overview Committee for review and feedback to the

CA Committee.

- 2.2 The Committee should note that since the December Committee meeting a work programme for the Independent Peer Challenge Review led by the Society of Local Authority Chief Executives (SOLACE) has been agreed. The review will provide recommendations on the action needed to address the conclusions of the audit report (in response to SR1, SR2, KR1, IR1 and IR4).
- 2.3 The full Terms of Reference for the Independent Peer Challenge are set out at Annex 2. This work will provide conclusions on the action needed to improve the ability of the CA and its constituent authorities to:
- effectively develop and agree overarching strategies and associated delivery plans for the region
  - establish clarity of purpose for what the Combined Authority is there to do and that constituent authorities will agree to provide the landscape, operational freedoms and support the Combined Authority in seeking to achieve
  - put the right arrangements in place to enable positive collaboration between the Combined Authority organisation and constituent authorities
  - support Combined Authority committee members to provide clear and effective leadership and direction for the benefit of the region
  - improve the capability of the Combined Authority to be an effective organisation, working as part of a broader local system
- 2.4 The Chair of Audit Committee has been interviewed early in the process of delivering the Independent Peer Review to ensure the perspective of Audit Committee is appropriately reflected in the approach taken to this work. The Chair will continue to be involved as the work progresses.
- 2.5 The Action Plan is attached at annex 1. The Audit Committee is asked to consider it and provide feedback for the West of England Combined Authority Committee to consider at its meeting on 17<sup>th</sup> March 2023.

## **NEXT STEPS**

- 3 The feedback on the action plan from Audit Committee and Overview and Scrutiny Committee and will be presented to the March CA Committee meeting and the revised action plan will be considered for approval.

## **Consultation**

- 4 The Action Plan and Independent Peer Challenge Review terms of reference set out in this report have been developed in collaboration with the constituent local authorities of the CA.

## **Other Options Considered**

- 5 The decision relating to the Action Plan that was agreed at CA Committee was for the plan to be taken to Audit and Overview & Scrutiny Committees for review and comment. There are no other options to consider in relation to this report.

### **Risk Management/Assessment**

- 6 The recommendations in this report will ensure the views of Audit Committee are reflected in the Action Plan, mitigating any risk of the Action Plan being finalised without appropriate scrutiny.

### **Public Sector Equality Duties**

- 7 There are no specific public sector equality duties associated with this report over and above those normally applied.

### **Climate Change Implications**

- 7 The Combined Authority's Climate Emergency Action Plan has been considered in the production of this report. There are no specific points of particular relevance associated with this report.

Report and advice reviewed and signed off by: Roger Hoare

### **Finance Implications, including economic impact assessment where appropriate:**

- 8 There are no direct finance implications associated with this report. The delivery of the action plan will highlight any financial issues that require attention.

Report and advice reviewed and signed off by: Stephen Fitzgerald

### **Legal Implications:**

- 9 There are no direct legal implications in this report. Delivery of the Action Plan will strengthen protocols around the seeking and delivery of legal advice and the position of the CA monitoring officer.

Report and advice reviewed and signed off by: Stephen Gerrard

### **Human Resources Implications:**

- 10 There are no direct HR implications from this report. Delivery of the Action Plan may raise HR issues, which will be dealt with as progress against the Action Plan takes place.

Report and advice reviewed and signed off by: Alex Holly

**Appendices:**

*List any appendices to the report:*

Appendix 1 – Action Plan as reviewed by CA Committee 9<sup>th</sup> December 2022

**Background papers:**

*Auditors report on Governance Matters:* <https://westofengland-ca.moderngov.co.uk/documents/s5406/Auditors%20Report%20on%20Governance%20Matters.pdf>

*CA Committee paper (09.12.22) Consideration of the Committee's response to the Audit Findings:* <https://westofengland-ca.moderngov.co.uk/documents/s5405/Audit%20findings.pdf>

**West of England Combined Authority Contact:**

| Report Author | Contact Details                     |
|---------------|-------------------------------------|
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## ANNEX 1: ACTION PLAN AS REVIEWED BY CA COMMITTEE ON 9<sup>TH</sup> DECEMBER 2022

| Recommendation  | Accepted   | Issues to be addressed  | Response   | Action   | Measure of outcomes   | Timescale                      |
|---|------------|---|--|--|---|--------------------------------|
| <p>SR1 <i>The Mayor and members of the Combined Authority represented by the Council Leaders, must commit to improving their working relationship and demonstrate that significant progress has been made within a reasonable timeframe to be determined by the Mayor and Combined Authority. This should include a role for independent mediation and the constructive consideration of advice arising from this process (SR1)</i></p> | <p>Yes</p> | <ul style="list-style-type: none"> <li>• Culture &amp; behaviour</li> <li>• Mediation &amp; Relationships</li> <li>• Communication</li> </ul> <p>Internal Decision making</p> | <ul style="list-style-type: none"> <li>• We recognise there have been strained relationships. Work is ongoing to promote greater understanding among West of England partners.</li> <li>• This is part of a longer-term ongoing conversation which will require engagement at all levels between the Combined Authority and Unitary Authorities and LEP as we develop, improve and embed new working practices to adapt and reflect changing circumstances.</li> </ul> | <ul style="list-style-type: none"> <li>• Leaders will continue to regularly meet with the Combined Authority Mayor as required to both address any concerns early and to identify opportunities.</li> <li>• A programme of activities to agree regional priorities will take place in 2023. This will involve free and frank discussion regarding the allocation of existing resources in the context of new and emerging challenges, such as inflationary pressures, to primarily focus on the delivery of projects. A Regional Priorities workshop which leaders have all agreed to attend is scheduled for January.</li> <li>• Board members will be involved at an earlier stage in setting a strategic regional direction</li> <li>• Consideration of appropriate attendees (wider than Mayors, Leaders and CEOs) to attend the regional prioritisation workshop will be made (including regional finance officers (S.151) officers, Directors for Infrastructure, and independent voice(s)), to ensure the workshops results in meaningful outcomes</li> </ul> | <ul style="list-style-type: none"> <li>• Implement a programme of activities to discuss regional priorities with leaders, senior officers and board members</li> <li>• Regional priorities paper to be considered by Combined Authority Committee in March 2023.</li> <li>• Timely Committee meetings to be held</li> <li>• To allow for maximum participation leaders &amp; senior leaders will be given advance notice of meetings.</li> </ul> <p>Agendas and Papers will be issued in good time in advance of meetings taking place.</p> | <p>March 2023, and Ongoing</p> |

|   |            |  |   |  |   |                               |
|---|------------|--|---|--|---|-------------------------------|
| <p>SR2 - A formal protocol should be agreed between member organisations within the Combined Authority to commit to consultation on key proposals, that they should define, at an earlier stage. Combined Authority members should engage effectively in this process, to help mitigate points of contention before they are published and debated in public. This should include a commitment to deliver proposals on a reasonable timetable</p> | <p>Yes</p> | <ul style="list-style-type: none"> <li>Working practices</li> <li>Culture &amp; solution development</li> <li>Communication</li> </ul> <p>Internal decision making</p> | <ul style="list-style-type: none"> <li>Senior officers in the Combined Authority and Unitary Authorities play a key role in finding solutions to contentious problems all year round. We value this important work, and we will ensure this is standard practice as a move forward.</li> <li>We recognise that constructive relationships are as important as processes.</li> <li>All West of England partners will commit to meaningful consultation when developing solutions and proposals to help leaders to mitigate points of contention where possible ahead of Combined Authority Committee meetings.</li> <li>Further work to find solutions to operational matters will continue with a view to embedding new working practices which will be developed with all partners.</li> </ul> <p>Meaningful engagement with Combined Authority Scrutiny and Audit Committees will continue ahead of CA committee meetings to ensure</p> | <ul style="list-style-type: none"> <li>Senior Officers will meet collectively and individually with their counterparts as policies and projects progress, from conception to delivery and evaluation.</li> <li>The Combined Authority will ensure that Cabinet Members from the Unitary Authorities can request briefings with senior CA officers as required. Any existing regular meetings will continue in line with agreed arrangements.</li> <li>An officer delivery board has been established and meets twice a month to review progress on agreed projects and to provide challenge and support to ensure more timely delivery on all projects where relevant. These boards will continue and will report directly to regular joint CEO meetings. This process will be reviewed to further strengthen the board if necessary.</li> </ul> <p>To help support driving delivery of key projects, proposals will include a commitment to deliver on a reasonable timetable (agreed by the Committee), which will be included in relevant papers going forward.</p> | <ul style="list-style-type: none"> <li>Implement a programme of activities to discuss regional priorities with leaders, senior officers and board members</li> <li>Regional priorities paper to be considered by Combined Authority Committee in March 2023.</li> <li>Timely Committee meetings to be held</li> <li>To allow for maximum participation Mayors, Leaders &amp; Senior Officers will be given advance notice of all meetings.</li> <li>Agendas and Papers will be issued in good time in advance of all meetings taking place (public and private) to enable proper consideration and informed debate to take place in the meeting. )</li> <li>Papers detailing proposals will contain agreed timetables for delivery.</li> </ul> <p>A forward plan of decision making for public meetings will be maintained and published.</p> | <p>March 2023 and ongoing</p> |
|---|------------|--|---|--|---|-------------------------------|



|  |     |   |  |   |   |   |
|--|-----|---|--|---|---|---|
|  |     |   | constructive feedback on key proposals.  |   |   |   |
| SR3 - <i>In future, in all circumstances, including where there is a potential conflict of interest affecting individual statutory officers adequate steps must be taken to ensure the statutory duties of these officers is effectively discharged.</i>                           | YES | <ul style="list-style-type: none"> <li>VfM</li> <li>Communication</li> <li>Transparency</li> </ul> <p>Working practices</p> | <ul style="list-style-type: none"> <li>A protocol has been prepared and shared earlier this year with the Auditor and Chair of Audit, which has been designed to manage the rare cases of conflict of interest by statutory officers.</li> <li>This is designed to reflect the unusual circumstances that in a small authority there may not always be another employee able to discharge the role of deputy</li> </ul>  | <ul style="list-style-type: none"> <li>The protocol will be shared with UA Leaders, Chairs of Audit and Scrutiny for comment before being adopted and published.</li> <li>The protocol will be published on the Combined Authority's website and shared with Combined Authority officers.</li> </ul> <p>The Combined Authority Monitoring Officer will brief senior officers regarding the implications of the protocol.</p>  | In the unlikely situation that a similar circumstance arises, the Mayor and Unitary Authority Leaders will be briefed by the Chief Executive on a confidential basis.   | January 2023  |
| KR1 - <i>The future management structure of the Combined Authority should be reviewed in order to ensure it is fit for purpose in the context of new funding awards and strategic priorities and this must include appropriate consultation and agreement by the CA Committee.</i> | YES | <ul style="list-style-type: none"> <li>Leadership</li> <li>Organisation</li> </ul> <p>Culture</p>                           | <ul style="list-style-type: none"> <li>Recognising that several senior leadership posts are currently vacant and interims are in post, there is an opportunity to develop a new Senior Leadership Structure of the Combined Authority which will be developed in 2023.</li> <li>This structure will reflect the changing funding landscape which has emerged in recent years and will meet the requirements of our strategic priorities.</li> </ul> <p>We recognise the need for senior leadership stability and</p> | <ul style="list-style-type: none"> <li>A new Senior Leadership Structure of the Combined Authority will be developed in 2023.</li> <li>The Combined Authority will use expert support to determine necessary skills and appropriate structures are in place so as to recruit suitably skilled permanent staff at pace.</li> <li>It will be agreed in line with the Constitution by the West of England Combined Authority Committee</li> </ul> <p>Process regarding Senior Officer appointments to be guided by external expert support</p> | <ul style="list-style-type: none"> <li>A new senior leadership structure will be developed by Combined Authority Officers in consultation with expert support (a third party)</li> <li>A new senior leadership structure will be implemented by October 2023 following engagement and consultation with the Constituent member organisations.</li> </ul> <p>All Senior Officer roles will have permanent appointments as soon as practicable.</p> | New senior structure to be implemented by October 2023. |

|  |     |   |  |   |   |  |
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|  |     |   | will aim to complete this process by Autumn 2023.  |   |   |  |
| <p>KR2 - <i>The Constitution of the Combined Authority should be revised to define the conditions under which it is acceptable for other officers and members to seek independent legal advice, without reference to the Monitoring Officer and/or Head of Legal Services.</i></p> | Yes | <ul style="list-style-type: none"> <li>Working practices</li> <li>Internal decision making</li> <li>VfM</li> </ul>  | <p>The Constitution of the Combined Authority will be revised to define the conditions under which it is acceptable for other officers and members to seek independent legal advice, without reference to the Monitoring Officer and/or Head of Legal Services.</p>  | <ul style="list-style-type: none"> <li>The West of England CA Monitoring Officer will provide wording for the constitution at the next suitable meeting of the Combined Authority Committee (no later than March) in consultation with the Monitoring Officers of the Unitary Authorities.</li> </ul> <p>Such a change would require unanimous support of the Mayor and Leaders at a West of England Combined Authority Committee meeting.</p>  | Constitution updated to reflect new protocol.   | March 2023 or as soon as is practically possible |
| <p>IR1 <i>That consideration of relationships with the Chief Executive Group should be incorporated into any relationship development and mediation work undertaken.</i></p>   | Yes | <ul style="list-style-type: none"> <li>Culture &amp; behaviour</li> <li>Mediation &amp; Relationships</li> <li>Communication</li> </ul> <p>Internal Decision making</p> | <ul style="list-style-type: none"> <li>Work is underway to establish longer term working practices among all senior officers which embed a culture of mutual understanding and constructive working.</li> <li>We recognise that constructive relationships are as important as processes.</li> </ul> <p>Staff survey results to be reported back to committee.</p> | <ul style="list-style-type: none"> <li>Senior Officers will continue to meet collectively and on a 1:1 basis going forward.</li> <li>All Senior officers will work collaboratively and engage in meaningful consultation when developing solutions and proposals to help leaders to mitigate points of contention where possible ahead of Combined Authority Committee meetings.</li> <li>Where possible, matters of contention will be flagged with all senior officers in good time to allow for solutions to be developed ahead of Combined Authority meetings.</li> <li>All Senior Leaders will commit to promote a culture of respect and understanding at all times.</li> <li>Where relationships require support, Senior Leaders will seek mediation at an early stage to ensure good</li> </ul> | <ul style="list-style-type: none"> <li>Senior Officers and CEOs will continue to meet regularly at a regional level.</li> <li>Areas of contention will be shared with partners in good time to enable solutions to be developed where possible.</li> <li>Agendas and Papers will be issued in good time in advance of meetings taking place.</li> </ul> | March 2023                                       |

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|--|------------|---|---|--|--|-------------------|
|  |            |   |   | <p>working practice continue and solutions can be developed.</p> <p>A forward plan of decisions and activities to help with planning / resourcing / engagement for CEOs meeting will be developed.</p>   |  |                   |
| <p>IR2 <i>That the constitution be reviewed, as previously considered by Combined Authority Members. This should incorporate the new Monitoring Officer protocol but also focuses on the specific ambiguities raised in the recent legal advice including the definition of statutory roles, delegated powers, managing conflicts of interest, decisions on all senior staffing matters including restructure and severance. The results should be reported to committee and used alongside the points we have raise basis for revision. There may be value in reviewing other Combined Authority constitutions to optimise the opportunity to improve</i></p> | <p>Yes</p> | <ul style="list-style-type: none"> <li>• Constitution</li> <li>• Working practices</li> </ul> <p>Internal decision making</p> | <ul style="list-style-type: none"> <li>• The Constitution will be revised to include the new Monitoring Officer protocol</li> </ul> <p>MO will discuss this and any further changes to the document in consultation with the Unitary Authority MOs, which would require unanimous support of the Mayor and Leaders at a West of England Combined Authority Committee meeting.</p> | <ul style="list-style-type: none"> <li>• The Constitution will be revised to include the new Monitoring Officer protocol.</li> <li>• Regional MOs to meet regularly to discuss any matters regarding the constitution that need addressing.</li> </ul> | <p>The Constitution will be revised to include the new Monitoring Officer protocol and wider issues identified in IR2.</p> | <p>March 2023</p> |

|  |            |   |  |   |  |  |
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| <p><i>the document in these areas.</i></p>   |            |   |  |   |  |  |
| <p>IR3 <i>That the performance reviews of the senior officers be formally recorded, including reasonable steps taken to manage issues and provide access to resources to enable skills development as appropriate.</i></p>       | <p>Yes</p> | <ul style="list-style-type: none"> <li>• Performance Working practices</li> </ul>                                   | <ul style="list-style-type: none"> <li>• The annual performance reviews of all senior officers will be formally recorded, including reasonable steps to manage issue and provide access to support and resources to enable skills to develop as appropriate.</li> <li>• Reviewing GT ‘Auditing Culture’ Report: <a href="#">Auditing Culture</a> and to consider how best practice can be implemented in the Combined Authority.</li> <li>• Organisational Performance Reports to be developed and shared with all CA partners, which would include staff survey results, turnover, KPIs.</li> </ul> <p>Process for managing senior officer performance to be shared with UA partners.</p> | <ul style="list-style-type: none"> <li>• Internal actions put in place to ensure Performance reviews are formally recorded.</li> <li>• Consideration of the GT Auditing Culture report made by the Head of HR in consultation with UA HR leads (and others as relevant), and recommendations for improvement made for consideration by the constituent member CEO group</li> </ul> <p>Process agreed by March 2023 for the recording and sharing of key organisation performance indicators and information with member organisations relating to organisational culture and health</p> | <ul style="list-style-type: none"> <li>• Performance reviews to be formally recorded. Head of HR to provide confirmation process has been implemented by January. Process for managing senior management performance shared with UA partners.</li> </ul> <p>Positive staff survey results and feedback at all levels of the organisation. Results shared with CA lead members and CEOs on a regular basis.</p> | <p>January and March 2023 respectively</p> |
| <p>IR4 – <i>That the Monitoring Officer role retains its current seniority at Director level in any future restructure or that sufficient safeguards are implemented to protect the authority and influence of the role.</i></p> | <p>Yes</p> | <ul style="list-style-type: none"> <li>• Leadership</li> <li>• Organisation structure</li> <li>• Culture</li> </ul> | <p>The Monitoring Officer will remain as a Director role in any future senior leadership structure which will be considered by the Combined Authority Committee. Any change would require a vote of the West of England Combined Authority Committee.</p>  | <p>Monitoring Officer to be confirmed at Director Level in any future leadership structure. Any change would require a vote of the West of England Combined Authority Committee.</p>  | <p>Monitoring Officer role retains its current seniority at Director level in any future restructure. Any change would require a vote of the West of England Combined Authority Committee.</p>   | <p>Ongoing</p>                             |

## **ANNEX 2: TERM OF REFERENCE FOR INDEPENDENT PEER CHALLENGE REVIEW**

The review will include consideration of:

- The extent to which there is a consistent view of the role and purpose of the West of England Combined Authority
- how the CA and its constituent members can improve their ability to set a clear and agreed ambition for the region and their partnership.
- the working relationships and supporting architecture required to enable effective collaboration both between politicians and between chief officers across the CA and its constituent member organisations.
- the role of statutory officers in circumstances when a potential conflict is identified.
- In the light of the above, whether there is sufficient appropriate leadership and capacity to be able to deliver the ambition, objectives and statutory responsibilities of the West of England Combined Authority

The report produced as part of this review will include consideration as to whether the existing action plan resulting from the recent value for money audit report requires any amendment. The action plan sets out the intention to report on progress swiftly including with reports back to the Combined Authority Committee initially at the March meeting to ensure agreement ahead of pushing on with delivery. The fortnightly meeting of CEOs will receive updates on the work as it progresses.

In order to answer these questions, the following areas will be considered:

- the operation, culture and structure of the Combined Authority, and of the constituent Unitary Authorities insofar as it relates to regional partnership working;
- the effectiveness of arrangements in place to support the required collaboration between political and organisational leadership of the Combined Authority and constituent members;
- the capacity and/or capability to provide the Combined Authority with clear and effective strategic direction;
- adequacy and use of resources and the impact of governance on the Combined Authority's ability to deliver best value;
- the appropriateness of the Governance arrangements of the Combined Authority to enable delivery, including the constitution and the schemes of delegation;
- the culture of openness, transparency and trust within and between the officers and members of the Combined Authority Committee and Unitary Councils;
- openness to robust, constructive, high support challenge;
- the effectiveness of working relationships and engagement with partners, including North Somerset.

This work will provide conclusions on the action needed to improve the ability of the CA and its constituent authorities to:

- effectively develop and agree overarching strategies and associated delivery plans for the region
- establish clarity of purpose for what the Combined Authority is there to do and that constituent authorities will agree to provide the landscape, operational freedoms and support the Combined Authority in seeking to achieve
- put the right arrangements in place to enable positive collaboration between the Combined Authority organisation and constituent authorities
- support Combined Authority committee members to provide clear and effective leadership and direction for the benefit of the region
- improve the capability of the Combined Authority to be an effective organisation, working as part of a broader local system



## ITEM 11

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY  
AUDIT COMMITTEE**

**DATE: 2 MARCH 2023**

**REPORT TITLE: AUDIT COMMITTEE FORWARD WORK PLAN**

**DIRECTOR: STEPHEN FITZGERALD, INTERIM DIRECTOR OF  
INVESTMENT AND CORPORATE SERVICES AND  
SECTION 73 OFFICER**

**AUTHOR: SELONGE RUSSELL, HEAD OF FINANCE AND  
DEPUTY SECTION 73 OFFICER**

### **Purpose of Report**

- 1 The report presents to the Audit Committee a forward work plan covering the next financial year 2023-2024.

### **Recommendation**

- The Audit Committee is asked to review the Forward Work Plan and suggest any amendments required.

### **Background / Issues for Consideration**

- 2 The Audit Committee's Terms of Reference are published in the Constitution. The attached Forward Work Plan details how the Committee meets those Terms of Reference.
  - 2.1 Local Government Audit Committees should comply with the Chartered Institute of Public Finance and Accountancy's Position Statement and Practical Guidance for Audit Committees. The Terms of Reference for the Audit Committee are designed to ensure the Committee meets the CIPFA standards.
  - 2.2 The forward work plan is designed to ensure that the key Audit Committee responsibilities are fulfilled.
  - 2.3 The Forward Plan comprises a schedule of reports to be presented to the Audit Committee at each of its meetings during the year. Various reports have to be presented at specified meetings in order to comply with statutory requirements (for example relating to the statement of accounts and annual governance statement). An induction programme and training will also be put in place for

new members to the Committee and factored into the forward plan accordingly.

### **Consultation**

- 3 Relevant officers and the Audit Committee were consulted in producing the work plan.

### **Other Options Considered**

- 4 The work plan for the Audit Committee is a helpful guiding document for the Committee itself and other stakeholders with an interest in the Committee's activities.

### **Risk Management/Assessment**

- 5 The Audit Committee aims to comply with standards established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The maintenance of a work plan is consistent with the CIPFA standards. The production of a work plan also helps the Audit Committee to ensure it achieves its terms of reference.

### **Public Sector Equality Duties**

- 6 There are no direct Equalities implications arising from this report.

### **Climate Change Implications**

- 7 There are no direct climate change implications arising from this report.

Advice given by: Roger Hoare, Head of Environment

### **Finance Implications, including economic impact assessment where appropriate:**

- 8 There are no financial issues arising from this report.

Advice given by: Stephen Fitzgerald, Interim Director of Investment & Corporate Services

### **Legal Implications:**

- 9 There are no direct legal implications associated with this report.

Advice given by: Stephen Gerrard, Interim Strategic Director - Legal Services



**Human Resources Implications:**

10 There are no Human Resources implications arising from the report.

Advice given by: Alex Holly, Head of Human Resources

**Appendices:**

Appendix 1 – Audit Committee Forward Work Plan.

**Background papers:**

Audit Committee Terms of Reference – West of England CA Constitution.

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## **Appendix 1 - Audit Committee Forward Work Plan 2023/2024**

### **July 2023**

Virtual Informal Pre-meeting Workshop: Walkthrough of the Unaudited Draft Statement of Accounts.

#### **Formal Meeting to include:**

- Draft Unaudited Draft Statement of Accounts
- Treasury Annual Outturn Report
- Internal Audit Progress and Required Reports
- External Audit Progress and Required Reports
- Approval of the Assurances from management and TCWG (Standard External Audit Request)
- Annual Monitoring & Evaluation Framework
- Corporate Risk Register including Fraud Risk Register
- Update on Live Action Plan
- Annual Audit Committee Report and Self-Assessment
- Feedback Section

### **September 2023**

Virtual Informal Pre-meeting Workshop: Final Statement of Accounts.

#### **Formal Meeting to include:**

- Sign off the Audited Final Statement of Accounts
- Corporate Risk Register including Climate Risk Register
- Internal Audit Progress and Required Reports
- External Audit Progress and Required Reports
- Update on Live Action Plan
- Feedback Section

### **December 2023**

Virtual Informal Pre-meeting Workshop: Arlingclose present to discuss Treasury Options to help inform the Committee on the Treasury Management Strategy.

#### **Formal Meeting to include:**

- Draft Treasury Management Strategy
- Treasury Management Monitoring Update
- Internal Audit Progress and Required Reports
- External Audit Progress and Required Reports
- Update on Live Action Plan
- Corporate Risk Register including Business and Skills Risk Register
- Feedback Section

## **March 2024**

Informal Pre-meeting Workshop: Internal Audit to provide training to the Committee (TBC – Current Topical Area at the time).

### **Formal Meeting to include:**

- Internal Audit Progress and Required Reports
- External Audit Progress and Required Reports
- Update on Live Action Plan
- Corporate Risk Register including Strategy and Innovation Risk Register
- Forward Plan Report for 2024/2025
- Feedback Section