

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

Friday, 16 October 2020, 2pm

Meeting held “virtually”

Present:

Cllr Gary Hopkins, Bristol City Council
Mark Hatcliffe, Independent Member of WECA
Audit Committee
Cllr Geoff Gollop, Bristol City Council, Chair
Cllr Andy Wait, Bath and North East Somerset
Council
Cllr Tom Davies, Bath and North East Somerset
Council
Cllr Mark Bradshaw, Bristol City Council

Cllr Brenda Massey, Bristol City Council
Cllr Donald Alexander, Bristol City Council
Cllr John Ashe, South Gloucestershire Council
Cllr John O'Neill, South Gloucestershire Council
Cllr Brenda Langley, South Gloucestershire
Council

Officers In Attendance:

Malcolm Coe, Director of Investment and
Corporate Services
Selonge Russell, Head of Finance

Steve Finnegan, Financial Accountant
Jeff Wring, Audit West, Internal Audit
Pete Charles, Audit West, Internal Audit
Barrie Morris, Grant Thornton, External Audit

Apologies:

Cllr Cleo Lake, Bristol City Council

Minutes

1	WELCOME AND INTRODUCTIONS The Chair welcomed everybody to the meeting which was being held virtually via zoom and broadcast on the authority's youtube channel.
2	APOLOGIES FOR ABSENCE An apology for absence had been received from Cllr Cleo Lake.
3	DECLARATIONS OF INTEREST UNDER THE LOCALISM ACT 2011 There were no declarations of interest declared.
4	MINUTES OF THE MEETING HELD 17 JULY 2020 The minutes of the meeting held on 17 July 2020 were agreed as a correct record.
5	ITEMS FROM THE PUBLIC (QUESTIONS; PETITIONS; STATEMENTS) The meeting received one question and four statements from members of the public as follows. All the public submissions had been circulated to the Committee prior to the meeting and were published on the Authority's website. Questions: 1. Dick Daniel - Subject: Investment in Road Building and Road Improvements (the response to the question had been circulated to the questioner prior to the meeting).

	<p>Statements:</p> <ol style="list-style-type: none"> 1. Dick Daniel – Trams/light rail 2. Dave Redgewell – Transport Issues 3. Christina Biggs – Rail and Transport Issues 4. Andy O’Brien - WECA’s transport thinking and funding strategies <p>Dave Redgewell, Christina Biggs and Andy O’Brien attended the meeting and addressed the Committee on the topics of their statements in accordance with the Authority’s procedural rules.</p> <p>The Chair stated that as the matters raised did not fall within the remit of the WECA Audit Committee the remarks would be forwarded to Mayor Bowles and Cllr Stephen Clarke (as Chair of WECA’s Overview & Scrutiny Committee) for their consideration.</p>
6	<p>CHAIR’S BUSINESS / ANNOUNCEMENTS</p> <p>No items were raised.</p>
7	<p>STATUTORY ACCOUNTS 2019/20</p> <p>Malcolm Coe, Director of Investment and Corporate Services presented a report to Members setting out the West of England Combined Authority’s Annual Statement of Accounts for 2019-20 for their review and approval. The following had been appended to the report:</p> <p>Appendix 1 – Grant Thornton (ISA 260) Audit Findings Report Appendix 2 – WECA Statement of Accounts for 2019/20 Appendix 3 – Letter of Representation.</p> <p>The Authority had been assessed as a viable ‘going concern’ although it was noted that future uncertainty on volatile funding streams, such as 100% Business Rate Retention and Mayoral Capacity funding, remained risks that were being kept under regular review.</p> <p>Barrie Morris, Grant Thornton (External Auditors) attended the meeting and raised the following points in respect of the Audit Findings:</p> <ul style="list-style-type: none"> • Draft Accounts had been provided well before the deadline on 22 July 2020 and asked that the efforts of the finance team be placed on record, especially during the additional challenges of the current situation; • Receipt of letter of assurance of Avon Pensions Fund had not yet been received but was expected soon; • This would be the last year of a scored value for money conclusion – significant progress had been made in terms of recommendations from previous years; • A Covid update appendix was included and no additional issues had been found – no material uncertainty needed to be made in terms of pension investments; • There were no issues regarding ‘going concerns’; • Pages 36-37 set out the three recommendations made and management’s response thereon; • All of last year’s recommendations had been fully implemented; • Adjustments in relation to 5G had been included in error on page 39; • Audit Fees – the Audit had taken longer due to Covid and further discussions on the final fee would take place; • The Audit opinion was set out on pages 43-45;

The Committee discussed the report and the following points were raised:

- In regards to the payroll archive data management - confirmation was sought on whether this process had been completed. This related to information held by Bath & North East Somerset and the issue was in regards to historical data and internal audit would follow this up later in the year;
- Inflation assumption – was this better or worse than the current situation. It was confirmed that this was the actuarial expert opinion from 31 March 2020. Pension Fund liabilities had been reduced since this point. The inflation assumption may change but was based on a long-term forecast;

Malcolm Coe assured the Committee that all relevant papers had been made available in respect to the letter of representation and that there was nothing additional to be drawn to Grant Thornton's, or the audit committee's, attention.

Resolved:

- (a) To note the content of the External Auditor ISA 260 Audit Findings report (as detailed in Appendix 1);
- (b) to approve the West of England Combined Authority Annual Statement of Accounts for 2019-20 (as detailed in Appendix 2);
- (c) to approve the Letter of Representation as detailed at Appendix 3.

The Committee placed on its record its appreciation of the hard work undertaken by WECA's finance team in bringing this report to fruition.

8 WECA WHISTLEBLOWING AUDIT REVIEW (2020/21)

Jeff Wring, Audit West (Internal Audit) presented the summary findings of the Internal Audit review of WECA's Whistleblowing arrangements following work completed in September 2020. A summary of the initial findings set out in Appendix 1 and the initial management response to these findings were set out in Appendix 2;

The following points were raised:

- The report had been commissioned following a discussion at the last meeting of the Committee;
- Whistleblowing was defined as wrongdoing that would harm the public interest and therefore did not include grievance issues for example;
- Audit had concluded a reasonable assurance level 3 (satisfactory but room for improvement);
- The issues found were around communication of the policy, reporting lines and more formalisation of training for senior officers;
- The Committee recommended that the Chair of WECA Audit Committee could be named as a suitable 'independent person' in terms of reporting any concerns;
- Some of the recommendations were already starting to be implemented;
- Internal Audit would follow-up their recommendations and report back on any changes made by the organisation to the Audit Committee at that point;

Resolved:

- (1) That the findings of the Whistleblowing audit at the West of England Combined Authority (WECA) attached at Appendix 1 be noted;
- (2) That the Management response set out in Appendix 2 be noted;

Next meeting: Thursday, 10 December 2020 at 2.00 pm (virtual meeting to be broadcast on the WECA YouTube channel).
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The meeting closed at 3:00pm.