

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

Monday, 18 September 2023, 10:30am  
70 Redcliff Street

**Present:**

Cllr Geoff Gollop, Bristol City Council  
Cllr David Addison, South Gloucestershire Council  
Cllr Andrew Brown, Bristol City Council  
Cllr Ben Burton, South Gloucestershire Council  
Cllr Tessa Fitzjohn, Bristol City Council

Cllr Zoe Goodman, Bristol City Council  
Cllr John Leach, Bath & North East Somerset Council  
Cllr Tim Rippington, Bristol City Council  
Cllr Toby Simon, Bath & North East Somerset Council

**Officers In Attendance:**

Richard Ennis, Interim Chief Executive (attended virtually)  
Rachel Musson, Interim Director of Investment & Corporate Services  
Daniel Dickinson, Interim Director of Law & Governance  
Selonge Russell, Head of Finance

Steve Finnegan, Financial Accountant  
Roger Hoare, Head of Environment (for Item 10)  
Rachel Pykett, Head of Policy (for item 11)  
Jon Roberts, Grant Thornton (External Audit)  
Tariq Rahman, Internal Audit

**Apologies:**

Cllr David Wilcox, Bristol City Council (Cllr Plowden attended as substitute)

Mark Hatcliffe, Independent Member

**Minutes**

1	<b>Evacuation Procedure</b> The evacuation procedure was noted.
2	<b>Apologies for absence</b> Apologies for absence had been received from Mark Hatcliffe (Independent Member) and Cllr David Wilcox. Cllr Ed Plowden attended the meeting as substitute for Cllr Wilcox.
3	<b>Declarations of Interest under the Localism Act 2011</b> There were no declaration of interest declared under the Localism Act 2011.
4	<b>Minutes</b> The minutes of the meeting held on 3 July 2023 were agreed as a correct record.
5	<b>Items from the Public (Questions, Statements and Petitions)</b> There were no questions received from Members of the Public in advance of this meeting.  One statement had been received in advance of the meeting. This statement had been published with the meeting papers and circulated to Committee members in advance of the meeting. The following person(s) were in attendance at the meeting and were invited to address the Committee on the topic of their statement for up to three minutes each:  <ul style="list-style-type: none"> <li>• Robbie Bentley</li> </ul>
6	<b>Chair's Announcements</b> The Chair welcomed a number of newly appointed senior officers to the Authority, namely the new Interim Director of Governance and Monitoring Officer, Daniel Dickinson, and the new Interim Director of Investment and Corporate Services (Section 73 Officer), Rachel Musson.  The Chair also welcomed the appointment of Jill Bennett as Democratic Services and

	<p>Scrutiny Manager.</p> <p>The Chair also noted that the Authority’s Overview &amp; Scrutiny Committee had appointed Cllr Ed Plowden as Chair for municipal year 2023/24 and said he looked forward to working with him on a number of matters over the next year.</p> <p>The Chair also expressed disappointment that the technology was not yet in place to enable either live streaming or recording of the meeting and hoped that the situation could be resolved prior to the next meeting of the Committee in December 2023.</p>
7	<p><b>Forward Plan</b></p> <p>The Committee received a forward work plan of potential committee items for future meetings and was asked to comment thereon. It was requested that the Annual Audit Committee Report and Self-Assessment report be considered at the March 2024 meeting.</p> <p>The Committee also indicated that it was keen to discuss financial issues around the Demand Responsive Transport (DRT) as the scheme would have been running for around six months by the time of its meeting in December 2023. It was noted that there were a number of informal briefing/training sessions for members of the Committee as follows:</p> <ul style="list-style-type: none"> <li>• October 2023 – Cyber-Security;</li> <li>• November 2023 - Q2 Financial Performance;</li> <li>• November 2023 - Treasury Management Briefing with the Authority’s Treasury Management Advisors – Arling Close.</li> </ul> <p>Cllr Ed Plowden, Chair of the Authority’s Overview &amp; Scrutiny Committee, who was in attendance at the meeting in place of Cllr David Wilcox stated that the Overview &amp; Scrutiny Committee had set up a number of task and finish groups to consider particular policy areas within the Combined Authority and would be reporting to the Authority’s Committee meeting at its meeting on 6 October 2023 on its thoughts on those issues. He hoped that the Overview &amp; Scrutiny Committee and the Audit Committee would work closely together and divide issues between them in an appropriate way.</p> <p><b>Agreed:</b></p> <p>(1) That the Audit Committee’s Forward Work Plan and comments thereon be noted;</p> <p>(2) That the comments made be taken into account in the publication of future agendas.</p>
8	<p><b>The Audit Findings for the West of England Combined Authority [External Audit]</b></p> <p>Jon Roberts, Grant Thornton, External Audit, 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 2023 (attached at Appendix 1). The letter of representation is attached at Appendix 2. The report contained the following key information:</p> <ul style="list-style-type: none"> <li>• Headlines;</li> <li>• Financial Statements;</li> <li>• Value for Money Arrangements;</li> <li>• Other Statutory Powers and Duties;</li> <li>• Independence and Ethics;</li> </ul> <p>Jon explained that the audit was largely complete and was confident that any outstanding matters would be resolved by 30 September 2023. He explained that the audits across the public sector were taking longer as there was a higher level of challenge and more detail requested by the regulator. One significant matter in relation to a contingent liability was reported.</p> <p>It was expected that the Value For Money work would be reported to the Audit Committee’s</p>

	<p>meeting in December 2023.</p> <p>Agreed:</p> <p>That the report be noted;</p>
9	<p><b>Statement of Accounts [verbal update]</b></p> <p>Steve Finnegan, Financial Accountant, gave a verbal update on the Statement of Accounts. He reported that the 2022/23 statement of accounts were nearly complete bar a few adjustments and the document would be submitted for review in the coming days.</p> <p>The Interim Director of Investment and Corporate Services, Rachel Musson, reminded the Committee that the 2022/23 accounts contained financial items that had been relevant to that financial year. However, there would be a narrative supplement to inform of the situation of the Authority's former Chief Executive including details of the legal costs accrued by the Authority. The accounts for 2023/24 would contain further details. The Authority's external auditors had indicated that they were happy with this approach. A single sentence had been added to the Annual Governance Statement (AGS) to confirm that the former Chief Executive had been employed to 31 August 2023. The Interim Director of Investment and Corporate Services confirmed that there would be no further pension liability.</p> <p>The Chair stated that he had been aware of the overall situation and was now satisfied that the situation had been resolved with the lowest possible cost to the Authority, although he did express concern regarding the length of time taken to reach a resolution.</p> <p>The following comments were made:</p> <ul style="list-style-type: none"><li>• Legal costs to date were £97k, £30k were in the 2022/23 Statement of Accounts and circa £67k would be reflected in the 2023/24 Statement of Accounts;</li><li>• The Authority was requested to review the availability of any Employment &amp; Appointments Committee meeting papers in respect of the decisions appertaining to the employment of the former Chief Executive, although it was acknowledged that the Committee had met in private session;</li><li>• It was requested that the additional narrative be shared with the members of the Committee;</li><li>• With regards to supported bus services it was confirmed that an underspend on concessionary fares was offset by a large overspend on supported services. A list of supported services would be circulated;</li><li>• Members also requested a breakdown of the spend of the £12m additional income accrued by the Authority;</li></ul> <p>Members of the Committee would be given the opportunity to see the final accounts with details of the changes made. The Committee agreed that the Chair could sign off the final accounts and the letter of representation on behalf of the Committee.</p> <p>Agreed:</p> <p>That the Chair of the Audit Committee be authorised to sign off the accounts and the letter of representation on behalf of the Committee.</p>

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**Climate Risk Register**

The Head of Environment, Roger Hoare, submitted a report which presented the current Climate Change Risk Register to the Committee, as part of a regular review of directorate risk registers. The Committee was requested to note the register and provide any comments thereon.

The following comments were made:

- In respect to the risk regarding a possible decline in national and political support for measures it was noted that the regional policy was dependent on national policy approaches and investment and the regional approach may be undermined if government direction went in a different way;
- There was also a risk of not being ambitious enough with policies and projects. The Head of Environment stated that the Authority had huge ambition and therefore the targets would be very hard to achieve. The Risk Register would undergo its six-monthly review in October 2023 and individual project contributions could be assessed;
- Some of the scoring was questioned, such as “lack of public support for decarbonisation” where mitigation brought the score from 25 down to 12. The Director stated that there was potential to change the scoring matrix and more detail may be needed to fully define the scoring;
- There is increasing amounts of work underway with the National Grid relating to both transmission and distribution, which links to a number of the risks identified in the register. One comment referenced the impact of increasing demands on the grid, such as supplying motorway service stations with additional capacity for charging electric vehicles etc;
- It was confirmed that the Combined Authority was not currently exploring micro-nuclear capacity;
- The need for engagement initiatives was highlighted and the Environment Head mentioned work with the regions Nature and Climate Action Panel. Specifically the importance of having a consistent dialogue with the public and engagement groups. A number of engagement events are proposed for Autumn 2023;
- It was requested whether an additional column could be added which dated actions and mitigations. In respect to growth and climate it was noted that both could be achieved as sustainability was the key;
- In terms of citizen support for difficult choices it was noted that decarbonisation of transport was included as a specific line due to the scale of the challenge;
- It was reported that IT may contribute around 7% of carbon emissions and that the Authority’s website was a contributor. The Head of Environment stated that it was important that the Authority was a leader in this area and would investigate further the issues around the website;
- Part of the challenge was around the Authority’s sphere of influence and how the Authority could influence others in a wider sphere to act. There could also be more of a link between mitigations and individual projects. It was noted that even things outside of the Authority’s control could be potential risks;
- In terms of infrastructure delivery, the approach to carbon accounting varied but resources were being brought in to help deliver a more comprehensive and consistent approach;
- The Committee asked to see a revised register when the revisions had been completed. A date for a briefing session in early 2024 would be circulated to members of the Committee in due course;
- It was reported that the Authority had an overall risk register which departmental risk registers fed into. The Committee received these departmental risk registers on a rolling basis. All the risk registers were fluid documents which were constantly reviewed. The Interim Chief Executive stated that he welcomed the robust challenge on the Risk Registers as the Authority needed to be risk aware for the benefit right across the region. This was an

	<p>active part of the leadership team’s role in the organisation.</p> <p>Agreed:</p> <p>That the Climate Change Risk Register and the comments made thereon be noted.</p>
<p>11</p>	<p><b>Update on Transformation Programme</b></p> <p>Rachel Pykett, Head of Policy, submitted a report which updated Audit Committee on progress across the West of England Combined Authority transformation programme, which had been established following the Grant Thornton external audit Value for Money (VFM) report and the SOLACE Independent Peer Review of the Combined Authority. The paper provided an overview of action underway across the four workstreams that had been established to deliver the transformation programme:</p> <ul style="list-style-type: none"> <li>• Purpose and strategy;</li> <li>• Workforce and culture;</li> <li>• Governance and structures;</li> <li>• Effectiveness, efficiencies and delivery;</li> </ul> <p>The Committee was requested to note the report and provide feedback on progress across the programme and issues that were due to be considered by the West of England Combined Authority Committee at its meeting in October 2023.</p> <p>The following comments were made:</p> <ul style="list-style-type: none"> <li>• It was commented that the word ‘ongoing’ was used frequently and it was requested that either actions were made date specific where possible or became business as usual;</li> <li>• It was noted that a lot of actions were dependent on other actions being put in place and this was leading to delays, and therefore there was a need for specific timelines;</li> <li>• In response to concerns about whether all the projects could be delivered at the pace needed, the Interim Chief Executive stated that it was important that resources were in the right places and reiterated the importance of the opportunity to deliver projects on behalf of the region. This may mean for example specialists in some areas being brought in for temporary periods to increase the necessary resources;</li> <li>• Cllr Plowden stated that following concerns raised, the Combined Authority Interim Chief Executive was now offering briefings to all Local Authority member portfolio holders in advance of committee meetings. There would also now be a standing agenda item at CEO meetings where requests for briefings could be made and discussed/actioned. He also welcomed the opportunity for collaboration with individual UA Scrutiny Commissions and the task and finish groups set up by the Authority’s Overview &amp; Scrutiny Committee;</li> </ul> <p>In summary the Committee confirmed that it would like to see more specific timelines to highlight when specific actions were likely to be in place and any likely bottlenecks being identified.</p> <p>Agreed:</p> <p>That the report be noted and the feedback provided on progress across the programme be considered by the West of England Combined Authority Committee at its meeting in October 2023.</p>
<p>12</p>	<p><b>Update on the Recruitment of a Second Independent Committee Member [verbal update]</b></p> <p>Following guidance issued by the Chartered Institute of Public Finance and Accountancy</p>

	<p>(Cipfa) in 2022 the Committee had previously endorsed the recruitment of a second independent committee member for the West of England Combined Authority Audit Committee. This approach had further been endorsed by the West of England Combined Authority Committee's Annual General Meeting on 16 June 2023.</p> <p>The Committee was given a verbal update on the latest position with regards to this recruitment. The position had been recently advertised by the Combined Authority and the level of interest shown would be reported to the members of the Committee as soon as possible.</p> <p>Agreed:</p> <p style="padding-left: 40px;">That the position be noted.</p>
13	<p><b>Treasury Management Monitoring Report Q1 2023/24</b></p> <p>Steve Finnegan, Financial Accountant, introduced a report that explained that the Chartered Institute of Public Finance and Accountancy (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, review performance during the year, and approve an annual report after the end of each financial year.</p> <p>This report gave a quarterly review of performance to 31 July 2023 and included the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.</p> <p>Agreed:</p> <p>That the Treasury Management Monitoring Report to 31 July 2023, prepared in accordance with the CIPFA Treasury Code of Practice and the Treasury Management Indicators, be noted.</p>
14	<p><b>Feedback Section</b></p> <p>Members of the Committee were invited to give feedback on the meeting. It was requested that acronyms be explained or kept to a minimum.</p> <p>Members felt that the discussions on the climate change risk register had been engaging and useful and that an informal session on the climate change risk register be arranged for the members of the Committee in around six months' time.</p> <p>Members also wanted to continue with informal training sessions with a frequency of around one a month if possible.</p> <p>The Chair expressed a wish that Audit Committee and Overview &amp; Scrutiny Committee Members work closely together to ensure where possible that work be focussed and not duplicated.</p> <p>The Audit Committee expressed a preference for a twice-yearly update/progress report to the West of England Combined Authority Committee.</p> <p>Following a request from the Chair the Committee agreed that the next meeting should be moved from 4 December 2023 to 11 December 2023.</p>
	<p>Monday, 11 December 2023, 10.30 am, 70 Redcliff Street</p>