

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

Thursday, 8 November 2018, Meeting commenced at 10:30am.
3 Rivergate - Board Room
3 Rivergate, Bristol BS1 6ER

Present:

Cllr Will Sandry, Bath & North-East Somerset Council
Cllr Brian Simmons, Bath & North-East Somerset Council
Cllr Donald Alexander, Bristol City Council
Cllr Charlie Bolton, Bristol City Council
Cllr John Ashe, South Gloucestershire Council
Cllr Liz Radford, Bristol City Council
Cllr Roger Avenin, South Gloucestershire Council

Officers In Attendance:

Malcolm Coe, Director of Finance, WECA
Jeff Wring, Bath & North East Somerset

Also in Attendance:

Michelle Burge, Grant Thornton

Apologies:

Cllr Geoff Gollop, Bristol City Council
Cllr Brenda Massey, Bristol City Council
Cllr Harriet Bradley, Bristol City Council
Cllr John O'Neill, South Gloucestershire Council

Minutes

1	EVACUATION PROCEDURE The clerk set out the evacuation procedure.
2	APOLOGIES FOR ABSENCE Apologies for absence were received from Councillors Geoff Gollop (Bristol City Council), Brenda Massey (Bristol City Council), Harriet Bradley (Bristol City Council) and John O'Neill (South Gloucestershire Council).
3	DECLARATIONS OF INTEREST UNDER THE LOCALISM ACT 2011 There were no declarations of interest declared under the Localism Act 2011.
4	MINUTES OF PREVIOUS MEETING The Minutes of the meeting held on 12 July 2018 were agreed as a correct record and signed by the Chair.
5	SUBMISSIONS FROM THE PUBLIC (PETITIONS; STATEMENTS; QUESTIONS) There were no members of the public present at the meeting and there had been no petitions, statements or questions submitted to the meeting prior to the deadline.
6	INTERNAL AUDIT UPDATE

	<p>The Committee considered an update on the Internal Audit work in 2018/19.</p> <p>The Committee had been presented with the proposed Audit Plan at its meeting in April 2018. This approach involved a mixture of formal audit work along with an assessment of the internal control framework to inform the plan for future years using the Combined Authority’s reasonable assurance model. A table set out in Section 4.5 of the report summarised the status of the work as either complete, planned or work in progress (WIP). There were currently no issues or areas of concern to raise with the Committee. Any exceptions would be reported including any areas of concern that arise. Although only one review area was 100% complete, Jeff Wring stated he was very comfortable with the progress being made and that everything was currently on track.</p> <p>A further update would be brought to the next meeting on the work undertaken on the eight themes in the Combined Authority’s “Reasonable Assurance Model”. An outline of this was contained within the Audit Plan document attached at Appendix 1.</p> <p>The Plan would continue to remain ‘fluid’ to the end of the year to enable the service to respond to the Combined Authority’s changing risk environment. The Committee would continue to receive updates through its normal meeting cycle.</p> <p>Resolved:</p> <p>That the report be noted.</p>
7	<p>EXTERNAL AUDIT - ANNUAL AUDIT LETTER FOR YEAR ENDING 31 MARCH 2018</p> <p>The Director of Investment and Corporate Services submitted a report asking the Committee to consider the External Auditor’s Annual Audit Letter for the year ending 31 March 2018. The letter was appended to the report. Michelle Burge from Grant Thornton, the Combined Authority’s external auditors, was present at the meeting to answer queries from the Committee members.</p> <p>Michelle explained that there were a couple of typographical errors in the letter that would be corrected including references to ‘Council’ to be corrected to read ‘Authority’.</p> <p>The Financial Statements opinion of the External Auditors was that they gave an ‘unqualified’ opinion on the Authority’s statements on 13 July 2018. Cllr Bolton stated that he felt that while he welcomed the good opinion from the Auditors he asked that some of the terminology should be explained in more layman’s terms.</p> <p>Resolved:</p> <p>That the Annual Audit Letter and the updates from the Combined Authority’s External Auditor be noted.</p>
8	<p>EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE 2018-19</p> <p>The Director of Investment and Corporate Services submitted a report requesting that the Committee consider the External Audit Progress Report and Sector Update which had been appended to the report. Michelle Burge from Grant Thornton, the Combined Authority’s external auditors, was present at the meeting to answer queries from the Committee members and summarised the main issues therein.</p> <p>Resolved:</p>

	That the Progress Report and Sector Update be noted and welcomed.
9	<p>WECA RISK MANAGEMENT FRAMEWORK</p> <p>The Head of Performance, Planning and Projects introduced a report providing a draft Risk Management Framework for the Combined Authority. Comments were sought from the Committee prior to finalisation of the framework. The Risk Management Framework was attached as appendix 1 and the draft Corporate Risk Register was attached as appendix 2.</p> <p>The Monitoring & Evaluation framework aimed to bring together all of the Combined Authority’s reporting requirements into one place and to provide a clear structure for reporting focussed on three levels:</p> <ul style="list-style-type: none"> • Delivery of the Annual Business Plan; • Project and Programme delivery; • Longer term organisational impact. <p>The detailed appendices to the Monitoring and Evaluation Framework were currently being updated following a meeting with the Department for Business, Energy & Industrial Strategy (BEIS) on 24 October 2018.</p> <p>The monitoring and evaluation of the Combined Authority was an essential part of the governance framework for the Authority. The report set out how this would be evidenced in the future.</p> <p>The following comments were made:</p> <ul style="list-style-type: none"> • The basic outline for the Framework had been based on that used by Unitary Authorities,. It was stated that the document was still work in progress; • It was also stated that there could be an impression that the Authority was waiting for the government to offer money rather than proactively bidding for funding. It was noted that the Authority had to bid for much of the funding; • It was queried whether collapse of local government/Brexit should be listed as risks in their own right. Lynda Bird replied that there was a danger of straying into ‘political’ ground but a risk of ‘changing national priorities’ had been listed; • Cllr Radford queried why the matrix was different to that had previously been used in the Audit report. It was stated that this was because different frameworks had been used; • In response to a query around the level of detail in the framework it was requested that a more detailed report be brought back to a future meeting. <p>Resolved:</p> <p>(1) That the comments on the framework received at the meeting be noted. (2) That a more detailed report be brought to a future meeting.</p>
10	<p>WECA MONITORING AND EVALUATION FRAMEWORK</p> <p>The Head of Performance, Planning and Projects submitted a report providing an updated Monitoring and Evaluation Framework for the Combined Authority. The Senior Economic Intelligence Officer was also in attendance to answer any queries. A presentation was circulated at the meeting and copies of the slides were made available on the Authority’s website following the meeting.</p> <p>The Framework contained reporting mechanisms for each project and was the basis for the</p>

	<p>annual update to government.</p> <p>It was explained that the plan was to bring the Monitoring and Evaluation Frameworks together in one document. The strategic aim was that sometime towards the end of 2020/ beginning of 2021 there would be a need to demonstrate the Authority's progress to government. A definite list of aims and objectives were set out in the Business Plan.</p> <p>The following comments were made:</p> <ul style="list-style-type: none">• The aim was to have costs and include how each aim was linked to regional priorities. One possibility was to have a system of "traffic lights" to show how close each priority was to each aim, although it was noted that the business plan report was a fairly high level report and nothing would be showing particularly 'red' or 'green' on such a system;• It was planned that regular updates be brought to both the Authority's Audit Committee and the Authority's Overview & Scrutiny Committee. <p>Resolved:</p> <p>That the feedback received on the Monitoring and Evaluation Framework be taken in consideration in future versions of the document.</p>
	<p>The next meeting was scheduled for Thursday, 24 January 2019, 10.00 am. The Venue would be confirmed.</p>