



**Audit, Risk & Assurance Committee**

**Tuesday 30 January 2024 at 10.30 am**

**Minutes**

**Present**

Mark Smith (Chair)

Councillor Richard Baxter-Payne

Warwickshire  
Authorities

Non-Constituent

Councillor Dave Borley

Dudley Metropolitan Council

Councillor Brigid Jones

Birmingham City Council

Councillor Leslie Kaye

Solihull Metropolitan Borough Council

Councillor Ram Lakha OBE (Vice-Chair)

Coventry City Council

Councillor Rose Martin

Walsall Metropolitan Borough Council

Lisa Ritchie

Business Representative

**In Attendance**

**Item Title**  
**No.**

**47. Apologies for Absence**

Apologies for absence were received from Councillors Ashley, Bardsley and Jaspal.

**48. Chair's Remarks**

The Chair advised the committee that the WMCA Board was monitoring the attendance of members at its boards and committees (including ARAC) due quoracy issues arising from members not attending.

The Chair also provided feedback from meetings he had attended this month including the WMCA Board and the WMCA's Overview and Scrutiny Committee.

**49. Minutes - 4 December 2023**

The minutes of the meeting held on 4 December 2023 be agreed a true record subject to the addition of the following:

*Minute No. 38 Annual Accounts 2022/23 for the West Midlands Combined Authority*

**50. Matters Arising**

*Minute No. 38 Annual Accounts 2022/23 for the West Midlands Combined*

## *Authority*

Councillor Kaye reported that he would like clarity with regards to the role and responsibilities of the committee as referred to in the terms of reference especially with regards to assurance and approving the accounts. The Executive Director of Finance and Business Hub undertook for the terms of reference to be considered at the next meeting.

## *Minute No. 40 Internal Audit Update*

In relation to the Health and Safety Review audit appended to the report, Councillor Kaye reported that he was unable to attend the meeting but had submitted his comments expressing concern with regards confirmation of health and safety procedures with contractors or sub-contractors particularly with regards to construction as he felt this information should be covered in the report.

The Internal Liaison Officer, Loraine Quibell, reported that the Health and Safety Manager would be presenting his annual report to the next meeting of this committee and she would ask him to provide details of the health arrangements with regards to contractors especially construction contractors, in the report.

### **51. Action List**

The Action List was noted.

### **52. Summary of WMCA's Budget 2024/25**

The Chair reported that he asked that the Executive Director of Finance and Business Hub, to provide a summary of the draft WMCA Budget for 2024/25 to provide a useful context to the work of this committee.

The Executive Director of Finance and Business Hub, Linda Horne, provided an overview of the draft WMCA's revenue and capital budgets, including the key underlying budget assumptions for 2024/25 and the medium-term financial position. A slide presentation had been circulated to the committee with the papers for the meeting.

The Executive Director of Finance and Business Hub, Linda Hub also provided updates with regards to the Mayoral Precept position, budgetary implications of the integration of Police and Crime Commissioner Office and the timeline for the Single Settlement following questions from members. She advised that the final budget would be considered by the WMCA Board at its meeting on 9 February.

The Chair noted that transport accounted for more than 80% of the capital spend and a further 40% of the revenue budget and that this should be borne in mind when the committee was looking at risk as it was a major area of spend.

The Chair asked that the budget position be confirmed with the committee following its approval next month.

Resolved: That the presentation be noted.

**53. Update on Statutory Accounts**

The Head of Financial Management, Louise Cowen, provided an update the WMCA's Statutory Accounts.

It was noted that the two outstanding matters from the audit; the valuation of WMCA's share of the WM Pension Fund asset and the response with regards to the sample of grants have now been completed.

The Chair reported that he had received a final copy of the updated accounts.

The Head of Financial Management reported that the WMCA hoped to publish the final version of the audited 2022/23 Annual Accounts within the next weeks after Grant Thornton have completed their work.

Grant Patterson, Grant Thornton confirmed that he proposed to certify the audit closed.

Resolved: That the update be noted

**54. Strategic Risk Register Update**

The committee considered a report of the Executive Director of Finance & Business Hub that provided an update on the Strategic Risk Register.

The Risk Manager, Peter Astrella, outlined the key messages contained in the risk update including issues and the latest position with regards to strategic risks.

The Chair reported that he had circulated a copy of the State of the Region report to members yesterday (following consideration by Overview & Scrutiny Committee) as he felt the document would provide a useful context with regards to the committee's oversight of risk management.

Councillor Kaye considered the need to look at overall risks noting the risk regarding to the transport network from strike action by operators and with regards to tram purchases and the risk of tram cracking.

The Strategic Risk Manager explained that only the strategic risks were reported to this committee, and he trusted that TfWM would have transport risks on their radar. He added that the Executive Board examine the strategic risks on a quarterly basis prior to this committee.

The Chair noted that it was difficult to balance reporting various risks to this committee but acknowledged transport was a significant proportion of the WMCA's Capital Budget (as referenced earlier in the meeting) and considered that the committee could perhaps have sight of the transport risk register in future.

Councillor Kaye added that for the committee to fulfil its assurance role on risk, he would like to be satisfied all reasonable mitigation measures are in place and enquired whether the committee could look at mitigation.

The Chair undertook to look at risk mitigation with the Risk Manager going forward.

Resolved that:

1. The key messages in the Strategic Risk Update be noted and
2. The revisions and planned revisions to the Strategic Risk Register be noted.

**55. 2024/25 Treasury Management Policy, Strategy and Practices**

The committee considered a report of the Executive Director of Finance and Business Hub that set out the draft Treasury Management Policy Statement and draft Treasury Management Strategy for 2024/25 for endorsement prior to approval by the WMCA Board in February. The report also sought agreement that the Authority's Treasury Management Practices are adequately maintained.

The Lead Treasury Accountant, Mark Finnegan outlined the report and referred to section 3.3 of the report which summarised the principal changes between the current (2023/24) strategy and those for financial year 2024/25.

Resolved that:

1. The draft 2024/25 Treasury Management Policy Statement (referred to in Section 2 of the report) be endorsed for onward approval by WMCA Board in February 2024;
2. The draft 2024/25 Treasury Management Strategy (Appendix 1) including the 2024/25 Investment Strategy and criteria for specified and non-specified investments (Appendix 2) be endorsed for onward approval by WMCA Board in February 2024 and
3. The arrangements for ensuring Treasury Management Practices are adequately maintained (Section 4 of the report) be noted and agreed.

[NB Councillor Brigid Jones (Birmingham) an interest in this item as Birmingham City Council were explicitly mentioned in the report]

**56. Information Governance Annual Report**

The committee considered a report of the Data Protection Officer that set out

how the WMCA is meeting its obligations under the UK General Data Protection Regulation, the Data Protection Act 2018 and other applicable laws relating to the processing, privacy and/or use of Personal Data and the Freedom of Information Act 2000.

The Data Protection Officer, Gurmit Sangha, outlined key highlights from the report that included an overview of the key enhancements made during 2023. This included strengthening the information governance structure within the WMCA, a review of information governance policies, work on technical security and cyber essentials. The report also provided an update on emerging data privacy, cyber security and information governance issues.

The Data Protection Officer also confirmed the training that is in place for WMCA staff regarding data protection and the communication messages undertaken regarding information security internet and emails.

Resolved: That the key messages in the Annual Information Governance update be noted.

#### **57. Internal Audit Update**

The committee considered a report of the Director of Law and Governance that provided an update on the work completed by Internal Audit so far, this financial year.

It was noted that four audits had been completed since the last meeting that were appended to the report; the Budgetary Control and General Ledger had both been awarded a substantial level of assurance and Payroll and Treasury Management had both been given a satisfactory level of assurance.

In relation to the audit of two key financial systems audit that are currently in progress, accounts payable and accounts receivable, the Internal Liaison Officer, Loraine Quibell, reported that both audits should be ready to be shared with the committee for their next meeting.

Resolved : That the contents of the report be noted.

#### **58. Forward Plan**

The committee considered the forward plan of items to be reported to future meetings.

Resolved : That the report be noted.

The meeting ended at 12.15 pm.