

West Midlands Combined Authority Annual Governance Statement 2023/24

Scope of Responsibility

This Annual Governance Statement (AGS) reflects the activities of the Authority for the year ending 31st March 2024 and up to the date of approval of this Statement and the Statement of Accounts.

West Midlands Combined Authority (WMCA) was established on 17th June 2016 by the West Midlands Combined Authority Order and is made up of constituent and non-constituent members and three Local Enterprise Partnerships (LEPs), observers and a co-opted member.

The Mayor is the Chair of the WMCA and having been re-elected on 6th May 2021, will remain in office until May 2024. The Authority's Constituent member authorities consist of the seven district councils across the region:

- Birmingham City Council
- City of Wolverhampton Council
- Coventry City Council
- Dudley Metropolitan Borough Council
- Sandwell Metropolitan Borough Council
- Solihull Metropolitan Borough Council
- Walsall Metropolitan Borough Council

The non-Constituent members of the Authority are appointed by the following non-constituent authorities:

Non-constituent authorities

- Cannock Chase District Council
- North Warwickshire Borough Council
- Nuneaton and Bedworth Borough Council
- Redditch Borough Council
- Rugby Borough Council
- Shropshire Council
- Stratford-on-Avon District Council
- Tamworth Borough Council
- Telford and Wrekin Council
- Warwickshire County Council

There are four Observers of the Authority. These are:

- The Marches LEP
- West Midlands Fire and Rescue Authority
- West Midlands Police and Crime Commissioner
- Warwick District Council

There is one member co-opted on to the WMCA Board at the discretion of the WMCA Board. They are:

- Trade Union Congress (TUC)

The WMCA is a democratically accountable and politically led public/private partnership, combining the insight of private leaders, in depth knowledge of place and accountability with the democratic accountability of elected Local Authority Members.

In the “Integrating Local Enterprise Partnerships (LEPs) into local democratic institutions” letter from HM Government (from DLUHC and BEIS) in 2022, there were clear expectations that the WMCA would need to “Embed a strong, independent, and diverse local business voice into local democratic institutions...” .

The WMCA submission on LEP Integration to HMG in January 2023 (following WMCA Board agreement on 13.1.23) stated that the WMCA is “built around a strong partnership, fusing private insight with a clear democratic mandate”. The commitments in the LEP integration plan submitted included:

- a. Establish and resource processes to run open recruitment for private sector leaders to be directly appointed across a range of WMCA Boards and Committees.
- b. Refocus the Regional Business Council (the region’s major firms) on company insights with forward plan of business-led briefings, not WMCA activity.
- c. Repurpose the current Economic Impact Group to Business Insights Forum as a “big tent” of business representative organisations (BRO’s), reps of the key Plan for Growth cluster groups, SME reps and organisations like Catapults and Business Schools
- d. Appoint business leaders who have been appointed by the LEPs as members of WMCA Boards and Committees (other than the WMCA Board) for an interim period of 12 months.

WMCA Officers have been working to create a strategy on how the organisation will attract and recruit private sector representatives moving forward. Officers are in the process of identifying which Boards should be in scope, what private sector representation we currently have and how many roles we will need to recruit for. This will be followed by a recruitment campaign for a pool of private sector representatives giving them the opportunity to identify their preferences for which Board they might sit on.

The Authority currently has eleven Arm’s Length Company relationships, namely;

No.	Company Name	Stake	Accounting Treatment
a.	West Midlands Rail Limited	50%	Associate
b.	West Midlands Development Capital Limited	100%	Subsidiary
c.	Midland Metro Limited	100%	Subsidiary
d.	West Midlands Growth Company Limited	5.3%	Investment
e.	WM5G Limited	100%	Subsidiary
f.	HTO1 LLP	44%	Joint venture
g.	HTO2 LLP	44%*	Joint venture
h.	Midlands Development Capital Ltd	100%	Subsidiary
i.	Network West Midlands Ltd	100%	Subsidiary
j.	WMCA JV Ltd	100%	Subsidiary
k.	Black Country Innovative Manufacturing Organisation	50%	Associate

*through ownership with HTO1 LLP

For each of the arm’s length companies where the Authority owns a 50% or greater share of the organisation, an assurance and governance review is regularly completed to confirm all legal and

financial controls have been satisfied. Although the stake in the Growth Company is small, WMCA together with other contracting authorities exercises joint control over the company and therefore ensures legal and financial controls are satisfied.

The Purpose of the Governance Framework

The Authority is responsible for ensuring that business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and delivers value for money. It also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

To demonstrate good corporate governance, the Authority carries out its functions in a way that provides accountability, transparency, effectiveness, integrity and inclusivity; enabling the Authority to pursue its vision and secure its agreed objectives in the most effective and efficient manner and in line with the approved Constitution.

In discharging this overall responsibility, the Executive Board (formally Strategic Leadership Team) and Statutory officers are responsible for putting in place proper arrangements (known as a Governance Framework) which comprises the legislative requirements, systems and processes, cultures, and values.

This enables the Authority to govern its affairs, facilitate the effective exercise of its functions, which includes arrangements for the management of risk, in addition to exercising leadership and being held accountable for its decisions and activities.

The Authority has put in place a system of internal control designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives; evaluating the likelihood of those risks being realised, the impact should they be realised, and managing them efficiently, effectively and economically. To that end, the Authority is continuing to embed the Strategic Risk Management Framework, raising awareness of the structure and the tools available for WMCA staff to ensure consistency in how risks are identified, managed, monitored and escalated. Alongside this activity, the authority continues to focus on providing visibility of risk at strategic level. A strategic risk register is updated quarterly and reported to, and reviewed by Audit, Risk and Assurance Committee (ARAC) and the Executive Board.

Annual Governance Statement

This Annual Governance Statement meets the requirements of Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015 which requires all relevant public bodies to prepare an Annual Governance Statement and include it within its Statement of Accounts.

It is a document which looks back retrospectively over the past year and identifies where the WMCA has demonstrated good governance and looks forward to areas where focus should be given in relation to governance in the coming year.

The Authority demonstrates compliance with the seven core principles of good governance as set out in the 2016 CIPFA/SOLACE Delivering Good Governance in Local Government Framework.

These seven principles are:

- (a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- (b) Ensuring openness and comprehensive stakeholder engagement.
- (c) Defining outcomes in terms of sustainable economic, social and environmental benefits
- (d) Determining the interventions necessary to optimise the achievement of the intended outcomes
- (e) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- (f) Managing risks and performance through robust internal control and strong public financial management
- (g) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

Below, we have set out examples of how the Authority has demonstrated compliance with these principles.

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

The Code of Conduct is laid out in the Constitution and was updated in March 2021 following the issue of a revised model of the Code of Conduct by the Local Government Association (LGA) which incorporates recommendations made by the Committee on Standards in Public Life (CSPL); this defines the standards of behaviour for Members and officers working on behalf of the Authority.

Following consideration by ARAC the revised code was adopted by the WMCA Board on 22nd March 2021. The Director of Law and Governance, who holds the role of Monitoring Officer, deals with issues of conduct, and promotes high standards among officers, Members and the Mayor. ARAC performs the role of Standards Committee.

The WMCA has undertaken to review the governance of its formal decision-making bodies to ensure that these arrangements reflect the evolving role and remit of the WMCA as it continues to grow from the organisation that was established in 2016. The first review undertaken has revised and refreshed the decision making regarding its responsibilities relating to economic growth, culminating in the establishment of a new Economic Growth Board. This was approved by the WMCA Board at its meeting in November 2021. A Transport Governance Review was undertaken and considered by WMCA Board in June 2023 where it was resolved that the existing Transport Delivery Committee evolve into a new Transport Delivery Overview and Scrutiny Committee.

A report from the Independent Remuneration Panel was also considered at the June 2023 meeting of the WMCA. Recommendations from the Panel included increasing the SRA paid to the deputy mayor to £ 20,000, that the Special Responsibility Allowance (SRA) paid to the Chairs of each of the Audit, Risk and Assurance Committee, the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee be set at £9,500, that the SRA paid to the six Scrutiny Champions operating within the Transport Delivery Overview and Scrutiny Committee should be set at £4,750 and that there be a Co-optees Allowance of £3,000 for all members of constituent authorities who serve on the Audit, Risk and Assurance Committee, the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee.

A full review of all the WMCA governance functions is currently underway to ensure that the governance framework is fit for any future devolution of powers and in particular the

upcoming single settlement. Given the upcoming mayoral election in May 2024, no decisions will be made in relation to this until the election has concluded.

Organisational Vision and values

WMCA is committed to a better connected, more prosperous, fairer, greener and healthier region. This is our vision and will be achieved through living the Authority's values which are central to how we work and interact with our wider partners and stakeholders:

Collaborative

- Team Focused – working as part of a team, managing and leading
- Service Driven – customer, resident and partner focused

Driven

- Empowered and Accountable – taking ownership and leading when needed
- Performance Focused – being ambitious and going the extra mile

Inclusive

- One Organisation Mindset – believe in each other's expertise
- Open and Honest Communication – we do what we say we are going to do

Innovative

- Forward Thinking – embrace change and open to new possibilities
- Problem Solving – go for clear and simple wherever possible

The business of the Authority is also conducted in accordance with the Seven Principles of Public Life identified in The Nolan Committee Report (1995), and defined as Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership.

2. Ensuring openness and comprehensive stakeholder engagement

We have established channels of communication with the community and other stakeholders, ensuring accountability and encouraging open consultation. All formal meetings are held in public, and reports are in the public domain unless there are good reasons for confidentiality in individual cases.

All Committee meetings are held in public, (other than in limited circumstances where consideration of confidential information requires the public to be excluded) with agenda and reports being accessible on the WMCA's external website. All public meetings are recorded and accessible through YouTube on-demand. Following the end of the temporary regulations allowing for hybrid and virtual meetings during Covid-19, all meetings constituted under the Local Government Act 1972 are held in person and only those members present are considered part of the quorum and are able to vote.

The Authority has in place a committee management system that proactively publishes information relating to public meetings, decisions and the Forward Plan and is designed to make information readily available to the public without the need for specific written requests. Any information not published is available, subject to assessment, under the provisions of the Freedom of Information Act 2000. Details of how to make a request for information is available on our website.

We incorporate good governance arrangements with our partnerships and reflect these in our overall governance arrangements, including the assessment and effectiveness of relationship frameworks in order to identify and implement any changes, if required.

Where consultation is required, we adhere to the principles of good consultation of the “Gunning Principles” and a variety of measures are used to seek the views of the public. For example, public consultation is incorporated into any plans where a change to public transport policy is being considered.

Overview & Scrutiny Committee has responsibility to ensure that the decisions of the WMCA have considered all relevant information, are proportionate to the outcomes desired, and have been made in the best interests of the region. It is able to ‘call in’ any decision for further scrutiny that it considers may not meet these standards. It also conducts Question & Answer sessions with the Mayor twice yearly, with the questioning focusing on policy delivery and budget setting. The overview and scrutiny function has been reviewed in line with the Deeper Devolution Deal and a secondary scrutiny committee has been formed, focusing on public transport matters. The requirements of these committees will continue to be assessed and updated to remain in line with the Scrutiny Protocol, as published by DLUHC.

3. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Authority ensures the vision and implications for governance arrangements are regularly reviewed including the monitoring of its achievement of intended outcomes from social, economic, environmental, and organisational health perspectives through the budget, performance framework, and project delivery process.

The Authority is focussed on delivering value for money and success, and in this respect reviewed by independent auditors in line with the National Audit Office's Code of Audit Practice and Auditor's Guidance Note AGN03. The results of the Value for Money audit work and the key messages arising will be reported in the Audit Findings Report and, in the Auditor's, Annual Report.

To ensure the purpose and vision of the Authority is clear and well communicated, an Annual Business Plan (ABP) is produced, and closely aligned to the WMCA Aims & Objectives that were agreed by WMCA Board in November 2021. The ABP outlines all activities to be undertaken in-year to deliver against these objectives, with progress regularly monitored through a number of outcome measures (both High Level Deliverables and profiled milestones) and reported monthly to the Executive Board and bi-annually to WMCA Board. The 2024/25 outcome measures are expected to be agreed by WMCA Board in March 2024 as part of the Budget report.

The Aims & Objectives are approved by WMCA Board and are outlined below:

- Aim 1:** To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs
- Aim 2:** To ensure everyone has the opportunity to benefit as the region recovers from Covid 19, improves resilience and tackles long standing challenges
- Aim 3:** To connect our communities by delivering transport and unlocking housing and regeneration.
- Aim 4:** To reduce carbon emissions to net zero, enhance the environment and boost climate resilience
- Aim 5:** To secure new powers and resources from central government, and demonstrate the strength of our regional partnership
- Aim 6:** To develop our organisation and our role as a good regional partner.

4. Determining the interventions necessary to optimise the achievement of the intended outcomes

The Authority works closely with the relevant Government Departments, local and national stakeholders and constituent and non-constituent authorities to determine the necessary actions to achieve its Aims and objectives.

The Executive Board oversees the corporate decision-making process and reports are considered at an appropriate level of the organisation in accordance with the provisions of the Constitution and the Scheme of Delegation.

Corporate strategic decisions are primarily taken at meetings of the WMCA Board, with Investment Fund decisions up to the value of £20M having been delegated to the Investment Board. Other thematic Boards have roles as set out under the Single Assurance Framework (SAF) in terms of overseeing and reviewing project initiation and delivery. This includes reviewing progress of outcomes against delivery plans.

5. Developing the entity's capacity, including the capability of its leadership and the individuals within it

We have defined and documented the roles and responsibilities of the Board, Scrutiny, and officer functions within the Constitution, with clear delegation arrangements and protocols for effective communication in place. As the Authority continues to evolve, we will continue to review the governance arrangements and revise the Constitution to ensure it remains fit for purpose. The Scheme of Delegations is laid out in the Constitution. As noted above, a full review of all the WMCA governance functions is currently underway to ensure that the governance framework is fit for any future devolution of powers and in particular the upcoming single settlement. Given the upcoming mayoral election in May 2024, no decisions will be made in relation to this until the election has concluded.

Our Performance Management and Monitoring & Evaluation Frameworks, together with a performance reporting solution using Power Bi dashboards, provide a foundation for the journey towards data-driven and evidence-based decision making. This improves the visibility and transparency of reporting as a 'single version of the truth,' and together with the introduction of a more dynamic business planning process, this enables regular conversations about the activity to be delivered and the resources, both financial and people, required to achieve this. Our behavioural framework is fundamental to our performance framework and will align to our goals, ensuring a 'golden thread' between the corporate aims and objectives through to individual performance management goals, enabling every one of our people to see their contribution to the Authority's vision. This facilitates how we develop a culture that supports us all to be diverse, inclusive, innovative, and proud to be part of the Authority.

We identify and aim to address the development needs of Members and officers in relation to their roles and support with appropriate induction and training. In addition, statutory training requirements are in place for all officers to ensure our duties under Equalities, Safeguarding, Health & Safety, Information Security and GDPR are met.

Each year, after the local elections have been held, the WMCA provides an 'Induction Day' for newly elected members to provide an introduction to the WMCA, its role and remit, how it operates, and the role of elected members who are attending its boards and committees. This induction also provides further details on the key corporate strategies of the WMCA, along with its current Annual Business Plan.

6. Managing risks and performance through robust internal control and strong public financial management

The Strategic Risk Management Framework (SRMF) provides the structure and the tools for WMCA staff to undertake consistent risk management that protects the WMCA and supports the delivery of our objectives. In addition, it documents the risk management roles and responsibilities across the Lines of Defence, helping support the WMCA Board, Chief Executive Officer (CEO), Statutory Officers and Senior Leaders in creating and embedding a strong risk culture within the organisation. Over the last year we have continued to focus on supporting an integrated approach to risk management at project and programme level alongside the Authority's Programme Assurance and Appraisal activity. We have built on the good work we had in place to deliver high quality risk reporting to the Executive Board and ARAC and have been working on a revised SRMF, which we expect to roll-out in 2024. The new RMF will support a renewed focus on embedding good risk management at operational and Directorate level, and an integrated approach to risk and performance management.

The Authority ensures compliance with relevant laws and regulations, internal policies, and procedures. We are rigorous and transparent about decision making and the recording of decisions. The Overview and Scrutiny Committee reviews and challenges the work and decisions of the Authority with policy review and development.

Audit, Risk, and Assurance Committee (ARAC) is independent of the Executive and Scrutiny functions; it has an independent, external Chair. They monitor and review risk and governance processes in order to provide assurance to the WMCA Board on the effectiveness of these arrangements. Appropriate controls are in place for arms-length companies and as good practice, external auditors have been appointed for West Midlands Rail Limited, Midland Metro Limited, WM5G Limited, West Midlands Development Capital Limited, HT01 LLP and HT02 LLP, and the more recently established WMCA JV Limited.

An annual review of the Single Assurance Framework is undertaken in line with statutory requirements. It was updated during 2023 and approved by WMCA Board in November 2023. The review incorporated the English Devolution Accountability Framework requirement for an annual review of its Assurance and Governance processes and also outlined the Authority's specific approaches to Housing and Transport schemes and the Adult Education Budget.

The updated document follows more closely the structure of the English Devolution Accountability Framework making a distinction between governance and assurance requirements. The document included the new requirement to define the role of the Mayor and Local Authorities in decision making to meet the English Devolution Accountability Framework, and updates to the Governance process, (Designated Sign Off meetings for projects between £1 and £5 million).

The Framework supports good governance with enhanced assurance tools and processes and the appraisal of business cases and change requests to identify any improvement opportunities, together with any ongoing risks to inform the decision-making process. The Single Assurance Framework continues to be aligned to the Department of Levelling Up, Housing and Communities (DLUHC) and the English Devolution Accountability Framework, published in March 2023. It was approved by DLUHC in February 2024.

The Single Assurance Framework is supplemented by an Investment Panel and Investment Board whose remit includes the review and approval of all investment decisions. The Investment Board has a delegated authority to approve investment decisions from £5 million to £20 million and is reflected in its Terms of Reference. The approval of all investments above £20 million is considered and approved by WMCA Board.

Internal Audit provides the 'third line of defence' with the first line being policies, procedures, and controls, and the second being managers' own checks of the control environment,

along with independent Risk Management and Programme Assurance activities undertaken as part of the Single Assurance Framework. Professional advice and good quality information is provided to ensure those making decisions are provided with relevant information that is fit for purpose.

The Authority has recognized the need for increased scrutiny of its operations and has undertaken a full review of its Internal Audit provision within the past year. An in-house internal audit service has been provided throughout 23/24 through the use of long-term contractor services, with the recruitment of a 4-person audit team to be in place by 31st March 2024. The team is to be managed by the Head of Internal Audit and Information Governance.

The 2023/24 annual review of the Authority's audits of its Key Financial Systems concluded with 2 processes being measured with a 'Substantial' internal audit rating and the remaining 4, being rated as 'Satisfactory'. Actions arising from these reviews are actively being addressed for completion at the earliest opportunity.

7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The Authority has implemented the WMCA Single Assurance Framework which was originally approved by MHCLG (previously Department of Communities and Local Government (DCLG)) in July 2020. A review of the framework is completed annually and was more recently updated and approved by WMCA Board in November 2023.

We continue to maintain close links with all relevant Government Departments and have regular conversations regarding issues including funding, delivery, and devolution objectives.

The Authority has a Monitoring Officer who sits on the Executive Board and attends the WMCA Board meetings to ensure all activities are conducted in a legal manner. Our high level of governance standards includes the publishing of agendas, minutes, and reports in the public domain and only a limited use of confidential reporting. The 2023/24 Internal Audit Plan was approved at ARAC's April 2023 meeting.

An annual review of any arm's length companies of the Authority is completed to assess and provide assurance that these operate with satisfactory governance and assurance arrangements in place. The Monitoring Officer has undertaken a review of all companies in which WMCA has involvement, which will help to strengthen arrangements for their oversight going forward, in addition to providing additional training for all councillors and officers who act as directors of companies as part of their Combined Authority responsibilities.

A Whistleblowing Policy and procedure is in place, last reviewed in May 2021. The Policy is intended to encourage and enable employees and stakeholders to raise serious concerns about any wrongdoing considered to be in the public interest, with the ability for confidential and anonymous reporting of claims to be made through the WMCA website.

All issues raised are considered by the Monitoring Officer in conjunction with Internal Audit, and the Executive Director, Finance to determine the progression of claims.

Key Governance Issues

Last year's Annual Governance statement highlighted a number of areas to be considered for development in 2023/24. The table below sets out the actions that have been taken to address these:

Area	Action to be taken	Action taken
Overall governance	The Constitution has been updated to reflect all recent amendments with the review continuing to be progressed. This will be presented to Board when complete.	Updated Constitution published on WMCA website.
Overall governance	A review of all informal, internal committees has been completed with the implementation of the required changes now in progress. A review of formal decision-making committees, with a view to streamlining governance procedures in response to the responsibilities set out in the 2023 devolution deal, is currently in progress with implementation expected by summer 2024. The role out and use of Modern.gov is actively being progressed across the business and the review of the resourcing of the Governance and Legal team has been completed and successfully implemented.	Implementation of new arrangements is ongoing. A review of the formal decision-making and political governance framework is being undertaken with co-production of possible new structures being carried out with our local authority colleagues. No formal decision on any new structure will be taken until after the May 2024 Mayoral election. Modern.gov is now used across the organisation for all formal decision-making meetings and continues to be embedded for all forward plans, key decisions and report writing.
Audit, Risk and Assurance	A review of how internal audit is provided at WMCA has been initiated.	The review has concluded with an In-House Internal Audit service having been in place for delivery of the 23/24 audit plan through contractor resource. Permanent resources have been recruited and will be in place by March 2024.
Governance and Accountability in the new devolution deal	Work is commencing in partnership with Department for Levelling Up, Housing and Communities, the Centre for Governance and Scrutiny and Greater Manchester Combined Authority in relation to a new scrutiny protocol as detailed in the new deal.	The new Scrutiny Protocol has been published and adopted by the WMCA.
Strengthening Scrutiny	Work is commencing in partnership with Department for Levelling Up, Housing and Communities, the Centre for Governance and Scrutiny and Greater Manchester Combined Authority in relation to strengthening scrutiny and in particular in relation to members of parliament scrutinising the Mayor and portfolio lead.	The terms of reference for the MP Question time will be considered by the WMCA Board in March 2024 with the aim of holding the first public session in June 2024.

Area	Action to be taken	Action Taken
Engagement with constituent and non-constituent local authorities	Work is ongoing to strengthen governance relationships with the local authorities. A west midlands governance network has been set up where forward plans and areas of best practice can be shared, and joint working initiatives explored where appropriate.	A new Member Relationship Manager post was created and successfully recruited to. As part of this work the WMCA has now attended and been represented at a number of Local Authority Scrutiny Committee meetings. Attendance has included the Chairs of both scrutiny committees, the Scrutiny Officer, the Member Relationship Manager, the Head of Policy and Public Affairs and the Chief Executive. This has been welcomed by our LA colleagues and councillors.
Member Induction and Engagement	A new member induction programme will be developed for the start of the new municipal year. This will seek to ensure that all members sitting on WMCA meetings are fully briefed as to the role of the WMCA and how it links and works with the Local Authorities and other regional partners.	A member induction event was held in June 2023 and received positive feedback. Additional training was also carried out in relation to scrutiny. Further work is planned for 2024 with an enhanced member induction programme, member development programme and a member handbook.
Awareness raising as to the role of a CA and governance arrangements.	The Head of Governance is working with ADSO to produce a new training course to raise awareness of what CAs do and how they link with both local authorities and central government. Updated training slides on CAs will be included in all ADSO training as it is developed.	This work is ongoing and being developed by ADSO.
Webcasting of meetings – openness and transparency	Investigations are commencing as to options for improving our facilities in Summer Lane in relation to hosting public meeting meetings and in particular our ability to host hybrid meetings and to webcast public meetings.	This work is ongoing.

Annual Review of Effectiveness of Governance Framework

The Opinion of the Director of Law and Governance 2023/24

CIPFA (The Chartered Institute of Public Finance & Accountancy) defines the role of Governance, and the Chief Financial Officer as follows:

- Governance is defined as “The arrangements in place to ensure that an organisation fulfils its overall purpose, achieves its intended outcomes for citizens and service users, and operates in an economical, effective, efficient and ethical manner” and;
- The Chief Financial Officer is “The organisation’s most senior executive role charged with leading and directing financial strategy and operations.”

These statements have been confirmed and agreed by the Director of Law and Governance and the Executive Finance Director respectively.

The Director of Law and Governance is satisfied that the system of internal assurance is robust and provides visibility of risk and reasonable assurance to the Executive Board.

The opinion is based on the results of an on-going programme of activities and review, the outcomes of which were considered by ARAC. These include:

- a) External audit
- b) Internal audit
- c) The Risk Management Process, particularly the Strategic Risk Register
- d) Annual performance information pertaining to Data Protection, Equalities, and Health & Safety.
- e) Programme Assurance and Appraisal

Based on the work undertaken during the year, the implementation by management of the recommendations made and the assurance made available to the Combined Authority by other providers as well as directly by Internal Audit, the interim Head of Internal Audit has provided a provisional audit opinion of Reasonable Assurance that the Combined Authority has adequate and effective governance, risk management and internal control processes in place.

The Single Assurance Framework (SAF) has been implemented across all WMCA Directorates and oversight of business cases and change requests by the Programme Assurance and Appraisal team, as part of the SAF process, continues to increase; demonstrating improved project controls and consistent processes are being implemented across the organisation. This is helping to manage risks and drive improvements in the quality of business cases and overall project and programme management activity.

Regular reporting on Programme Assurance and Appraisal team activity, together with insights regarding common themes, issues and any recommendations for improvement have been provided to the Executive Board and ARAC throughout 20223/24.

Progress of the 20223/24 High Level Deliverables was monitored on a monthly basis by the Executive Board through exception reporting and against the identification of key risks that could impact on delivery. In addition, performance was reported to WMCA Board mid-year and at year end.

The Strategic Risk Management Framework includes an escalation process that allows for risks to be escalated, ultimately to the Strategic Risk Register. Quarterly reporting of the strategic risk register is working effectively, and work has been focused on collaboration with the Programme Assurance and Appraisal team to improve consistency of risk management across all projects and programmes. As this starts to embed, attention has turned to improving the consistency of Operational or Directorate Risk Registers and to focus attention on enabling Directorates to have full visibility of key risks with the potential to impact on the Authority’s ability to deliver its business

plan objectives. The aim is for Risk Management, Performance Management and Business Planning activity to provide a strong evidence base to improve decision making.

In accordance with the Digital and Data Strategy, the Authority has adopted cabinet office levels of protective security. These mandated standards allow for increasing maturity across the business by adherence to articulated mandates and best practice advice and guidance. Any non-conformity constitutes risk and is managed appropriately.

The Authority has set itself a demanding programme of work and is ambitious for itself and the benefits that it aims to bring to the region. It has been successful in negotiations for a second Devolution Deal and has recruited an able team of experienced professionals to form the leadership team. There is significant pressure on resources however, particularly in matching staff resources to the tasks in hand and this is being carefully monitored by the Authority and a plan is in place to mitigate these pressures accordingly.

This Annual Governance Statement identifies that WMCA has effective arrangements in place; however, the organisation realises the need to monitor its governance arrangements on an ongoing basis given the ever-changing environment within which it operates, and due to the organisation continuing to evolve. Whilst the organisation has not identified any significant Governance issues, a number of areas for development have been identified for progression in 24/25 and are outlined within the table below.

Area	Action to be taken
Internal Audit	Policies and procedures to be developed for the service, including a review of the Internal Audit charter to support the development and embedding of the In house team.
Audit, Risk & Assurance Committee	ARAC members to consider the introduction of annual self-assessments to determine the committee's effectiveness, to identify any skills or knowledge gaps within its membership, and its engagement with officers and WMCA Board.
Single Settlement	Full review of the Governance framework to be implemented following the Mayoral Elections in 2024.
Risk Management Framework	Engagement with Directors and their leadership teams will continue to help embed the revised Risk Management Framework, and to provide advice and deliver bespoke guidance and solutions. Development and the delivery of specific training guides for the new Risk Management intranet page
Organisational governance processes	The alignment and awareness of governance arrangements across the authority is to be improved.
Webcasting of meetings – openness and transparency	Investigations are continuing into options for improving our facilities in Summer Lane in relation to hosting public meeting meetings and in particular our ability to host hybrid meetings and to webcast public meetings.

Conclusion

In undertaking this review of internal control and governance framework, the Authority is satisfied the systems of internal control that facilitate the effective exercise of the organisation's functions are in place and that all issues raised through the Audit, Risk and Assurance Committee have been appropriately addressed and actions have been assigned an appropriate owner.

On behalf of the West Midlands Combined Authority

Andy Street

Mayor and Chair of the West Midlands Combined Authority

Date:

Laura Shoaf

Chief Executive

Date: