



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Tuesday 8 September 2020 at 10.00 am

Minutes

Present

David Lane (Chair)	
Councillor Ram Lakha OBE (Vice-Chair)	Coventry City Council
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Councillor Alan Butt	City of Wolverhampton Council
Sean Farnell	Coventry & Warwickshire LEP
Councillor Michael Gough	Solihull Metropolitan Borough Council
Councillor Christine Martin	Staffordshire Non-Constituent Authorities
Councillor Alexander Phillips	Shropshire Council
Councillor June Tandy	Nuneaton & Bedworth Borough Council
Councillor David Thain	Worcestershire Non-Constituent Local Authorities
Councillor Gurmeet Singh Sohal	Walsall Metropolitan Borough Council

In Attendance

Pete Bond	Transport for West Midlands
Deborah Cadman	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Peter Farrow	City of Wolverhampton Council
Ben Gittings	West Midlands Combined Authority
Julia Goldsworthy	West Midlands Combined Authority
Victoria Harman	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Sandra Kalyan	City of Wolverhampton Council
Tim Martin	West Midlands Combined Authority
Carl Pearson	West Midlands Combined Authority
Hardial Phull	West Midlands Combined Authority
Gurmit Sangha	West Midlands Combined Authority
Rachel Teoh	West Midlands Combined Authority

**Item Title
No.**

15. Apologies for Absence

Apologies for absence were received from Councillor Fred Grindrod (Birmingham City Council) and Councillor Alan Taylor (Dudley Metropolitan Borough Council).

16. Minutes - 14 July 2020

The minutes of the meeting held on the 14 July 2020 were agreed as a correct record.

17. Chair's Remarks

Future Meetings

The Chair proposed that for the foreseeable future, meetings of the committee should continue to be held online rather than automatically return to in-person meetings. These new arrangements had appeared to enable a more engaged committee and to help with attendance. Other members of the committee supported these comments.

The Chair welcomed the Chief Executive, Deborah Cadman and thanked her for committing the time to brief ARAC and take questions.

18. Matters Arising

(a) Whistleblowing

The Monitoring Officer advised the committee of investigations being undertaken by the Internal Audit team in relation to whistleblowing allegations. It was noted that the Chair was being kept informed outside of the meetings and was content with the actions to date and the information currently being provided.

19. Forward Plan

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

Resolved:

- (1) The items of business to be reported to future meetings be noted.

20. Review of Governance Procedures and Risk Impacts of the COVID-19 Pandemic

The Chief Executive provided the committee with an overview of the WMCA's corporate governance procedures whilst considering the impact of COVID-19. The pandemic had brought about unprecedented challenges to the continuance of normal activities and following the 'lockdown' it was impossible to maintain the normal public meeting arrangements for WMCA boards and committees. The Chief Executive set out the decision-making processes carried out under delegated powers and the key mechanisms put into place to ensure key decisions were taken in a way that had either formal or informal approval of board members.

Councillor Alexander Philips questioned as to what the response of staff was regarding working from home, and if there were any opportunities from the new ways of working following COVID-19. Councillor Alan Butt asked how the Combined Authority were ensuring the wellbeing of staff who are working from home and lone working and what support was being offered. The Chief Executive stated that she had seen staff respond well to working from home and was proud and pleased with their resilience during these challenges. Significant communication activities continue to take place to ensure staff are engaged and supported.

The Director of Strategy provided an overview of the region's response to encourage economic recovery and the part that the WMCA was playing in being a key participant in the regional local resilience forum. Other activities included the re-purposing of Ring & Ride services to provide shuttle services from key transport hubs to NHS facilities. Councillor Ram Lakha was pleased and encouraged to hear the activities undertaken but queried the financial position of the organisation. The Director of Finance confirmed the financial position of the WMCA, and it was noted that the work undertaken to rein in spending had enabled an improved forecast budget deficit for the year of £2.0m. A further detailed financial update would be provided to the committee in due course. Councillor Ahmad Boston understood the risks associated to COVID-19 and sought assurance that the WMCA had the capacity and capabilities to address the increased demand for skills development in the region. The Chief Executive confirmed that work had been competed on skills provision and consideration for supporting youth employment whilst addressing structural inequalities.

The Chair requested that a further update on the Combined Authorities response to COVID-19 and the effects of the Combined Authorities normal priorities and strategic objectives be provided at its next meeting.

Resolved:

- (1) The contents of the report be noted.

21. Data Protection & Data Processing

The committee received a report from the Data Protection Officer providing an annual assessment of compliance with the General Data Protection Regulations and the Data Protection Act 2019. The report also included information on the impact of the COVID-19 pandemic on data protection and the shift to working remotely.

Councillor Ram Lakha queried as to whether there had been any data protection issues / incidents during the pandemic while staff had been working from home. The Data Protection Officer informed the committee that incidents that had occurred related to phishing emails or were cyber related, although the defence systems in place continue to be considered strong and effective in maintaining the Combined Authorities systems. Other incidents related to human error mistakes. He also reported that various communication campaigns to remind, advise and reinforce protocols had been shared with staff.

The Chair requested that a review of the way data security was handled considering whatever new ways of working that are likely to become the norm be reported back to committee in Spring.

Resolved:

- (1) The reporting of data protection assurance and compliance with data protection legislation be noted.

(2) A further update to be provided to the committee in Spring 2021.

22. Health and Safety Annual Update

The committee received a report from the Director of Integrated Network Services (in his role as the Combined Authorities Health and Safety lead executive) on the principal activities relating to the promotion and management of health and safety and outcomes during the past two years, outlining the strategic direction for occupational health and safety within the wide-ranging remit of the WMCA for the next three year period.

Councillor Ahmad Boston queried as to whether any assessment had been completed to address any potential liabilities or risks related to the transport services provided by the WMCA and Transport for West Midlands. He sought assurance that there was capacity to adequately address the health and safety challenges presented by the COVID-19 pandemic. The Director of Integrated Network Services reported that various guidance to changing regulations and legislation had been provided to ensure appropriate implementation was carried out in a timely manner, and he therefore felt the organisation was adequately resourced and able to be proactive in identifying and dealing with health and safety risks. The WMCA had also offered its support to transport operators to provide a review of safety management systems. In addition, various risk assessment processes were in place and all liabilities were being considered.

The Chair expressed his satisfaction in the progress of health and safety arrangements within the Combined Authority but suggested that a separate workstream on the risks of lone working be more explicitly clear. He also requested that an annual update be provided to committee.

Resolved:

- (1) The annual update on Health and Safety contained within the report be noted.
- (2) An annual update be provided to committee.

23. WMCA Assurance Overview September 2020

The committee received a report from the Corporate Assurance Manager updating it on the progress made in the development of the assurance toolkit. Elements of the toolkit had been subject to live testing and reporting since October 2019. The report outlined the business case assessment and health check tools used on projects in recent months, along with the evidence and conclusions of the reviews conducted.

The Chair sought assurance from the Chief Executive that the WMCA was giving priority to recommendations arising from assurance reporting. He also suggested that the Assurance Team look to the committee to seek support if recommendations were not satisfactorily or speedily addressed. The Chief Executive confirmed that herself and the Senior Leadership Team received regular updates on the Single Assurance Framework and supported the Chair's comments.

Resolved:

- (1) The progress made by the Programme Assurance team in developing and testing the updated Assurance Toolkit in parallel with ongoing assurance processes and transition to the Single Assurance Framework be noted.
- (2) The committee receive regular updates from the Assurance Team at future meetings in a similar fashion to Internal Audit.

24. Treasury Management Strategy

Following changes to the Chartered Institute of Public Finance & Accountancy's code of practice, the committee now had delegated responsibility for the implementation and regular monitoring of the WMCA's Treasury Management strategy. The committee received a presentation from the Head of Financial Planning on the Treasury Management strategy, which included key areas of focus for consideration by the committee.

Councillor Ram Lakha sought assurance the WMCA had financial resilience, ensuring that a Section 114 notice would not be issued that indicated the authority was financially unsustainable. The Director of Finance confirmed that she was comfortable with the current financial position of the WMCA but recognised that consideration needed to be given to the identified funding gap for the forthcoming year.

The Chair asked that the Director of Finance return with a proposal on how the committee could receive independent advice on the Treasury Management Strategy in order to fulfil their duties properly.

Resolved:

- (1) The Treasury Management Strategy provided for background information be noted.
- (2) The Director of Finance will propose to the ARAC chair before the next meeting how independent advice will be provided for ARAC on the Combined Authorities Treasury Management Strategy.

25. Internal Audit Update Quarter 2

The committee received a report from the Head of Audit updating it on the work completed by Internal Audit so far this financial year. Since the last meeting, one audit had been finalised and had been issued with a substantial opinion. It was noted that the committee would have sight of two other audit at its next meeting as these had not yet been finalised.

The committee sought assurance from the Head of Audit that there continued to be appropriate resourcing in place to manage the workflow on audits being undertaken. It was noted that both officers of the WMCA and the Internal Audit team met and discussed steps forward to ensure all audits were completed within agreed timescales, with the WMCA offering support in improving the process for recommendation for follow-up audits. The Head of Audit was confident that both resources and processes were in place to ensure audits were completed within agreed timescales.

The Chair requested that future annual plans included timescales and commitment dates as to when audits would be completed and seen by the committee to provide assurance that sufficient resourcing was in place and that there was a means by which the committee could evidence that this was the case.

Resolved:

(1) The contents of the latest Internal Audit report be noted.

26. Date of the Next Meeting
Monday 26 October 2020 at 10.00am

The meeting ended at 12.00 pm.