



**West Midlands
Combined Authority**

Audit, Risk & Assurance Committee

Monday 18 January 2021 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 Alexander Phillips	Shropshire Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor David Thain	Worcestershire Non-Constituent Local Authorities

In Attendance

Fiona Bebbington	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Peter Farrow	City of Wolverhampton Council
Mark Finnegan	West Midlands Combined Authority
Julia Goldsworthy	West Midlands Combined Authority
Victoria Harman	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Amar Jandoo	Arlingclose
Sandra Kalyan	City of Wolverhampton Council
Tim Martin	West Midlands Combined Authority
Grant Patterson	Grant Thornton
Carl Pearson	West Midlands Combined Authority
Mark Pickering	Arlingclose
Lorraine Quibell	West Midlands Combined Authority
Joti Sharma	West Midlands Combined Authority
Rachel Teoh	West Midlands Combined Authority
Tracy Walters	West Midlands Combined Authority

**Item Title
No.**

40. Apologies for Absence

Apologies for absence were received from Councillor Fred Grindrod (Birmingham City Council), Councillor Christine Martin (Staffordshire Non-Constituent Authorities), Councillor June Tandy (Nuneaton & Bedworth Borough Council) and Councillor Gurmeet Singh Sohal (Walsall Metropolitan Borough Council).

41. Minutes - 26 October 2020

The minutes of the meeting held on the 26 October 2020 we agreed as a correct record.

42. Chair's Remarks (if any)

The Chair informed the committee an additional meeting of the committee had been scheduled for Thursday 4 March 2021 due to the significant amount of items requiring consideration of the committee.

**43. Matters Arising
Whistleblowing**

The committee received an update on whistleblowing matters from the Head of Governance who informed them that a number of investigations had been closed without any findings of concerns. He also noted that two recent referrals received were under investigation and advised the chair would continue to be briefed on such matters. He also informed the committee to changes in how whistleblowing would be reported to future committees.

Draft Internal Audit Plan

The Head of Governance informed the committee that work continued on the developments of the internal audit plan and a focus would be around the items identified within the risk register. He noted that the draft internal audit plan would be brought to the next committee in March 2021 for consideration and approval.

Organisational Response to COVID- 19

The committee were informed by the Head of Governance that work continued on resilience, response and planning for the recovery of the region. In regards to Councillor Alexander Philips query on the long-term effects of home working and the use of the Combined Authority building assets in particular 16 Summer Lane the Head of Governance highlighted that the CA continued explore various possibilities of building occupancy.

Arm's Length Companies Annual Update

The Internal Audit Liaison Officer informed members of the delay on reporting back to the committee on the annual update on Arm's Length Companies and hoped that this would be the information would be available to share with members at its meeting in March 2021.

44. Forward Plan

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

Resolved:

- (1) The forward plan be noted.

45. Covid 19 and support to promote Staff Wellbeing whilst Remote Working

The committee received a report from the Head of Human Resources and Organisational Development which set out the support the organisation had provided to its staff during the Covid-19 pandemic to protect their mental health and promote their wellbeing. The Head of Audit also commented that an internal audit had been completed on employee management Covid-19 response which received a substantial level of assurance which was noted by the committee as being positive and highlighted the good work undertaken by the organisation.

Councillor Alexander Philips queried that data around employees response to working from home, the Head of HR/OD highlighted the although results had dropped from the original survey it had not dropped substantially and felt that staff had more of an issue with Covid-19 and not with working from home. Councillor Michael Gough raised a potential issue around staff not reporting sickness whilst working from home. The Head of HR/OD recognised this concern and commented on the work being undertaken to address this whereby staff were asked to report if they had Covid-19 'like' symptoms to self-isolate and to report this but would not be penalised for this. She felt this was positive as staff came forward and allowed staff to be open although this data was low. She was also pleased to comment on how the data from sickness reporting and staff surveys did not report and increase in concern of staff mental health.

Councillor Ram Lakha queried how the current offer of wellbeing initiatives would be sustained and the consideration being given to the number of staff working agilely or working from the office. The Head of HR/OD commented that a task and finish group had been established to look at future arrangement of financing wellbeing initiatives. In terms of staff returning to the office she felt that this was somewhat between 20 to 40% of staff working back from the office and felt a more agile approach would be taken forward.

Resolved:

- (1) The contents of the paper be noted.
- (2) A further update to be provided to committee at its July 2021 meeting.

46. Internal Audit Update - January 2021

The committee received a report from the Head of Audit on the work completed by internal audit so far, this financial year. It was noted that four audits have been completed within the reporting quarter, and four audits currently in process. The Audit Business Partner provided a brief overview of the audit complete on employee management Covid-19 response which was given as substantial level of assurance.

The chair queried as to whether the deadlines for the recommendations contained within the Human Resources Pre-Employment checks had been met. The Head of HR/OD confirmed that those given a December 2020 deadline had been completed.

The chair informed members of a new approach being adopted whereby when changes occur to the audit plan or reports prior approval would be sought from the chair in advance, which in turn provided confidence audits would not be missed.

Resolved:

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

47. The Annual Audit Letter for West Midlands Combined Authority - Year ended 31 March 2020

The committee considered the WMCA's Annual Audit Letter for the year ended 31 March 2020 which summarised the key findings arising from the work carried out by external audit team at Grant Thornton. It was noted that an unqualified opinion on the financial statement was provided on the 30 November 2020.

Grant Thornton highlighted the fee variation for the forthcoming year as identified within the report. The Finance Director shared that ongoing discussions on this matter would be taken through the PSAA, with the chair being informed on outcome those discussions.

Resolved:

- (1) The Annual Audit Letter for the year ended 31 March 2020 be noted.
- (2) The publication of the letter on the Combined Authority's website be approved.

48. WMCA Strategic Risk Register

The committee received a report updating them on the current status of the strategic risk register. It was noted and recognised by the committee that there continued to be uncertainties surrounding the national political situation and Brexit which resulted in a number of risks presented as challenges to the WMCA.

The chair requested that an in-depth overview of the strategic risk register was provided at in June meeting.

Resolved:

- (1) The strategic risks contained within the WMCA strategic risk register be noted.

49. Programme & Project Management Framework Update

The committee received a report from the Head of Strategic Hub updating them on the progress made towards meeting the recommendations and how improvements are delivered through the Single Assurance Framework and an overview of the route map for delivering the regular assurance update report and trend analysis.

The chair requested that an update was brought to its April meeting, outlining the progress made of those outstanding recommendations.

Resolved:

- (1) The work that has been undertaken to date on delivering a consistent Programme & Project Management Framework and against the recommendations contained within the Internal Audit Report in May 2020 be noted.
- (2) The next steps of the Single Assurance Framework implementation and delivery be noted.

50. Financial Update

The committee received a presentation from the Finance Director who provided members with an overview of the financial position of the organisation, the budget setting for 2021 / 22 and an update on sustainable funding beyond 2021/22.

Councillor Ahmad Bostan queried as to whether any funding had been allocated by central government for the mayoral elections. The Finance Director shared that there continued to be ongoing dialogue with Governance with regards to funding of the mayoral elections and would continue to lobby government to receive funding for this. However plans are being established as a contingency.

Resolved:

- (1) The presentation be noted.

51. 2021/22 Treasury Management Policy, Strategy and Practices

The committee received a presentation from Arlingclose which provided members with information on what treasury management is, the legislation, guidance, roles and responsibilities associated with treasury management, information was also provided on economic outlook and credit conditions as well as the WMCA borrowing and investment strategy.

Councillor Ram Lakha sought further information in regards to public services loan board being brought down. The Director of Arlingclose informed the committee of a consultation that took place with the findings resulting into limitations on local authorities ability to borrow money to invest full yield.

Resolved:

- (1) The draft 2021/22 Treasury Management Policy Statement be endorsed for onward approval by WMCA Board in January 2021.
- (2) The draft 2021/22 Treasury Management Strategy be endorsed for onward approval by WMCA Board in January 2021.

(3) The arrangements for ensuring Treasury Management Practices are adequately maintained be noted.

52. Arrangements for the Mayoral Elections May 2021

The committee received a report from the Head of Governance updating them on the arrangements for the Mayoral elections in May 2021 as well as assuring members that robust management of the process were in place with continued work with Coventry City Council with regards to the mayoral elections arrangements.

Resolved:

(1) The information in the report be noted.

53. Date of Next Meeting

Thursday 4 March 2021 at 10.00am.

The meeting ended at 12.10 pm.