



Audit, Risk & Assurance Committee

Thursday 7 July 2022 at 10.00 am

Minutes

Present

Mark Smith (Chair)

Councillor Ram Lakha OBE (Vice-Chair)	Coventry City Council
Councillor Dave Borley	Dudley Metropolitan Council
Councillor Craig Collingswood	City of Wolverhampton Council
Councillor Ram Mehmi	Walsall Metropolitan Borough Council
Councillor Richard Baxter-Payne	Warwickshire Non-Constituent Authorities

In Attendance

Fiona Bebbington	West Midlands Combined Authority
Peter Farrow	City of Wolverhampton Council
Satish Mistry	West Midlands Combined Authority
Lorraine Quibell	West Midlands Combined Authority

**Item Title
No.**

1. Inquorate Meeting

It was reported that the meeting was inquorate and therefore the recommendations contained within the minutes would be submitted to the WMCA Board on 16 September 2022 for formal approval and adoption.

2. Apologies for Absence

Apologies for absence were received from Councillor Peter Allen (Sandwell), Sean Farnell (Coventry & Warwickshire LEP), Councillor Yvonne Mosquito (Birmingham) and Councillor Mike Sutherland (Staffordshire Non-Constituent Authorities).

3. Chair's Remarks

The Chair welcomed everyone to the meeting and stressed the importance of the need to attend meetings in person to ensure that they were quorate and able to make decisions. He requested that if members gave apologies for future meetings, a substitute be requested to attend. He particularly highlighted the importance of attendance at next meeting due to the accounts approval being required of the committee. He asked that Governance Services email all members of the committee regarding the importance of attending meetings.

The Chair informed the committee of a potential induction sessions welcoming new members to the WMCA, and was in discussion with the Governance Services Manager regarding the arrangements for this.

He also spoke briefly about the recent activities undertaken by himself of the committee, including attending Investment Board, meetings with the Chief Executive of the WMCA and with the Chair of Overview & Scrutiny Committee.

4. Terms of Reference

The Interim Director of Law & Governance provided the committee with an overview of its roles and responsibilities, as outlined within the terms of reference.

The Chair informed the committee of his discussions with the Interim Director of Law & Governance in relation to the need to undertake a review/refresh of the committee's terms of reference. It was agreed that a revised terms of reference would be submitted to the next meeting for members comment and approval. Councillor Craig Collingswood requested that all future reports that the committee received had a covering report to ensure that members were aware of what decisions the report was seeking.

It be recommended to the WMCA Board that:

The report be noted.

5. Minutes -12 April 2022

The minutes of the meeting held on 12 April 2022 were agreed as a correct record.

6. Matters Arising

Following items raised at the last meeting with regard to the number of vacancies at the WMCA, the Head of Business Planning, Performance & Transformation updated the committee in terms of the number of vacancies which at the time of the meeting was 42, which was deemed as to be 'reasonable' for an organisation of this size. She also provided the committee with the number of temporary contracts that the WMCA currently had.

In regard to a previous risk identified on the Strategic Risk register relating to the Adult Education Budget, members were informed that the risk was de-escalated following discussions with the Director of Employment & Skills and the implementation of improvement processes.

It be recommended to the WMCA Board that:

The report be noted.

7. Draft Process for Accounts and Process for Finalisation

The Head of Financial Management updated the committee in regard to the approval process of the WMCA's financial accounts. The Chair reported that he had been involved in this process and was keen to get members' input once required. The External Auditor confirmed that they were reviewing the accounts and working through the various queries, highlighting that they had the appropriate resources in place to ensure completion by the end of September 2022, although this was dependent on being provided with the necessary assurances from West Midlands Pension Fund.

The Chair informed the committee of a report from Public Sector Audit Appointments Ltd outlining the timeliness of account sign off.

It be recommended to the WMCA Board that:

The report be noted.

8. Update on Public Sectors Audit Appointment Process

The committee received an update on the Public Sectors Audit Appointment Ltd process. The Head of Financial Management provided details on the market engagement exercises that had taken place and the timescales in place as to when the contract and tender process would commence. It was expected an award decision will be made around the beginning of August 2022.

It be recommended to the WMCA Board that:

The report be noted.

9. Strategic Risk Register

The committee considered a report and presentation from the Head of Business Planning, Performance & Transformation outlining the Strategic Risks currently faced by the WMCA as outlined within the Strategic Risk register.

The Chair informed the committee of his separate meeting with the team to discuss the register in depth, which resulted to changes in relation to the inflation risk.

It be recommended to the WMCA Board that:

- (1) The risks contained within the Strategic Risk register be noted.
- (2) The key messages regarding changes that had been made and planned for the Strategic Risk register be noted.

10. Internal Audit Report

The committee received a report of the Interim Director of Law & Governance providing an update on the latest work completed by Internal Audit so far this financial year. The Chair requested that he be informed of the progress made towards the key financials' systems audit.

It be recommended to the WMCA Board that:

The contents of the latest Audit Update report be noted.

11. Treasury Management Outturn Report

The committee considered a report of the Director of Finance & Business Hub outlining the WMCA's borrowing and investment held at 1 April 2021 and 31 March 2022.

Borrowing and investments held at 1 April 2021 and 31 March 2022 showed that net borrowing decreased by £35.46m to leave a net investment position of £159.49m. New borrowing of £335m was undertaken to unwind a proportion of WMCA's historic under-borrowed capital financing position and mitigate against interest rate rises.

It be recommended to the WMCA Board that:

The report be noted.

12. Forward Plan

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

It be recommended to the WMCA Board that:

The items of business to be reported to future meetings be noted.

13. Exclusion of the Public and Press

Resolved:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as it was likely to involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

14. Cyber Essentials Report

The committee received a presentation from the Strategic Head of Digital & Data outlining the areas of need for attention on Cyber Essentials accreditation, which had been held since 2019. The WMCA had made a new submission against the new enhanced Cyber Essentials criteria, which had received the support of the Strategic Leadership Team.

It be recommended to the WMCA Board that:

The report be noted.

15. Whistleblowing Investigation

The committee considered a report from the Interim Director of Law & Governance providing an update on the outcomes of any recently completed investigation into concerns that had been raised with the WMCA through the whistleblowing route.

It be recommended to the WMCA Board that:

The findings of the investigation undertaken following receipt of a whistleblowing claim regarding operational arrangements between WMCA and Midland Metro Ltd be noted.

The meeting ended at 12.05 pm.