

Minutes of a meeting of the Governance and Audit Committee held on Friday 15 April 2016 at City Hall, Bradford

Commenced 1100

Concluded 1300

PRESENT – Councillors

CONSERVATIVE	LABOUR
Eaton	Farley
	Swallow

Apologies: Councillor Lynne Smith and Councillor Andrew Thornton

69. APPOINTMENT OF CHAIR**Resolved –****That Councillor Swallow be appointed Chair for this meeting.****Councillor Swallow in the Chair****70. DISCLOSURES OF INTEREST**

- (1) In the interest of transparency all those who were members or beneficiaries of the West Yorkshire Pension Fund disclosed an interest.
- (2) Councillor Eaton disclosed an interest in Minute 73 as her son-in-law worked at HSBC.

ACTION: *Interim City Solicitor***71. INSPECTION OF REPORTS AND BACKGROUND PAPERS**

There were no appeals submitted by the public to review decisions to restrict documents.



72. **AMENDMENTS TO THE CONSTITUTION**

The Interim City Solicitor submitted **Document “AW”** which provided Members with details of the proposed amendments to the Council’s Constitution.

It was reported that the draft amendments to Financial Regulations were outlined in Appendix 1 and the draft amendments to the Contract Standing Orders were outlined in Appendix 2.

Members were informed of new regulations relating to Contract Standing Orders on “call-off” which meant when awarding call-offs (individual contracts) authorities did not have to go through the full procedural steps in the EU Directives again, provided the rules were followed appropriately in the setting up of the framework agreements themselves.

Members felt that the definition of “call-off” should be included in the Council’s Contract Standing Orders.

The Committee felt that consideration should be given to the possibility of establishing a Board that examined high value and high risk procurement.

Members felt that due to the complexity of the topics covered by this Committee, Members sitting on this Committee should be provided with the necessary training to understand the various topics fully.

Resolved –

- (1) That the amendments to the constitution contained in Document “AW” be recommended to Council subject to the definition of “call-off” being included in the Contract Standing Orders.**
- (2) That the City Solicitor be granted delegated authority to make consequential amendments to the Constitution as a result of the recommendations approved by Council.**
- (3) That the Director of Finance and the Assistant Director Commissioning and Procurement give consideration to the possibility of establishing a Board that examines high value and high risk procurement.**
- (4) That due to the nature of the work covered by this Committee the City Solicitor give consideration to arranging training for Committee Members on the work of the Governance and Audit Committee.**

ACTION: *Director of Finance, City Solicitor*



73. **WEST YORKSHIRE COMBINED AUTHORITY (WYCA) AND LEEDS CITY REGION ENTERPRISE PARTNERSHIP (LEP) : UPDATE REPORT**

Previous Reference: Minute 75 (2013/14)

The Strategic Director, Regeneration submitted **Document “AR”** which gave an update on the West Yorkshire Combined Authority and Leeds City Region Enterprise Partnership LEP with a focus on governance, accountability, reporting and involvement of Bradford Council, its elected members and staff.

A previous report on WYCA/LEP was brought to Governance and Audit Committee on 4 April 2014.

It was reported that Councillor Lynne Smith had been fundamental on this Committee and the Combined Authorities Governance and Audit Committee.

Members commented on a number of issues which included:

- Paragraph 5.4 and 7.7 in the report were not clear.
- The work of the Combined Authority was more and more remote from individual Councillors; Members were not aware of what decisions were being made by the WYCA; where did democracy feature in the WYCA?
- Finding what services were provided through WYCA was difficult.
- Information provided by WYCA should be relevant to the constituent authority.
- Members should be provided with training on the work of the WYCA/LEP.

Resolved –

- (1) **That the report (Document “AR”) be noted.**
- (2) **That the continued improvements and development programme for WYCA/LEP during 2016-17 especially where they enhance accountability, good governance and the active involvement of each of the Constituent Councils, their political leadership and front-line members be supported.**
- (3) **That the on-going communications, involvement and influence of Bradford’s elected members, officer, partners and public in WYCA and LEP be encouraged.**
- (4) **That the future focus of the WYCA should include the involvement and engagement of all Councillors in light of the importance of democracy, transparency and governance especially given devolution and planned developments to WYCA 2016/17.**
- (5) **That more focused arrangements are established to communicate the work of the WYCA to the elected members of each constituent local authority (Bradford, Calderdale, Kirklees Leeds and Wakefield) eg by the use of the WYCA website and the Council’s own website.**



(6) That Members be provided with training on the work of the WYCA/LEP.

ACTION: *Strategic Director, Regeneration*

74. **AUDIT STRATEGY MEMORANDUM 2015/16 – WEST YORKSHIRE PENSION FUND**

The External Auditor submitted **Document “AS”** which reported on the Audit Strategy Memorandum for the West Yorkshire Pension Fund for the year ending 31 March 2016.

It was reported that the report set out the audit plan in respect of the audit of the financial statements of West Yorkshire Pension Fund for the year ending 31 March 2016; the audit approach was designed to provide the authority with an audit that complied with all professional requirements.

Members were informed that the audit would be planned and performed to provide reasonable assurance that the financial statements were free of material misstatement and gave a true and fair view. Materiality and misstatements were explained in more detail in Appendix “B” to the report.

It was reported that the diagram in Section 2 of the report included the timing of key phases of the audit work.

Significant risks and key fundamental areas were included in Section 3 of the report.

Members were informed that:

- The Accounts and Audit Regulations 2015 included changes to the deadlines for local authorities to produce their Statement of Accounts from the 2017/18 financial year – this change would have significant impact on local government pension funds and their auditors; discussions were being held with officers on the challenges posed by the earlier deadlines.
- On 25 November 2015 the Government published the Investment Reform Criteria and Guidance, setting out how LGPS investment pooling would work – this change would have a significant impact on the local government pension fund and would present a number of challenges, regular discussions with pension fund officers on how the challenges were being met were being held.

Resolved –

That the Audit Strategy Memorandum for West Yorkshire Pension Fund for 2015/16 was considered.

ACTION: *External Audit*



75. **AUDIT STRATEGY MEMORANDUM 2015/16 – CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL**

The External Auditor submitted **Document “AT”** which reported on the Audit Strategy Memorandum for the City of Bradford Metropolitan District Council for the year ending 31 March 2016.

The report set out the audit plan in respect of the audit of the financial statements of City of Bradford Metropolitan District Council for the year ending 31 March 2016. The document had a similar layout to the WYPF Audit Strategy Memorandum.

It was reported that this audit would also include the Value for Money Conclusion outlined in Section 4 of the report.

Forthcoming Accounts issues were outlined in Appendix D of the report.

Resolved –

That the Audit Strategy Memorandum for the City of Bradford Metropolitan District Council for 2015/16 was considered.

ACTION: External Audit

76. **VALUE FOR MONEY RISK ASSESSMENT 2015/16**

The External Auditor submitted **Document “AU”** which reported on the value for money risk assessment for 2015/16.

It was reported that External Audit had identified a significant audit risk for the VFM conclusion in relation to sustainable resource deployment some of the sub-criteria identified by the National Audit office as relevant to the auditors overall conclusion.

To mitigate the audit risk External Audit planned to review the Council’s arrangements for:

- Monitoring budgets and ensuring that identified savings were being achieved.
- Revising the medium term financial plan; and
- Developing plans to bridge the funding gap for future years through the New Deal process.
- External Audit would also review a sample of project plans for saving proposals and their delivery arrangements.

It was highlighted that the report was an audit risk assessment and not an audit judgement or conclusion on the Council’s VFM arrangements.

Resolved –

That the Value for Money Risk Assessment 2015/16 was considered.



77. INTERNAL AUDIT PLAN 2016/17

The Director of Finance submitted **Document “AV”** which reported on the Internal Audit Plan for the financial year 2016/17. The delivery of the audit plan would assist with risks within the systems reviewed being managed to an acceptable level through improvement in internal control.

In response to a Member’s question it was reported that clarity would be provided to Members on the funding associated with the recent floods.

Resolved –

That the Internal Audit Plan for 2016/17 was reviewed and approved.

ACTION: Director of Finance

Closing Remarks

Members and officers thanked Councillor Eaton for her valuable contribution to the Committee and her experience would be a loss to the Committee.

Councillor Eaton spoke on her positive experience being on the Committee and the insight it provided on the Council’s activities and would miss being part of it.

Members thanked Councillor Smith for being an experienced and inspiring Chair who had immense knowledge on the work of the Committee and it was extremely sad to know that she was so ill and would always be held in high esteem.

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Committee.

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

