

WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY
AT A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE
HELD IN WELLINGTON HOUSE ON
THURSDAY 24 SEPTEMBER 2009

PRESENT: Councillor A Pinnock (Chair)

Councillors E Firth, C Greaves, J Jarosz and K Watson

In Attendance: P Lundy - Audit Commission
 B Chana - Leeds City Council (for item 4)
 D Brown - Leeds City Council (for item 4)

12. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors M Lyons, G Phelps and M Walker.

13. DECLARATIONS OF INTEREST

Councillors E Firth and C Greaves declared personal interests in Agenda Item No 5, Final Accounts 2008/09 as they were members of the West Yorkshire Pension Fund.

14. MINUTES

RESOLVED - That the minutes of the meeting held on 23 June 2009 be approved.

15. TREASURY MANAGEMENT

The Committee considered a report of the Passenger Transport Executive on the Authority's Treasury Management arrangements in the light of a national review undertaken by the Audit Commission entitled 'Risk and Return : English Local Authorities and the Icelandic Banks'.

It was reported that the review had made a number of recommendations which would be incorporated into a revised CIPFA Treasury Management Code of Practice due to be issued later in the year. Members were advised that the recommendations effectively represented 'current best practice' with which the Authority had already complied.

The Committee were also given a presentation explaining how the risks inherent in the treasury function were managed in accordance with the policy agreed by the Audit & Governance Committee.

RESOLVED –

- (a)** That the Audit Commission report 'Risk and Return' be noted.
- (b)** That Officers from Leeds City Council be thanked for their presentation on Treasury Management.

16. FINAL ACCOUNTS 2008/09

The Committee considered a report of the Clerk and Chief Financial Officer on the Final Accounts for 2008/09 together with the comments received from the Auditors in the Annual Governance report.

It was reported that since the last meeting, the accounts had now been audited and a revised version was attached at Appendix 2 to the submitted report.

Mr Lundy presented his Annual Governance Report setting out any issues to be considered by members before issuing the opinions on the financial statements and value for money conclusion.

Members were asked to consider the document which was a legal requirement prior to approving the final accounts. A letter of representation was also attached to the report, which the Authority was obliged to provide to the Auditors.

It was reported that the Annual Governance Report included a clean Audit Opinion on both the financial statements and on the value for money conclusion and that the internal control environment was adequate.

RESOLVED -

- (a)** That the Annual Governance Report be noted.
- (b)** That the letter of representation be approved and recommended for signature.
- (c)** That the 2008/09 accounts be approved and recommended for signature.

17. INTERNAL CONTROLS AND FINANCIAL MONITORING

The Committee considered a report of the Clerk and Chief Financial Officer on changes to the Authority's internal control arrangements since the last meeting and to consider the current financial position.

Internal Controls

It was reported that since the last meeting there had been no significant changes to the arrangements for internal control within the Authority. The

arrangements that had been in place during the last year were effectively being reviewed via the Annual Governance Statement.

Financial Monitoring

The Committee considered the current position with regard to revenue budgets which was attached at Appendix A to the submitted report.

Reference was made to the expected overspend on concessionary travel arising from those elements which were outside of the 3 year agreement with the major operators.

Members were advised that the overspend was offset by the savings on interest payments and by the fall in tendered service payments. In this respect the Committee were very mindful that, given the current uncertainties around the future of concessionary travel, the Authority should be prudent to retain savings to meet any additional costs after the 3 year agreement expired.

Financial Monitoring

The Committee considered the current position with regard to the Capital Programme for 2009/10 which was attached at Appendix B to the submitted report. There were no significant issues to report.

Risk Management

Members were advised that all risks had an acceptable level of residual risk other than that relating to future governance arrangements which continued to be monitored closely.

RESOLVED - That the report be noted.

18. GOVERNANCE UPDATE

The Committee considered a report of the Passenger Transport Executive on the latest developments on governance.

It was reported that since the last meeting the longer term option for a wider city region which required the agreement of the City of York and North Yorkshire County Council's had not been progressed and therefore the City Region Leaders Board had now agreed a programme of work to deliver reforms/initiatives which would lead to a stronger ITA and strengthened partnership arrangements for the City Region.

City Region Forerunner Pilot

It was reported that since the last meeting Metro was currently working with their City Region Partnership partners to prepare a transport proposition/delivery plan which would then be submitted to the DfT for approval.

Members were advised that the Director General and the Chief Executive of Kirklees MC were meeting the DfT in the very near future to seek further guidance on the scope of the pilot and in particular whether the City Region would be allowed to:-

- (i) manage their own Regional Funding Allocation;
- (ii) carry out Business Case appraisals for schemes up to £25m and the ability to have more stronger influence over Highways Agency and Network Rail issues.

RESOLVED - That the report be noted.