

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

DATE: 16 DECEMBER 2008

AGENDA ITEM NO: 7

SUBJECT: INTERNAL CONTROLS AND FINANCIAL MONITORING

Report of the Clerk and Chief Financial Officer

1. MATTER FOR CONSIDERATION

- 1.1. To consider any changes to the arrangements for internal control in the Authority since the last meeting of the Committee and to consider the current financial position.

2. INFORMATION

Internal controls

- 2.1. There have been no significant changes to the arrangements for internal control within the Authority since the last meeting.
- 2.2. The Executive's Audit Committee receives quarterly schedules of key financial controls. At their last meeting the committee received a schedule indicating that all such actions were up to date. In addition quarterly governance meetings continue to be held with Leeds City Council to consider and review the transactions relating to investments. A separate report confirming the Treasury management arrangements is elsewhere on the agenda.

Financial monitoring – revenue budgets

- 2.3. An update on revenue expenditure is set out in Appendix A. It reflects the latest known position for the current year and indicates a slight overspend against the original budget. Members will be aware through the budget briefing on 12 December of the main issues impacting on the budget and strategy for the coming years.

Financial monitoring – capital budgets

- 2.4. Appendix B sets out the current position with the capital programme for 2008/09. The overprogramming at the start of the year has now been managed down such that the appendix shows £575k of overprogramming. The overall programme is being reviewed to seek to identify any schemes which could be brought forward from the 09/10

programme to ensure this year's funding is maximised. Any underspend however can be carried forward to the next year.

- 2.5. At its last meeting Members requested further information on the management of capital. This is provided via a separate report on this agenda.

Risk Matters

- 2.6. Since the last meeting of this Committee the risk registers of the Authority and the Executive have been transferred onto the Covalent performance management system. This offers a number of benefits including improved reporting and linking of risks to actions within MetroPlan. The Covalent version of the Authority's Risk Register is attached as Appendix C and is reviewed bi-monthly by officers jointly with the Executive's Risk register. There are no significant changes to the level of risk since the last meeting which leaves the single most significant risk being the impact of the Local Transport Bill and the governance review by Atkins. This continues to be closely monitored.
- 2.7. One of the ways in which risk is mitigated is by insurance. Appendix D sets out a summary of the insurance policies in place for the Authority and the Executive, as requested at the last meeting.

3. FINANCIAL AND LEGAL IMPLICATIONS

- 3.1. None directly arising from this report.

4. STAFFING IMPLICATIONS

- 4.1. None directly arising from this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

- 5.1. None directly arising from this report.

6. RECOMMENDATIONS

- 6.1. That the report be noted.

Clerk and Chief Financial Officer
West Yorkshire Passenger Transport Authority