

WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

DATE: 29 JUNE 2010

AGENDA ITEM NO: **10**

SUBJECT: CONTROL ENVIRONMENT MONITORING

Report of the Clerk and Chief Financial Officer

1. MATTER FOR CONSIDERATION

1.1. The quarterly review of internal controls.

2. INFORMATION

2.1. The arrangements for internal control within the Authority are under constant review and are regularly updated. It is good practice, and a requirement of the regulations, that Members continuously monitor the arrangements and satisfy themselves that those arrangements are sufficiently robust and are operating satisfactorily.

Risk Matters (Appendix A)

2.2. The Risk register for the Authority is attached as Appendix A. This is reviewed regularly by officers jointly with the Executive's Risk register. Risk management arrangements are under review within the Executive and any changes made to the ways risks are presented will be considered for the Authority and reported back to a future meeting.

2.3. Members are asked to note the risk register and its contents.

Quarterly financial monitoring

2.4. Quarterly updates on capital and revenue expenditure are usually provided to this Committee but detailed reports are not normally provided at this point in the year. The final figures for both capital and revenue are included within the report seeking approval to the annual accounts.

2.5. The position in relation to 2010/11 funding is currently changing as details of government cuts are being announced. To date there have been no changes made to revenue funding but there is increasing speculation about the likelihood of future funding cuts – work is underway to assess how the Authority would manage any such reductions in funding.

2.6. Cuts to the Authority's 2010/11 LTP allocation (of 25% or £2.45m) and uplift allocation (50% or £8.88m) have been announced. In addition

advice has been given by the Department for Transport to effectively stop development work on all major schemes pending a review of the whole process and funding. An update report setting out the actions being undertaken was presented to the last meeting of the Authority Executive Board. These include a review of all committed expenditure on the capital programme, an assessment of options and priorities and lobbying activities. A revised capital programme for 2010/11 is being prepared and will be presented to a future meeting.

Changes to control arrangements

- 2.7. Regular reports continue to be made to the PTE Audit Committee who monitor the actions taken to ensure procedures and processes are both in place and up to date. Similarly quarterly review meetings with officers from Leeds Council continue to take place to review actions undertaken as well as to review the cash book and determine borrowing and investment transactions for the following quarter. These reviews indicate that all such controls are operating and are up to date.
- 2.8. The recent restructuring within Corporate Services in the Executive is likely to lead to some slight changes in financial responsibilities within the team but these will not compromise any of the arrangements currently in place. The Assistant Director Finance has had s151 statutory responsibilities for the Authority for the last two years. She will continue with these responsibilities in her new role as Director, Resources and the Assistant Director Finance, Tom Edwards, will act as Deputy for her when required. Current processes and procedures are being reviewed as a result of these appointments and any resultant changes will be appropriately authorised and recorded and new instructions issued where required.

3. FINANCIAL AND LEGAL IMPLICATIONS

- 3.1. None directly arising out of this report.

4. STAFFING IMPLICATIONS

- 4.1. None directly arising out of this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

- 5.1. None directly arising out of this report.

6. RECOMMENDATIONS

- 6.1. That members note the report.

Clerk and Chief Financial Officer
West Yorkshire Integrated Transport Authority