

AGENDA ITEM NO: 3

WEST YORKSHIRE PASSENGER TRANSPORT AUTHORITY
AT A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE
HELD IN WELLINGTON HOUSE ON
FRIDAY 2 MARCH 2007

PRESENT: Councillor W S Hyde (Chair)

Councillors D Blackburn, R Downes, J S King, M Lyons and K Rhodes

In Attendance: P Lundy - Audit Commission

20. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor G Phelps.

21. DECLARATIONS OF INTEREST

There were no personal or prejudicial interests declared by Members.

22. MINUTES

RESOLVED - That the minutes of the meeting held on 28 November 2006 be approved.

23. PROTOCOL FOR MEMBER/OFFICER RELATIONS

The Committee considered a report of the Clerk on the adoption of a protocol for Member/Officer relations.

It was reported that, in line with the views of Members expressed at the last meeting, a simple and concise protocol had been prepared defining the working relationships between Members and Officers.

RESOLVED - That the protocol on Member/Officer relations be approved for adoption.

24. MONITORING OFFICER PROTOCOL

The Committee considered a report of the Clerk on the Monitoring Officer protocol.

Members were informed that the Monitoring Officer protocol had previously been formally approved by the Standards Committee, but that the External Auditor had, in his Annual Audit Letter for 2006, recommended that the Audit & Governance Committee should approve the roles and responsibilities of the Monitoring Officer as they operate in practice. The protocol had therefore been brought to the Committee for approval.

The External Auditor, Mr P Lundy, commented that he was happy that the recommendations of the Annual Audit Letter had been satisfied.

RESOLVED -

- (a) That the Monitoring Officer protocol and operating arrangements be approved.
- (b) That the Monitoring Officer protocol be submitted to the next meeting of the Standards Committee for approval.

25. INTERNAL AUDIT REPORT

The Committee considered a quarterly report of the Internal Audit Manager on work undertaken by the Internal Audit Section and key issues identified.

Internal Audit Reviews

It was reported that the Accounts and Audit (Amendment) (England) Regulations 2006 required the Authority to put in place a process for establishing, maintaining and reviewing internal control and risk management systems. In this respect it was reported that a number of reviews had recently been completed by Internal Audit.

Terms of Reference

The Committee were informed that in order to comply with the Accounts and Audit (Amendment) (England) Regulations 2006, it was required to agree the Terms of Reference (as appended to the report) for the provision of internal audit to the Authority.

Audit Plans for 2007/08

Members were informed that the integrated Internal Audit Plan would be presented to the June meeting of the Committee and would encompass the results of the 2006/07 plan and the contents of the external audit plan.

RESOLVED -

- (a) That the report of the Internal Audit Manager be noted.
- (b) That the Terms of Reference for the provision of internal audit to the Authority be formally adopted.

- (c) That the Audit Plans for 2007/08 be submitted to the June meeting of the Committee.

26. STATEMENT OF INTERNAL CONTROL

The Committee considered a report of the Clerk and Chief Financial Officer on changes to the arrangements for internal control in the Authority since the last meeting of the committee.

Terms of Reference for the Committee

The Committee were advised that, in the light of the monitoring requirements of the Statement of Internal Control, they might consider it appropriate to receive a regular monitoring report on the Executive/Authority's capital and revenue position. Members were informed that if they wished to implement such an arrangement, it would be necessary to amend the Committee's Terms of Reference.

Mr P Lundy commented that he endorsed the recommendation to furnish the Committee with a regular budget update.

Comprehensive Performance Assessment

The Committee were informed that, although the Authority was not subject to regulations requiring a formal comprehensive performance assessment, last year it was considered appropriate to see how the organisation compared to the requirements imposed on local authorities. At the Authority's request the External Auditor undertook the review and it was determined that the Executive/Authority were performing well at level 3 (ie consistently above minimum requirements). The methodology used in the assessment had now changed slightly and, to be satisfied that the organisation continued to be fit for purpose, the Auditor would be asked to repeat the exercise for the current year. A report summarising the results of the exercise would be submitted to the Committee in due course.

Security at Wellington House

The Committee were informed of proposed measures to improve security at Wellington House. These would include barriers to prevent intruders accessing the building and the installation of an access control system in the main entrance which would be linked to the electronic management system. This would be useful to identify who was in the building and additionally would be linked to the fire alarm system.

Councillor Lyons asked whether the internal CCTV cameras had been upgraded and whether the issue of access to the building via the basement car park had been considered. Assurances were given that CCTV cameras had been upgraded and that access via the basement had been addressed as part of the new security measures.

Members welcomed the proposals.

Risk Matters

Members considered the Risk Register for the Authority which was reviewed bi-monthly jointly with the Executive's Risk Register. It was reported that the main change in the level of risks was for the Executive and resulted from the outcome of the First Group appeal on concessionary fares reimbursement. That risk was ongoing but was being specifically addressed.

Members commented that they found it difficult to understand the risk rating system and queried the 'Residual Rating' given to certain risks on the Register. Officers were asked to carry out a review of the ratings given to those risks highlighted by Members.

RESOLVED -

- (a)** That the report be noted.
- (b)** That Members receive a regular monitoring report on the Executive/Authority capital and revenue expenditure budgets.
- (c)** That the revised Terms of Reference for the Audit & Governance Committee be submitted to the Authority's Annual Meeting on 22 June 2007.
- (d)** That the Residual Ratings set out in the Authority's Risk Register be reviewed.

27. GOVERNANCE AND POWERS

The Committee considered a report of the Clerk on the draft Road Transport Bill – Governance and Powers which had two main purposes: tackling congestion and improving public transport.

It was reported that the Department of Transport had made a presentation at Metro headquarters on 30 January which outlined the broad scope of the proposed Bill, suggested a timetable, outlined powers and governance issues and involved break out sessions to discuss options. The Authority also held a Seminar on 31 January 2007 at which Members received an outline of the DfT officials' presentation.

The view which had come over most clearly from the two events was that the legislation should be enabling allowing PTAs and their Districts to identify the powers and governance arrangements most appropriate to their particular circumstances.

With particular regard to governance, the Committee clearly expressed the view that, whilst a Leaders' Board might be appropriate to oversee strategic transport direction and schemes, it would be inappropriate for the day to day responsibility for delivery of public transport currently vested in PTAs to be

transferred to the District Leaders as it was felt they had neither the time nor transport expertise to dedicate to the matter.

Members were informed that the PTA Chairs would be meeting with the Secretary of State, Douglas Alexander, on 19 March 2007 to make representations following their consideration of options available to them.

RESOLVED -

- (a) That the report be noted.
- (b) That the Audit and Governance Committee receive an updated progress report at its next meeting.

28. CONFERENCE : IMPROVING RISK MANAGEMENT IN LOCAL GOVERNMENT

The Committee were informed of a conference entitled 'Improving Risk Management in Local Government' to be held in London on 17 April 2007 which it was thought might be useful to Members.

RESOLVED - That details of the conference be circulated to Members of the Committee.