

# WEST YORKSHIRE INTEGRATED TRANSPORT AUTHORITY

## AUDIT AND GOVERNANCE COMMITTEE

DATE: 16 MARCH 2010

AGENDA ITEM NO: **9**

### 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 controls continued to operate effectively. In addition quarterly governance meetings continue to be held with Leeds City Council to consider and review the transactions relating to investments.
- 2.3. At its last meeting the Committee agreed to seek a replacement non-executive Director from Leeds City Council. As a result Alan Gay, Director of Resources and currently Acting Deputy Chief Executive, is to take on these duties from 1 April. The terms and conditions of this appointment remain unchanged from those previously in place. The next six monthly meeting of the non Executive Directors with the Chair of the Audit and Governance Committee, to consider the effectiveness of challenge and scrutiny at the Executive Board, is due to take place shortly.

##### **Financial monitoring – revenue budgets**

- 2.4. An update on the current position with revenue budgets is attached as **Appendix A**. This shows the outturn for 2009/10 as agreed at the Authority's budget meeting on 12 February. There have been a number of small changes to the expected expenditure since then such that the use of reserves for the year is likely to be slightly lower than that projected.

## **Financial monitoring – capital budgets**

- 2.5. **Appendix B** sets out the current position with capital expenditure for 2009/10. This sets out an update on both the Authority's own capital programme as well as the West Yorkshire Strategic Programme of Schemes (WYSPS). The expected expenditure on the Authority's programme is in line with the available funding for the year and no significant risks regarding expected spend remain in the programme at this point in the financial year. There are still some significant amounts of money to pay but some of the schemes are profiled in such a way that payments will be made towards the end of the period, such as the rail depot facilities. Other differences reflect the time delay between work carried out and the invoices being submitted.
- 2.6. The first payments on the WYSPS have been made and significant expenditure is expected on these by the end of the year (claims for quarter 3 are due to be paid in early March and sums due for quarter 4 will be submitted in April). In total some £24.3m is available over this and the next two years for these schemes, so any under or overspend in the current year can be adjusted for in 2010/11.

## **Risk Matters**

- 2.7. The Risk Register (**Appendix C**) for the Authority is reviewed bi-monthly by officers jointly with the Executive's Risk register. All risks have an acceptable level of residual risk other than that relating to future wider governance arrangements which continues to require close monitoring.

## **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 Integrated Transport Authority