

West Yorkshire Combined Authority

Annual Governance Statement 2024/25

This Annual Governance Statement reflects both the governance framework put in place for the West Yorkshire Combined Authority (Combined Authority) and the Combined Authority Group (the Group) for the year ended 31 March 2025.

1. Scope of Responsibility

In March 2020, the West Yorkshire councils and the Combined Authority agreed a “minded to” devolution deal with Government. The deal detailed £1.8 billion of Government investment (including £1.14bn over 30 years), to be subject to local influence and decision-making, enabling spend on local priorities, together with a range of new devolved functions. Building on this, in December 2024, the Ministry of Housing, Communities and Local Government published the English Devolution White Paper setting out the Government’s revised approach to devolution in England, including a proposed new Devolution Framework expanding and standardising the devolved powers and functions available to Combined Authorities. These changes will be enacted when the English Devolution Bill receives royal assent in Spring 2026. The English Devolution White Paper also confirmed that West Yorkshire will be amongst the next cohort of authorities to receive the Integrated Settlement from April 2026.

The Combined Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Combined Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Combined Authority is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk. The Combined Authority annually approves a Code of Corporate Governance consistent with the principles of CIPFA Solace¹ framework "Delivering good governance in Local Government".

In accordance with the Accounts and Audit Regulations 2015 this Annual Governance Statement (AGS) considers compliance with the Corporate Governance Code and Framework and sets out how the Combined Authority “ensures that the financial management is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions, and which includes arrangements for the management of risk.”

The Mayor is the Chair of the Combined Authority and also holds the Policing and Crime functions for West Yorkshire and has appointed the Deputy Mayor for Policing and Crime who has substantial delegated authority covering this area.

¹ Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives and Senior Managers

The functions of the West Yorkshire Police and Crime Commissioner (PCC) transferred to the elected Mayor on 10 May 2021 and with regards to these functions the Mayor is held to account by the West Yorkshire Police and Crime Panel.

2. The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Combined Authority is directed and controlled and its activities through which it accounts to and engages with the community. The framework enables the Combined Authority to monitor the achievement of strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services for its customers.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. In order to achieve its policies, aims and objectives it cannot eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Combined Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically.

3. The governance framework

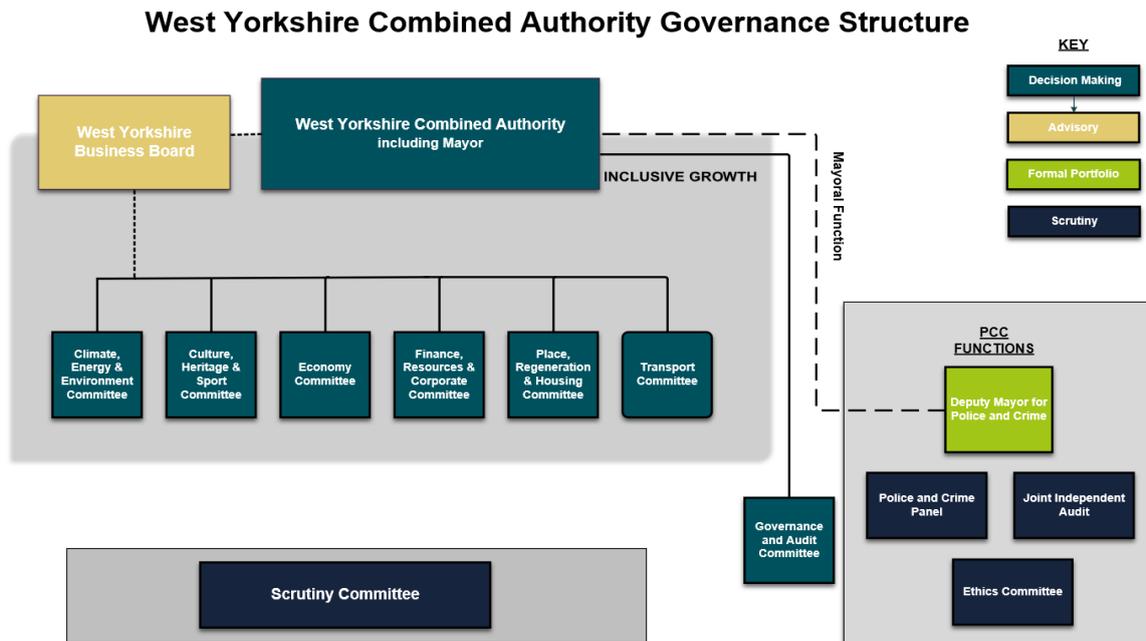
Our work is led by the Combined Authority. Corporate Policies and objectives are set and communicated by the Combined Authority. These are brought together in our business plans. The West Yorkshire Plan sets out our ambitions for West Yorkshire, through our vision, missions and range of policies and strategies.

The Mayor holds the statutory functions of the PCC for West Yorkshire. Those functions can be delegated, with the exception of the duties to set a budget, prepare a Police and Crime Plan, and to appoint and remove a Chief Constable, which can only be exercised by the Mayor. The functions of determining police and crime objectives, attending the Police and Crime Panel and preparing annual reports can only be delegated to the Deputy Mayor for Policing and Crime. The Mayor is held to account in respect of her Police and Crime functions by the Police and Crime Panel which consists of representatives from each district with crime and anti-social behaviour responsibilities plus independent members.

The Mayor published her new Police and Crime Plan in February 2025, which reflects a shared vision with partners and has the overall aim of ensuring that communities in West Yorkshire are safe. Local priorities have been set in consultation with individuals, organisations and community safety partnerships that sit within the Plan.

The Mayor and Deputy Mayor for Policing and Crime foster close links with the Community Safety Partnership Forum, the Serious Violence Reduction Executive group, and the Local Criminal Justice Board (including its subgroups) which are important, well-established partnerships that support the development and delivery of the Mayor's Police and Crime Plan.

Governance Structure



- a) Corporate strategies and objectives are set and communicated by the Combined Authority. The Combined Authority has clearly defined its ambitions to work with its partners across the region; these ambitions are set out in the West Yorkshire Plan, which was developed throughout 2022/23 and was launched in June 2023.

The West Yorkshire Plan sets out a shared vision, narrative, and ambitions for the region. The purpose of the West Yorkshire Plan is to:

- Explain who West Yorkshire is and what we want to achieve
- Set the trajectory for the longer-term up to 2040
- Ensure that government and wider local and national stakeholders are clear on the priorities and ambitions of the region
- Ensure that all regional partners speak with one strong voice

The West Yorkshire Plan includes five missions, that are aspirational and represent long term ambitions for West Yorkshire. State of the Region reporting will continue to provide the monitoring framework underpinning the West Yorkshire Plan targets and wider policies and strategies of the Combined Authority.

Other relevant strategies and plans

The Combined Authority has a range of other strategies and plans that inform activities across key areas of public policy and programmes. These strategies and plans may provide other considerations to inform the evaluation and prioritisation of funding decisions in these policy areas. Our core framework of existing and emerging anchor strategies is set out in the figure below. Our framework is led by the West Yorkshire Plan, Local Growth Plan, and West Yorkshire Investment Strategy (refresh underway), which set the overarching strategic vision for the region. Our anchor strategies then further set the specific direction for our ambitions for Transport, Climate and Environment, Policing and Crime, and Spatial Development, informing the development of specific detailed delivery strategies. Key priorities are reflected within these strategies and plans, including bus franchising, Mass Transit, and retrofitting facilities to achieve Net Zero targets. As programmes develop, they

will progress through the established Assurance Framework to consider the merits of each in full and ability to achieve the Combined Authority's strategic objectives.



The West Yorkshire Plan strengthens our existing policy framework which includes a suite of policies and strategies aligned to areas of delivery.

The vision for West Yorkshire is:

A brighter West Yorkshire – a place that works for all. An engine room of ideas and creativity, where anyone can make a home.

Five missions have been set to achieve this.

Mission One: A prosperous West Yorkshire – an inclusive economy with well paid jobs.

Mission Two: A happy West Yorkshire – great places and healthy communities.

Mission Three: A well-connected West Yorkshire – a strong transport system.

Mission Four: A sustainable West Yorkshire – making lives greener.

Mission Five: A safe West Yorkshire – a region where everyone can flourish.

All our policies and strategies work toward meeting at least one of these missions.

- b) A suite of supporting plans and strategies do, and will set out, further detail on a range of priority areas, including police and crime, local growth plan, climate and environment, housing and place, local area energy planning, local nature recovery, digital infrastructure, green infrastructure, skills and trade and investment.
- c) The Combined Authority publishes an annual State of the Region report, which provides information about the performance of West Yorkshire against key socio-economic and environmental indicators. The reports are available [here](#). The report provides a stock take of where West Yorkshire currently stands, using a basket of headline indicators. It highlights areas of strength and positive trends in the local economy but also flags key issues and

challenges that are priorities for future action. The report aims to provide a balanced and objective view of economic performance in the region and gives some insight into the difference being made through the combined action of all partners in West Yorkshire.

- d) The Combined Authority has a four-year Corporate Plan for 2025-2028. The plan establishes priorities to focus organisational delivery against the West Yorkshire Plan missions alongside achieving the corporate priority to be a mission driven, ambitious, high performing and value for money organisation. The Combined Authority's Performance Management Framework ensures that the outputs and outcomes are derived, and performance measured against the plan. The Corporate Plan priorities were also used to support directorate business planning.
- f) Heads of Service and senior officers across the organisation report progress against Directorate business plan outcomes and output delivery. This reporting is fed into a central database and is analysed monthly. The performance is reviewed by the internal Performance Management Board that can utilise performance management approaches to address under performance/delivery.

Through both officer boards and public committees' targets are reviewed routinely over the year. Where necessary, action is taken to mitigate risks to delivery and/or achievement of targets where these are off-track. Finance, Resources and Corporate Committee (FRCC) receive reports on progress against delivery of our annual outputs and outcomes. This ensures there are mechanisms to understand successes, progression and opportunities for improvement.

- g) In early 2023, the Combined Authority approved proposals to fully integrate the LEP into the Combined Authority including necessary governance changes. The functions of the LEP have been fully integrated into the Combined Authority. The Mayor has appointed a Business Adviser, and to ensure continued strong partnership we have created the West Yorkshire Business Board, chaired by the Mayor's Business Adviser, who is also a member of the Combined Authority.
- h) The West Yorkshire Combined Authority Assurance Framework ensures that the necessary systems and processes are in place to manage funding effectively, and to ensure the successful delivery of the West Yorkshire Plan ambitions. Its focus is to ensure that necessary practices and standards are implemented to provide the Government, the Combined Authority and local partners with assurance that decisions over funding (and the means by which these decisions are implemented) are proper, transparent and deliver value for money. It covers all projects and programmes funded (revenue and capital) from Government or local sources that flow through the Combined Authority.

The Assurance Framework was developed in 2015 as part of the Growth Deal with Government and complies with national best practice and the Local Growth National Assurance Framework guidance. In March 2023 the then Department for Levelling Up, Housing and Communities (now the Ministry for Housing, Communities & Local Government) published the English Devolution Accountability Framework. This first edition of the English Devolution Accountability Framework sets out how the mayoral combined authorities and the Greater London Authority (GLA) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.

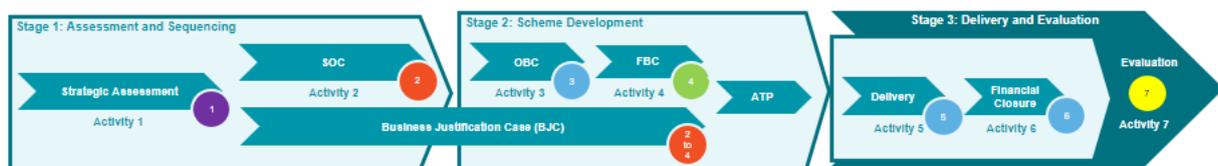
The Assurance Framework is required as part of the English Devolution Accountability Framework to provide assurance to the Departmental Accounting Officer, Government and the public that there are robust systems in place so that resources are spent with regularity, propriety, and value for money. An annual review is still required but this can now be at a

date set by the Combined Authority and MHCLG (and the Departments for Transport, and Education) only need to approve significant changes.

The Assurance Framework has been peer reviewed and updated on an annual basis, building on existing good practice and reflecting any changes in both government guidance and improvements to the Combined Authority's procedures, including a comprehensive review during 2021, as part of the required preparations for becoming a Mayoral Combined Authority and during 2024. The latest version was published in 2025. All changes have been considered and approved through internal governance arrangements and submitted and approved by Central Government.

The Assurance Framework is reviewed annually, and a further comprehensive peer review has been undertaken during 2023 for approval by the Combined Authority and Central Government in July 2024.

- i) The Assurance Framework supports decision making on projects and guides investment decisions across the full portfolio of capital interventions. It sets out the appropriate safeguards and processes to be put in place to ensure the proper use of public funds and that value for money is secured and outcomes are clearly agreed when investing in schemes. This includes the prioritisation process for identifying the schemes that are included for funding with a three-stage approval process, as set out in the diagram below. The Combined Authority must approve all schemes at least once in their lifetime, usually decision point 2, with subsequent decisions delegated thereafter to the Chief Executive, as set out in the Assurance Pathway and Route approved by the Combined Authority.



- j) In 2024/25 the Combined Authority's scrutiny arrangements transitioned from three themed scrutiny committees to one single opposition-led politically balanced Scrutiny Committee, with 16 cross-party councillors from West Yorkshire and York. The introduction of a single committee function has facilitated oversight and a more strategic scrutiny of all Combined Authority activity in a joined-up overarching way. This year focused on implementing and embedding the best practice in the Government's Scrutiny Protocol, together with legislative requirements [Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) (Amendment) Regulations 2024]. In addition to Mayor's Question sessions, the committee has also scrutinised: performance and achievement, development of the Local Growth and Climate and Environment plans, supporting businesses and growing the economy, bus service improvement and the reopening of Bradford Interchange.
- k) In addition, the Combined Authority continues to assist and advise scrutiny enquiries in its constituent local councils where the topics affect its sphere of activity.
- l) The Combined Authority's Governance and Audit Committee is responsible for overseeing the effective operation of the systems of governance, risk management, internal control (including internal audit) and treasury management. It has responsibility for the approval of the annual accounts. The Committee is chaired by an independent member and the committee includes a further two independent members in addition to members of the Combined Authority. The composition of the Committee will change in June 2025 to replace Combined Authority members with local authority co-optees to provide additional external check and challenge. An officer Performance Board provides an operational level

management and review of internal control, risk, health and safety, information security and governance arrangements in place.

- m) Staff roles are defined and documented through role profiles. These set out clear competencies and accountabilities for each role and are key to making successful recruitment decisions. Appointments have been made to all the posts required by statute, including Head of Paid Service (which forms part of the Chief Executive's role), s73 Officer (Director: Finance and Commercial Services), and the Monitoring Officer (Assistant Director Legal, Governance & Compliance).
- n) Staff behaviours are guided by the Combined Authority's values and its Officer Code of Conduct and a similar Code exists for Members; both employees and Members are required to maintain a register of interests. Registers of interests of Members are available for inspection on the Combined Authority website. The employee's Code of Conduct has been comprehensively reviewed to update it in line with best practice and the capabilities of the Combined Authority's corporate system, CiAnywhere.
- o) The Combined Authority conforms to the requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government (2015)*. The Chief Financial Officer is the Director: Finance and Commercial Services who is a key member of the leadership team and is responsible for the proper administration of the Combined Authority's financial arrangements through a suitably qualified and resourced finance function.
- p) An internal team provide the internal audit service to the Combined Authority. Global Internal Audit Standards require an internal audit charter to specify the purpose of internal auditing, commitment to adhering to the Global Internal Audit Standards, the mandate, including scope and the types of services to be provided and the board's responsibilities and expectations regarding management's support of the internal audit function consistent with the definition of Internal Auditing, the Code of Ethics and the Standards. The Internal Audit Charter establishes internal audit's position within the organisation, including the mandatory nature of the Chief Audit Executive's role; functional reporting relationship with the management team; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- q) Compliance with established procedures, laws and regulations is ensured by a system that requires all decisions to set out all legal and financial implications. Schemes of officer delegation ensure that decisions are made at the appropriate level within the Combined Authority. This includes the Mayor's PCC Scheme of Delegation and Scheme of Consent to the Chief Constable. Procedures and policies are in place to ensure compliance with the Freedom of Information Act, Data Protection Act and Health and Safety requirements. A whistleblowing policy and guidance notes are available on the website. Regular reviews and exception reporting are conducted through the officer Performance Board and through the Member Governance and Audit Committee, including arrangements for risk management. An Assurance Statement for Directors has been developed to ensure senior accountability for compliance in all areas of the organisation.
- r) Risk management is embedded in the activities of the Combined Authority. A Corporate Risk Management Strategy, including a risk policy, risk appetite statement, and the RMS (Risk Management Strategy) Development Plan has been endorsed by the Governance and Audit Committee and sets out the way in which risks are identified, recorded and monitored. Reviews of the key strategic risks are undertaken by the Combined Authority and the Governance and Audit Committee. A Service Lead for Governance, Risk and Compliance was appointed in 2024 along with a Risk Manager to review process and procedure.

- s) In respect of the Mayor's PCC functions, the Mayor has established Joint Independent Audit Committee (JIAC) which oversees the control environment of the Chief Constable and the Police and Crime functions, undertaking the functionalities of an Audit Committee in line with CIPFA guidance. The Committee receives regular reports from both internal and external audit. It provides independent assurance to both the Mayor and the Chief Constable on the adequacy of the corporate governance and risk management arrangements and the associated control environment.
- t) A system of formal procedures, Contracts Standing Orders and Financial Regulations protect the organisation. These are reviewed and approved annually, with minor updates made as required during the year. A major review of Contracts Standing Orders took place during 2024/2025 to reflect the statutory changes brought in by the Procurement Act 2023, which went live in February 2025. A Procurement Strategy has also been approved by the Combined Authority as well as the West Yorkshire Investment Strategy.
- u) The Mayor's Police and Crime Plan 2021-2024 was launched on 10 March 2022, and sets out the strategic vision for policing, community safety and joint working with the wider criminal justice system across West Yorkshire over a three-year period. In doing so they had regard to the Strategic Policing Requirement and the West Yorkshire Police Strategic Assessment, and the Plan was developed in close consultation with the public of West Yorkshire as well as a wide range of key stakeholders and partners. A new Police and Crime Plan will be issued for the period 2024-2028, based on a comprehensive needs assessment and following extensive partner and public engagement. The current Police and Crime Plan continues to provide strategic direction until this point.

4. Review of Effectiveness

The Combined Authority has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. This review is informed by the work of the Internal Audit section and that of management within the Combined Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by external auditors. In several areas, key financial controls did not operate as consistently during the year. These included weaknesses in bank reconciliation processes, gaps in payroll controls following transition to the CiAnywhere system, and inconsistencies in month-end and year-end closure procedures. Whilst these matters do not impact the level of assurance provided overall they are noteworthy that can be placed on the operation of core controls and have been acknowledged by management, with targeted improvement actions anticipated.

Contract Standing Orders

The Combined Authority has in place a system based on a framework of contract standing orders, financial regulations and administrative controls including codes of conduct and administrative policies and procedures. All key administrative controls and financial instructions are reviewed on a regular basis by the Combined Authority's management, with internal audit undertaking reviews based on risk. Contract standing orders and financial regulations are updated as required and re-approved annually by the Combined Authority at its Annual Meeting. In terms of financial accounting, the Combined Authority utilises a core financial system which is tested and evaluated annually by internal and external audit. During the last year, the Chief Financial Officer has provided to the Governance and Audit Committee regular confirmation that key controls have been operating in the period. Regular reports are also provided to the Performance Board through a compliance dashboard that highlights any areas of concern.

Annual Budget Setting

In 2024/25, the Combined Authority continued to operate a strong and transparent financial planning framework to ensure public resources are aligned to regional priorities and used responsibly. The planning process integrates funding from Government sources (including Gainshare, City Region Sustainable Transport Settlement, Adult Education Budget and other devolved grants), local transport levies, and commercial income. It considers key financial risks such as inflation, interest rate pressures, and capital delivery slippage. The Authority's financial strategy remains focused on ensuring affordability, resilience, and delivery of strategic priorities including inclusive growth, transport connectivity and skills.

Budget proposals are developed collaboratively between directorates and finance leads, supported by robust challenge sessions to test assumptions, cost drivers, and efficiency plans. These proposals were reviewed for consistency with delivery plans, capital programme commitments, and funding conditions.

As required under Section 73 of the Local Government Act 1985, the Combined Authority's Chief Finance Officer provided a formal opinion on the robustness of the estimates and the adequacy of reserves as part of the budget approval process.

The 2024/25 budget was subject to formal governance and assurance through:

- Review by the Senior Leadership Team
- Oversight and recommendations from the Finance, Resources and Corporate Committee
- Consideration by Scrutiny Committee, including scrutiny of key funding allocations
- Final approval by the Combined Authority in February 2024.

The budget process ensured alignment between the revenue budget, the multi-year capital programme and the 2024/25 Treasury Management Strategy, with close monitoring of the Capital Financing Requirement (CFR) and adherence to the Authority's prudential borrowing limits.

Where appropriate, engagement with district partners and stakeholders took place, particularly in relation to transport levies, investment priorities and major capital schemes. The Authority's reserves strategy was reviewed to ensure that adequate resources are available to manage in-year risks and support longer-term investment flexibility.

The 2024/25 budget process meets the standards set out in the CIPFA Financial Management Code and forms a key part of the Combined Authority's assurance framework, supporting accountability, transparency, and financial sustainability.

From 2025/26, the Combined Authority has adopted a multi-year approach to business planning and the development of revenue and capital budgets, accompanied by a refreshed five-year Medium-Term Financial Plan (MTFP), which spans the five-year period from 2025/26 to 2029/30.

2024/25 saw the further significant development and enhancement of financial management arrangements in the Combined Authority, including robust in-year financial monitoring arrangements to ensure effective stewardship of public funds and early identification of risks to financial sustainability or delivery performance.

Budget holders and Controllers are responsible for monitoring, managing and controlling their budgets and are supported by dedicated finance business partners. Formal monitoring reviews are held regularly between services and finance to ensure accountability, monitor programme progress and update forecasts in a timely manner.

Forecasts are refreshed at key points in the year (typically at Q2 and Q3) to enable effective financial control and resource reallocation if required.

Where significant variances or emerging pressures are identified, these are escalated through appropriate governance channels, and management actions are agreed. Monitoring reports also provide assurance over compliance with prudential indicators and statutory obligations.

For 2025/26, the Combined Authority has implemented monthly and quarterly financial reporting, covering both revenue and capital budgets, providing clear analysis of actual performance against budget, forecast outturn projections, explanations for material variances and financial risks and opportunities.

Reports are subject to review by Directorates, with regular updates presented to those charged with governance. The reporting framework ensures clear visibility of:

- Expenditure and funding performance,
- Capital delivery progress and match funding risks,
- Treasury management activity and cash flow position,
- Use and replenishment of earmarked reserves,
- Emerging financial risks and mitigations.

The Authority's financial monitoring arrangements are designed to uphold the principles of transparency, accountability, and responsiveness, and are compliant with the CIPFA Financial Management Code and relevant legislation

Internal Audit

An internal team provides the internal audit resource for the Combined Authority. The work of Internal Audit is informed by an assessment of risk and a strategic audit plan is devised based on these assessments. This plan is submitted to the Combined Authority's Governance and Audit Committee for consideration and approval. Regular update reports are provided to the Governance and Audit Committee by the Head of Internal Audit on the outcome of the agreed audits and any audit recommendations made. Internal Audit also maintain its own systems to monitor progress in implementing audit recommendations which is also reported regularly to the Governance and Audit Committee and the officer Boards including Performance Board and Directorate Outcome Boards.

From the work undertaken during the financial year 2024/25, taking into account other sources of assurance, and considering the significant organisational growth and leadership changes experienced by the Combined Authority during this period, the Head of Internal Audit has reached the opinion that overall, the Combined Authority's framework of control and governance is less than adequate. This opinion reflects that while the framework of control is generally adequate and reflects the number of outstanding internal audit recommendations at year end (128), including 60 that were overdue. This level of unimplemented actions could limit the organisation's ability to evidence consistent control operation and is being addressed through strengthened monitoring and escalation. This assessment reflects not only the current state but also acknowledges the organisation's capacity for improvement. There is a reasonable expectation that, with continued focus and commitment, substantial progress can be achieved in strengthening these frameworks.

Strategic Portfolio Office

As part of the Strategy, Communications and Intelligence Directorate in Enabling Services, the Strategic Portfolio Office (SPO) manages the assurance and appraisal of all schemes funded by the Combined Authority, (known as the assurance process), as part of the Assurance Framework. The Assurance process is a three-stage, seven activity / decision point (gateway) scheme approval process. The Combined Authority and all partner authorities delivering schemes funded by the Combined Authority follow this assurance process. Close working with partner authorities is therefore key to successful delivery of the wide-ranging portfolio.

The SPO, with the Finance team, also provide regular reports to the Combined Authority and the Finance, Resources and Corporate Committee on progress and performance of the many funding programmes that the Combined Authority is responsible for.

Risk Management Arrangements

The Combined Authority has in place risk management arrangements that are continually reviewed and improved. An officer Performance Board met during the year on a periodic basis to ensure consistency in the assessment and management of risk and to provide an overview of the process. The Combined Authority's corporate risk register is maintained and considered regularly by the Governance and Audit Committee, with risk management comprising a standard item on the agenda for this committee.

Building on the work previously undertaken on risk management, work continued to consolidate all risk registers throughout the organisation and to ensure that risk is considered consistently in line with the RMS (Risk Management Strategy) Development Plan led by the Risk & Compliance Manager and endorsed by the Governance & Audit Committee.

Quality Assurance and Improvement Programme

Internal Audit's Quality Assurance and Improvement Program ensures that activity is assessed against the requirements of professional standards, the definition of Internal Audit, and the Code of Ethics as specified by the Global Institute of Internal Auditors.

An independent External Quality Assessment (EQA) which assessed the Internal Audit function in relation to compliance with Public Sector Internal Auditing Standards (PSIAS – the standards in place at the time of the review) was undertaken in December 2024. The conclusion was that the Internal Audit activity **generally conforms** to the definition of internal auditing, the Code of Ethics and the PSIAS. This is the most positive rating that can be achieved. The QAIP has been updated as a result of the EQA and progress against implementing changes to audit processes/activity as a result of recommendations from the EQA are in progress with reporting to Governance and Audit Committee on a regular basis.

Reviewing the effectiveness of the governance framework for Policing and Crime Functions

The Mayor has overall responsibility for the discharge of all the powers and duties placed upon her and has a statutory duty 'to maintain an efficient and effective police force'. The JIAC considers the adequacy of the governance framework, referring matters to the Mayor and/or Chief Constable as appropriate.

The Chief Constable has responsibility for conducting a review of the effectiveness of the governance framework within WYP at least annually. WYP's Internal Audit provided an independent opinion on the adequacy and effectiveness of the system of internal control and concluded that reasonable assurance can be given regarding the overall internal control environment in the last opinion provided.

In terms of the Mayor's Police and Crime Plan, governance arrangements to support the development and delivery of the Police and Crime Plan includes a range of partnership boards including the Local Criminal Justice Board, the Combatting Drugs Partnership, Vision Zero Board, Domestic and Sexual Abuse Board, Criminal Justice and Mental Health Forum and the West Yorkshire Anti-Slavery Partnership, all chaired by the Deputy Mayor for Policing and Crime. The Mayor held regular strategic meetings with the Chief Officer Team (COT) to look at how WYP could best deliver on the priorities in the Plan.

The Mayor maintains a risk register focused on key risks associated with delivery of the Police and Crime Plan, and the working of the Policing and Crime Team. The Mayor also maintains strategic oversight of risk management arrangements in WYP through reports to the JIAC. A revised structure of regular governance and accountability meetings with the Chief Constable has been implemented by the Mayor with monthly and quarterly Governance meetings and quarterly Performance Scrutiny and public Community Outcomes meetings.

The Mayor and Chief Constable have established a new Joint Independent Ethics Committee to provide independent expert advice to the Mayor and Chief Constable on significant ethical issues and considerations in current and planned work and a referral mechanism for ethical issues from other accountability or scrutiny boards. The first committee meeting took place in November 2024.

5. Programme of Improvement

During 2024/25 the Combined Authority focused on maturing the organisation's corporate planning and performance approach to align to the changes made in the previous year to convert the organisation's operating model from process driven to outcome focussed. In 2024/25 focus was on embedding the operational approach into key processes that establish the strategic ambitions into corporate priorities and then strengthening the outputs that will evidence the outcomes delivered.

Key improvement activity focused on supporting outcome directorates to move into longer term planning processes to cover the mayoral term. Planning was aligned to the Missions in the West Yorkshire Plan allowing pan organisational approach to delivering key corporate priorities and ensuring that the resourcing plan was viewed holistically to include enabling services. This process was also done considering the changes to the Mayoral Combined Authority's powers and responsibilities expected next year along with the financial flexibilities that will follow as Integrated Settlement is implemented for March 2026.

Introduced 2024/25 the Combined Authority agreed a new Performance Management Framework and implemented a new reporting system for directorates to report against milestones and output targets. The Performance Board was formed to provide governance of organisational performance and introduced performance management tools in increase internal accountability for underperformance. Work has progressed to create an outcomes framework that will support both the integrated settlement but also wider Combined Authority ambition.

The programme of transformation was set up in 2023/24 to identify and commence delivery of a suite of enhancements to the Corporate Centre functions to ensure organisational readiness to deliver the ambitions of the large-scale change programmes such as Bus Reform, Mass Transit and Better Homes Hub over the coming years. The programme covers four themes: Finance and Commercial; People and Culture; Governance and Assurance; and Data and Systems. Workstreams within these themes will be mobilised to ensure the Corporate Centre is able to pivot to support delivery at pace.

As part of the Combined Authority's digital programme, a project of work is underway to fully implement and provide assurance against the Information Commissioner's Data Protection Accountability Framework.

The Combined Authority's s.73 Officer works closely with the Assistant Chief Officer in West Yorkshire Police to retain an oversight of financial governance and the Combined Authority's s.73 Officer and Monitoring Officer are represented on Mayor's Quarterly Governance meeting with the Chief Constable.

6. Significant Governance Issues

This section considers any significant issues that have arisen during the year. This is by exception only.

Asset Management Approach

Asset Management has seen some significant challenges as a result in part due to the closure, and subsequent reopening, of Bradford Interchange. A programme of monitoring and continual assessment is in place. In order to prevent and mitigate for a similar scenario, an action plan is in place to undertake a full building and asset condition survey of the estate. This will provide reassurance and instigate both management and financial planning to remedy any future perceived defects before they arise. Alongside this there are some key contracts which are being renewed including Building Fabric Maintenance, Valuation Services and Security and Cleaning.

White Rose

Following the halting of construction of White Rose rail station and termination of the build contract in Spring 2024, work has been undertaken to review the financial position of the project and consider options to complete delivery of the station. A report was approved at the May 2025 Combined Authority meeting to approve the funding to close out project legacy issues. A further report will be provided to the Combined Authority to set out a project plan and funding strategy for project completion, later in the year.

Statement of Accounts 2023/24

A consolidation issue arose when producing the group accounts of the Combined Authority and West Yorkshire Police, with the transfers that had taken place between the two entities not being removed and so were double counted. In addition, there were immaterial differences on some associated accounts. The accounts have been corrected and an improvement plan implemented for the production of the 2024/25 statement of accounts.

Statement of Accounts 2024/25

The Authority's Financial Accounting Team performed a pre-audit proactive internal review of the draft Statement of Accounts for the period ending 31st March 2025, to identify any potential significant misstatements. A number of material misstatements were identified as a result of this work and have been rectified in the final statement of accounts. A revised improvement plan is being implemented for production of the 2025/26 statement of accounts.

Core Controls 2024/25

Whilst The Authority completed monthly bank reconciliations through 2024/25 it was identified, after the year-end, the reconciliations had not properly reconciled the bank balance to the Authority's general ledger core controls. This deficiency exposed the Authority to significant risk in relation to the proper operation of controls and assurance over its accounting records in the general ledger. To address this controls deficiency, the Authority.

- Has addressed the backlog of bank reconciliations that had not been properly completed in 2024/25.
- Is ensuring robust processes are in place for preparing and reviewing a monthly bank reconciliation.
- Is in the process of producing relevant system notes and is training relevant staff to ensure staff completing the bank reconciliations understand the process to be undertaken.

Adult Skills Fund Procurement

The Adult Skills Fund re-procurement has been successfully concluded and contracts have been awarded. A thorough internal review of adult skills commercial and procurement processes was conducted and recommendations are being implemented. In the medium term, this will include securing dedicated resource to ensure the breadth and depth of legal, commercial and procurement expertise is available.

CIA Systems Implementation

Our new CiAnywhere management system is designed to deliver a single solution platform that delivers enhanced accessibility, security and more efficient ways of working across our organisation.

2023/24 saw the initial implementation of our integrated HR and Payroll modules, while 2025/26 is forecast to implement:-

- Finance Reporting Module – linked to our project coding and resource accountability approach.
- Enterprise Asset Module – supporting our strategic asset management strategy.
- Commercial Management Module – encompassing our centralised commercial register.

Acknowledging the risks associated with large systems and data led transformational projects similar to this, our programme of work is resourced and led by a dedicated Programme Manager and sponsored by the Assistant Director of People and Transformation. Progress, performance and risk is managed through our performance management regime. As with all new programmes, the implementation of the CiAnywhere system has highlighted gaps in workflow controls, closure processes and data assurance. These are being addressed through a structured improvement programme.

7. Governance Improvement Plan for 2025/26

This year's assessment has identified specific governance issues that require further attention. These matters are being actively managed through agreed improvement actions, and the Authority will continue to prioritise strengthening the governance systems and control. During 2025/2026 action will be taken:-

- To maintain and develop the support to the independent chair and the two independent members of the Governance & Audit Committee (all of whom bring substantial relevant experience to their roles).
- That the Governance & Audit Committee will receive regular updates on outstanding internal audit recommendations.
- That the compliance dashboard and reporting considered by the Governance & Audit Committee, currently under revision, will enable clearer identification of compliance and governance issues, that the committee can more easily interrogate and challenge. This will be in place for the autumn cycle.
- To ensure actions identified by senior leadership as part of the Directors Assurance Statement process are monitored. Monitoring will take place via the internal officer Performance Board, the externally facing member committees.
- That Officers will routinely attend Finance, Resources & Corporate and the Governance & Audit Committees to answer member challenge.

- That the Chair of Scrutiny attends all meetings of the Finance, Resources & Corporate and the Governance & Audit Committees.
- That a rolling programme of training will commence in the summer to support members of the Scrutiny, Finance, Resources & Corporate, and Governance & Audit Committees or such superseded governance arrangements that apply post Annual Meeting in June 2026..
- To materially reduce the number of overdue internal audit recommendations and publish quarterly progress updates to Governance & Audit Committee and thereby improve management responsiveness to internal audit through strengthened escalation routes and performance monitoring.
- To publish the 2025/26 draft Statement of Accounts within statutory deadlines and free from material error.
- To strengthen financial controls relating to reconciliations, payroll, closure processes and system-generated postings.
- To progress and achieve Cyber Essentials and Cyber Essentials Plus accreditation.

8. Conclusion

We are satisfied that there has been an adequate framework of controls in place over the financial year 2024/25. However, the controls are not being consistently applied by all areas of the organisation. While the Combined Authority continues to operate an established governance framework, the review undertaken has identified material weaknesses and inconsistencies in the application of some financial and operational controls. These weaknesses could limit the level of assurance that can reasonably be placed on the control environment at year-end. It is noteworthy that with the Combined Authority has initiated a strengthened programme of governance and internal control. With sustained focus and delivery of the improvement actions set out in this Statement, the Authority expects to make significant progress during 2025/26 and the Governance & Audit Committee will continue to oversee progress

Appendix A: Governance and Audit Committee Member Observations (February 2026). The Committee considered the AGS and highlighted a number of governance issues and areas for further strengthening. These comments have been recorded in full in this appendix and reflected, where appropriate, in amendments to the AGS.



Tracy Brabin
Mayor and Chair

Date: 26/2/26



Ben Still
Chief Executive

Date: 26/2/26