



Auditor's Annual Report
West Yorkshire Combined Authority– year ended 31 March 2025

February 2026

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Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to West Yorkshire Combined Authority. It has been prepared for the sole use of the Governance and Audit Committee as the appropriate sub-committee charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

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Introduction

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for West Yorkshire Combined Authority ('the Authority') for the year ended 31 March 2025. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 26 February 2026. Our opinion on the financial statements was disclaimed.



Value for Money arrangements

In our audit report we reported that we were not satisfied arrangements were in place for the Authority to secure economy, efficiency and effectiveness in its use of resources, this is because we issued a recommendation in relation to a significant weakness in those arrangements that is relevant to the 2024/25 financial year. Section 3 provides our commentary on the Authority's arrangements and a summary of our recommendations and the weaknesses identified.



Reporting to the group auditor

In line with group audit instructions issued by the NAO, we have undertaken work on the Authority's Whole of Government Accounts (WGA) return in line with their instructions. We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.



Wider reporting responsibilities

We have matters to report in relation to our wider reporting responsibilities.

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Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2025 and of its financial performance for the year then ended. Our audit report, issued on 26 February 2025 gave a disclaimed opinion on the financial statements for the year ended 31 March 2025.

During the course of the audit, the Authority identified 7 misstatements in the draft financial statements that were above our reporting threshold. The Authority have amended the financial statements for these errors.

We also reported one internal control recommendation in relation to the bank reconciliation process.

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Our work on Value for Money
arrangements

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.



Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 20.

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - we make these recommendations for improvement where we have identified a significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	12	No	No	No
 Governance	15	Yes – and a continuing weakness from prior year on page 20 and 21.	Yes – see recommendation on page 20 and 21	Yes (page 22)
 Improving economy, efficiency and effectiveness	18	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability

Background to WYCA’s operating environment

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.

In March 2024, the Mayor of West Yorkshire took the decision to bring buses back under local control by introducing the Franchising Scheme. Routes, frequencies, fares and overall standards for buses in the region will be set by the West Yorkshire Combined Authority (the Authority), not private operators, who will instead be contracted to run services on the Authority’s behalf.

The Authority, in collaboration with partner councils, is developing a Mass Transit system which will offer a new public transport option and an alternative to car travel. In 2024/25 the Authority have progressed plans, with further work ongoing in 2025/26 on consultations and the business case. The Authority anticipates the funding and finance strategy will be agreed in 2026/27 with award of contracts to be completed in 2030.

Financial planning and monitoring arrangements

In February 2024, the Authority approved balanced revenue and capital budgets for 2024/25. Our review of Finance, Resource and Corporate Committee reports has provided assurance that projected budget outturn was regularly reported throughout the reporting period. The Authority also set a balanced budget for 2025/26 in January 2025. We have also considered the arrangements in respect of budget management as part of the Governance criteria on page 15 of this report.

The Authority reported its year-end financial position to the Finance, Resource and Corporate Committee and to the Combined Authority Committee. Review of the finance reports throughout 2024/25, provides assurance that they contain commentary of performance against revenue, with explanations for any significant variances

detailed in the report. The finance reports also contain information on project outturn spend against the approved capital programme and reasons for variances.

The following table, highlights key information from the Authority’s reported financial outturn for 2024/25.

	2024/25
Budget outturn (surplus/deficit)	£27.1m surplus
Budgeted expenditure	£376.3m
Capital Outturn	£320.9m
Capital programme budget	£474.6m
% of capital programme	67.6%

The surplus on the revenue budget was driven largely by additional interest being received on short term investments, additional income in relation to Enterprise Zone, and underspend on staff costs related to the revenue impact from a review of the capitalisation of costs.

The capital programme was revised in December 2024, and the outturn position was 96% of the revised forecast. The underspend against the original budget is as a result of the development and delivery of projects taking longer than expected, delays arising from interfaces with other projects (including those outside the Authority’s control) and delays in decisions around funding by the external funding bodies.

As the Authority embark on major new capital projects in future years, the need for realistic budgeting and projections, with close monitoring of outturn becomes ever more important.

VFM arrangements – Financial Sustainability

Overall commentary on Financial Sustainability - continued

In its September 2025 Quarter 1 Finance, Resource and Corporate Committee report the Authority confirms that it is projecting to deliver its balanced revenue budget in 2025/26. The total capital forecast spend for 2025/26 is £442.8m. The majority of Combined Authority's capital spend continues to be on the transport related activity, with 85% of the total on the transport funding programmes. Actual expenditure in 2025/26 is concentrated on four major programmes: City Region Sustainable Transport Settlement (CRSTS), the Transforming Cities Fund (TCF), the West Yorkshire plus Transport Fund and the Brownfield Housing Fund (BHF). As at Quarter 1, the Authority has incurred spend of £49.7 million which equates to circa 11% of the capital programme.

Consistent with the Authority's arrangements in previous years, the Authority has several financial strategies and multi-year financial plans in place. However, these have not been collated into a single Medium-Term Financial Strategy (MTFS) document. During 2025/26 the Authority have progressed their plans to produce a Medium Term Financial Plan and this is intended to be reported as part of the 2026/27 budget setting cycle. In our 2022/23 Auditors' Annual Report we made an 'other recommendation'. This remains valid for 2024/25.

Other recommendation: The Authority should develop a Medium Term Financial Strategy, bringing together all known factors affecting the Authority's financial sustainability and linking the Authority's financial strategy to the West Yorkshire Plan. This will enable the Authority to balance the financial implications of its key business objectives and policy decisions against resource constraints and will facilitate better strategic decision making.

Arrangements for the identification, management and monitoring of funding gaps and savings

As part of the budget planning process, the Authority identifies cost pressures through a number of mechanisms including, a baseline review of the previous year's budget outturn, zero-based budgeting exercises, and cross-directorate analysis. Key methods used in the process include: Refreshing financial assumptions – this includes inflation, interest rates, pay awards, government funding and economic factors.

Re-baselining forecasts - Directorates review and update revenue and capital programme forecasts, incorporating changes from delivery timelines, new areas (e.g. for 2025/26 and beyond: bus franchising and mass transit), and external funding streams.

Risk and variance analysis: information from the quarterly financial performance monitoring highlights variances and emerging pressures which are fed into the medium term financial plan.

Scenario planning and modelling: developing multiple scenarios for funding reductions, inflationary pressures, and capital slippage, supported by external expertise where required.

Cross-cutting integration: Pressures are evaluated against strategic priorities in the West Yorkshire Plan and Local Growth Plan, including climate emergency and inclusive growth. Market failure assessments ensure public intervention is justified, while equality impact assessments address equity-related risks.

Arrangements and approach to financial planning (2024/25 and 2025/26)

Balanced budgets for 2024/25 and 2025/26 were approved by the Combined Authority Committee in February 2024 and January 2025 respectively. Budgets are predicated by outcome-led directorate operating models and are linked to the seven corporate objectives, per the vision set out in the West Yorkshire Plan. The table below highlights the headline budget figures for each year:

	2024/25	2025/26
Revenue budget	£387.5m	£443.8m
Transfers to reserves	£19.2m	-
Capital budget	£478.3m	£447.9m

Consistent with governmental strategy, the capital budget is predicated by a significant increase in funding, received since the transformation to a Mayoral Combined Authority. This has enabled the Authority to develop and expand its transport and economic development programmes.

Funding for the Combined Authority comes from a mix of government grants, local levies, and other income to support sustainable delivery.

Following consultation with the constituent West Yorkshire Councils, the Authority did not increase the transport levy for 2024/25, which remains unchanged from 2022/23 at £92.2m, however an increase from 2026/27 was agreed. The 2025/26 budget includes significant increase in revenue funding for the Bus Service Improvement plan. The budget is closely linked to the missions set out in the West Yorkshire Plan.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Overall commentary on Governance

We have outlined below the risks of significant weaknesses in arrangements that we have identified as part of our continuous planning procedures, and the work undertaken to respond to each of those risks.

Risk of significant weakness in arrangements	Work undertaken and the results of our work
<p>1 Key financial controls</p> <p>From discussions with officers, and our audit planning work, the Authority has identified concerns regarding the timely and accurate completion of the bank reconciliation during 2024/25.</p> <p>Given the importance of the bank reconciliation to the integrity of the financial records, we consider there to be a risk of significant weakness in the governance arrangements relating to the internal control framework.</p>	<p>Work undertaken</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> • discussions with senior officers; • document and understanding the controls operating through 2024/25; • reviewing the bank reconciliation process undertaken during 2024/25; and • assessing whether the controls have been designed and implemented to ensure a robust control framework which provides assurance on the integrity of the financial records. <p>Results of our work</p> <p>We have concluded there is a significant weakness in arrangement in relation to the bank reconciliation process. Further detail has been included on page 20.</p>

Risk management and monitoring arrangements

As part of the Authority's governance framework, the Combined Authority has overall responsibility for the risk management framework. Operationally, the framework is managed by Internal Audit, and the Governance and Audit Committee has the responsibility for providing the Authority with assurance that the risk management process in place is effective. The Authority has a Risk Management Strategy in place that includes a risk policy, risk appetite and a Risk Management Strategy Development Plan.

Teams and directorates maintain and update their own risk register, which feeds into the corporate risk register at the organisation level. We have reviewed an example risk register and confirmed it is sufficiently detailed to allow for effective risk management.

The corporate risk register is built from the team and directorate risk registers and provides the senior leadership team with oversight of the key risks faced by the Authority. Each risk is assigned a risk owner and scored via a probability-impact matrix, with mitigating actions identified to reduce the risk to a tolerable level. Regular updates are taken to the Governance and Audit Committee on key risk management activities within the organisation, providing assurance over the effectiveness of the arrangements in place. Operational teams update their risk registers on a regular basis, with senior leadership overseeing the key risks. Our attendance at Governance and Audit Committee has confirmed the risk register is subject to regular scrutiny.

To provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Authority has a team of internal auditors, led by the Head of Internal Audit. The annual Internal Audit plan is agreed with management at the start of the financial year and reviewed by the Governance and Audit Committee prior to final approval.

Attendance of Governance and Audit committee has confirmed that Internal Audit's work is planned on a risk-based approach. Risk ratings of each audit area determines the frequency of audit, with key areas such as Information Systems and Finance being subject to annual audit procedures. Progress reports are presented to each Governance and Audit Committee meeting which includes follow up reporting of recommendations not fully implemented by agreed due dates. This allows the Committee to effectively hold management to account on behalf of the Authority. At the end of each financial year the Head of Internal Audit provides an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control. In 2024/25 the opinion, based on the outcome of their work in the audit plan was 'operating less than adequately'. The conclusion reflects the audit plan being focused on risk areas the Authority expected to require improvements to strengthen the control framework. The Authority have arrangements in place to monitor progress of implementation of Internal Audit recommendations. The Governance and Audit Committee review and challenge this progress on a regular basis.

VFM arrangements – Governance

Overall commentary on Governance - continued

The 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. 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. 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. Review of meeting minutes, provides assurance that decisions which require 'new' investment or expenditure for capital projects or schemes not included in the annual budget must be presented to the Authority for consideration and approval before any expenditure can be incurred.

All reports follow a standard format which ensures that all business, strategic, commercial, economic and financial aspects of the scheme have been considered in reaching the recommended decision.

WYCA has a full suite of governance arrangements in place. These are set out in the Authority's Statement of Accounts and Annual Governance Statement. We reviewed these documents as part of our audit and confirmed they were consistent with our understanding of the arrangements in place. In addition to the Constitution, WYCA has Codes of Conduct that officers and members need to be aware of and adhere to. All formal meetings include a request for Declarations of interests from all attendees at the start of the meeting. The Authority also has a Gifts and Hospitality policy which sets out the limited occasions when gifts or hospitality may be acceptable.

Arrangements for budget setting and budgetary control

The Authority approaches its annual budget setting as an integrated, outcome-led process that aims to provide financial sustainability, statutory compliance, and alignment with strategic priorities outlined in the West Yorkshire Plan and Corporate Plan.

The Authority runs a detailed annual budget setting process whereby budget holders for each directorate are required to provide detailed budgets for all cost and income headings within their directorate. This process is completed for both revenue and capital budgets, with the latter being indicative spend, funding and borrowing requirements. The financial planning process is developed in conjunction with the business and corporate planning process. Each Directorate are required to submit multi-year budgets which are reviewed by senior management and by members. The Authority also run public and stakeholder engagement exercise to gather views on priorities. The budget setting process is an iterative, building on prior year performance, and other changes, and results in full approval of the budget at the February Combined Authority meeting.

The Authority also sets indicative budgets for a three-year period (including the current year's budget), which are refreshed as more up to date information becomes available.

Throughout the year budget holders are required to produce an updated budget, or reforecast, for the full year. This is based on actual results to date and a re-review of the budget for the remainder of the year based on recent trends and known changes to future projections.

Following approval of the budget, progress against targets is then monitored on a regular basis including the preparation of monthly management accounts and challenge on key variances to agreed budgets. A member of the finance team attends Governance and Audit Committee, so they aware of any financial issues raised, and can raise appropriate challenge to ensure the financial aspects of any key decisions have been appropriately considered.

Decision making arrangements and control framework

The Authority has an established governance structure which is set out within its Annual Governance Statement. This is supported by the Authority's constitution and scheme of delegation which shows the levels of authority required for all key decisions. Executive Directors have clear responsibilities linked to their roles and the Board Sub-Committee structure in place at the Authority allows for effective oversight of operations and activity. In January 2025, guidance was issued for the Decision Making Process, and a new template introduced to ensure consistency and completeness of information that is presented when making decisions

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on Improving Economy, Efficiency and Effectiveness

Arrangements for assessing performance and evaluating service delivery

The West Yorkshire Plan sets out an ambitious vision and five missions for 2040 that will drive the work to transform lives and communities across the region. The Plan has been developed and will be driven forward by the West Yorkshire Combined Authority and five Local Authorities, in consultation and partnership with a range of private, public and voluntary, and community sector partners. The five missions set out in the plan are:

- A prosperous West Yorkshire – an inclusive economy with well paid jobs;
- A happy West Yorkshire – great places and healthy communities;
- A well-connected west Yorkshire – a strong transport system;
- A sustainable West Yorkshire - making lives greener; and
- A safe West Yorkshire – a region where everyone can flourish.

Each year the Authority agrees its Corporate Plan which outlines its contribution to the West Yorkshire Plan missions.

As part of the business planning process, the Authority has developed a set of key performance indicators (KPIs) linked to these missions. Throughout the year Heads of Service report progress against business plan outcomes and KPIs, as well as highlighting any operational business risks. The KPIs have been designed to provide a summary level overview of organisational performance against the Authority's overarching corporate objectives.

In 2024/25 performance was routinely monitored and reported to the Finance, Resources and Corporate Committee as part of the 'corporate planning and performance' report. Any performance or delivery issues highlighted were considered and mitigations or remedies were documented. Review of the year-end report has not highlighted any significant performance issues.

During the year, a new Police and Crime Plan was published for the period 2024 – 2028. This plan builds on the progress of the previous 2021 – 2024 plan and sets out a renewed vision for safety, justice and inclusion across the region. Performance against the plan is reported to the Police and Crime Panel.

Arrangements for effective partnership working

The Authority works closely with the five local authorities in West Yorkshire and the Leeds City Region in delivering its priorities, per the Authority's Corporate Plan.

In May 2025 the Authority published its updated 'West Yorkshire Plan'. This sets out an overall strategic vision and sets out 5 missions which have been agreed by the Authority and its partners (the 5 West Yorkshire Councils). The missions are to make West Yorkshire a prosperous, happy, well-connected, sustainable, and safe place by 2040. These missions will provide the overall direction for the Authority and its partners, and will inform its corporate objectives, multi-year outcomes and annual business plans. The Plan has been used to inform the budget setting process in 2025/26.

As in previous years the Authority participates in sub-regional networks, across the North of England. These collaborations are intended to overcome the challenges posed by the unbalanced UK economy and to develop the Northern Powerhouse. Currently the Authority plays an active role in 'Transport for the North' (England's sub-national transport body) and the 'NP11' group, which is an association for the 11 Enterprise Partnerships across the Northern Powerhouse area.

There is a partnership agreement in place between the Authority and the NHS West Yorkshire Integrated Care Board (ICB) that sets out shared commitments to working together on the factors that affect population health: fair economic growth, climate, tackling inequality.

Arrangements for commissioning services

The Authority maintains a robust framework for procurement that prioritises compliance, value for money, and strategic alignment with regional goals such as inclusive growth, sustainability, and climate action. This is guided by the Procurement Strategy 2020-2025, Contract Standing Orders, and the broader Assurance Framework, which integrate legal requirements, professional best practices, and internal controls. The Contract Standing Orders have been updated in 2024/25 to reflect the Procurement Act 2023, emphasising transparency, exclusion grounds for issues like modern slavery, and enhanced due diligence. These mechanisms support the Authority's role as an accountable body for public funds, including devolved grants and partnerships. Standardised templates and procurement standing orders are used throughout the procurement process to ensure consistency of approach.

VFM arrangements

Identified significant weaknesses in arrangements and our recommendations



VFM arrangements - Identified significant weaknesses and our recommendations

Identified significant weaknesses in arrangements and recommendations for improvement

As a result of our work we have identified a significant weakness in the Authority’s arrangements to secure economy, efficiency and effectiveness in its use of resources. This identified weakness has been outlined in the table below.

Identified significant weakness in arrangements	Financial sustainability	Governance	Improving the 3Es	Recommendation for improvement	Our views on the actions taken to date
<p>Key financial controls</p> <p>The Authority completed monthly bank reconciliations through 2024/25 but identified after the year-end that the process followed had not properly reconciled the bank balance to the Authority’s general ledger.</p> <p>The bank reconciliation is a fundamental basis for the effective operation of financial controls and should be a regular confirmation of the integrity of the Authority’s general ledger. The lack of a properly completed bank reconciliation is a deficiency in these expected controls. This deficiency exposes the Authority to significant risk in relation to the proper operation of controls and assurance over its accounting records in the general ledger. In our view this is evidence of a significant weakness in governance arrangements (how the Authority ensures effective processes and systems are in place to ensure budgetary and communicate relevant, accurate and timely management information).</p>		●		<p>The Authority should:</p> <ol style="list-style-type: none"> 1. Ensure robust processes are in place for preparing and reviewing a monthly bank reconciliation; 2. Address the backlog of bank reconciliations that have not been properly completed; 3. Produce relevant system notes and provide training to ensure staff completing the bank reconciliation understand the correct process. 	<p>Since the year end, officers have reviewed the bank reconciliation process. The bank reconciliation has now been reconciled appropriately for the period April to August 2025. A reconciliation of September – December 2025 is underway. Once complete, the Authority intends to complete the bank reconciliation on a monthly basis.</p> <p>The Authority are taking actions to address the weakness.</p>

VFM arrangements – Prior year significant weaknesses and recommendations

Progress against significant weaknesses and recommendations made in a prior year

As part of our audit work in previous years, we identified the following significant weakness, and made a recommendation for improvement in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. This identified weakness has been outlined in the table below, along with our view on the Authority's progress against the recommendation made, including whether the significant weakness is still relevant in the 2024/25 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Authority progress	Overall conclusions
<p>Financial Reporting Arrangements Draft financial statements for the year ending 31 March 2022 were published on 29 July 2022 and the financial statement's audit was concluded 29 November 2023. The delay in finalising the 2021/22 financial statement's audit was caused by:</p> <p>Departures from the Authority's finance team hindered the Authority's capacity to assist the audit process. The authority did not have contingency arrangements in place to address the loss of expertise, leading to delays addressing audit queries and finalising the financial statements, significantly prolonging the audit period.</p> <p>In our view this is evidence of a significant weakness in arrangements at the Authority, specifically in relation to the governance reporting criterion, in how the body ensures effective processes and systems are in place to support its statutory financial reporting requirements.</p>	<p>Governance</p>	<p>The Authority should:</p> <ul style="list-style-type: none"> ensure the finance team has the capacity and capability to produce reliable and fully supported annual financial statements; and establish and adhere to a detailed accounts closedown plan to support production of its annual financial statements in line with the statutory timescales. 	<p>During the 2024/25 closedown process for the accounts the finance team was strengthened and capacity increased. A revised closedown process was followed for 2024/25, which included a detailed timetable to support the process, weekly meetings of key staff and senior engagement. As a result of the improvements made the Authority published its draft statements on 17 July 2025 considerably earlier than in the previous year, although after the statutory deadline of 30 June. The Authority recognises the need to maintain a strong finance team and continue to build knowledge and capacity in the team. Following a key departure in 2025/26 the Authority is reviewing the structure of the team to ensure it has the appropriate skills and capacity to support the Authority and deliver its statutory financial reporting responsibilities. Following publication of the draft accounts the Authority identified material errors in the financial statements and made amendments to correct those errors.</p>	<p>The Authority improved its arrangements in 2024/25 and published its financial statements earlier than in previous years. Subsequently to publishing the draft accounts the Authority identified material errors in the draft statements and made amendments to those accounts, including to the prior period comparators. The Authority is aware of the further improvements that are required to publish materially correct draft statements by the statutory deadline and is focused on delivering those improvements in 2025/26.</p> <p>In our view the weakness was still in place for 2024/25.</p>

VFM arrangements – Prior year significant weaknesses and recommendations

Progress against other recommendations made in a prior year

As part of our audit work in previous years, we identified the following ‘other recommendations’ We have provided an update on progress.

Recommendation	Authority progress	Overall conclusion
<p>1 The Authority should develop a Medium Term Financial Strategy, bringing together all known factors affecting the Authority’s financial sustainability and linking the Authority’s financial strategy to the West Yorkshire Plan. This will enable the Authority to balance the financial implications of its key business objectives and policy decisions against resource constraints and will facilitate better strategic decision making.</p>	<p>The Authority have continued to improve its medium term financial planning through 2024/25 and 2025/26 to ensure the longer term impact of decisions is considered. The Authority recognises this is crucially important as it continues with its key large scale strategic projects over the medium term. The Authority intends to produce a Medium Term Financial Strategy as part of the budget planning for 2026/27.</p>	<p>The recommendation remains relevant for 2024/25.</p>

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We have received no such correspondence.

Reporting to the group auditor

Whole of Government Accounts (WGA)

The National Audit Office (NAO), as group auditor, requires us to complete the WGA Assurance Statement in respect of its consolidation data. We have been unable to conclude our work as we have not yet received confirmation from the NAO that the group audit of the WGA has been completed and that no further work is required to be completed by us.

05

Audit fees

Audit fees and other services

Fees for work as the Authority's appointed auditor

Public Sector Audit Appointments (PSAA) determine the scale fee for the Authority's audit and publish this each November. The scale fee covers the work required as the Authority's appointed auditor under the NAO Code of Audit Practice. The scale fee for 2024/25 was set at £237,072 (£95,792 for 2023/24).

As we have been unable to complete the required procedures to complete our audit before the backstop date, we have proposed a reduction in the scale fee in line with the proportions approved by PSAA for the previous year.

Final fees are subject to review and approval by PSAA.

Area of work	2024-25 Proposed Fee	2023-24 Actual Fee
Work to support the financial statements audit including time to plan the audit and issue the disclaimer opinion.	£67,405	£27,236
Work completed to assess the Council's value for money arrangements and issue our value for money commentary	£75,741	£30,604
Additional work on value for money risks of significant weaknesses	£9,840	£4,000
Total	£152,986	£61,840

Fees for non-PSAA work

We have not been engaged by the Authority to carry out any additional work

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