

# Public Document Pack



Wednesday, 13 January 2021

To: Members of the SCR - Audit and Standards Committee and Appropriate Officers

## NOTICE OF MEETING

You are hereby summoned to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Virtual Meeting**, on: **Thursday, 21 January 2021 at 11.00 am** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read 'D. Smith'.

Dr Dave Smith  
**Chief Executive**

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## Member Distribution

Councillor Allan Jones (Chair)  
Rhys Jarvis (Vice-Chair)  
Councillor Josie Paszek  
Councillor Ian Auckland  
Councillor Jeff Ennis  
Angela Marshall  
Councillor Austen White  
Councillor Ken Wyatt  
Councillor Allen Cowles  
Cllr Phillip Lofts

Doncaster MBC  
(Independent Member)  
Sheffield City Council  
Sheffield City Council  
Barnsley MBC  
(Independent Member)  
Doncaster MBC  
Rotherham MBC  
Rotherham MBC  
Barnsley MBC

**SCR - Audit and Standards Committee**

**Thursday, 21 January 2021 at 11.00 am**

**Venue: 11 Broad Street West, Sheffield S1 2BQ**



## **Agenda**

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2.	Urgent Items/Announcements	Cllr Richard Jones	
3.	Items to be Considered in the Absence of Public and Press	Cllr Richard Jones	
4.	Declarations of Interest by any Members	Cllr Richard Jones	
5.	Reports from and Questions by Members	Cllr Richard Jones	
6.	Questions from Members of the Public	Cllr Richard Jones	
7.	Minutes and Actions of the Previous Meeting held on 29th October 2020	Cllr Richard Jones	5 - 12
8.	Matter arising and actions	Cllr Richard Jones	13 - 14
9.	Integration Of The PTE With The MCA Update	Dr R Adams	15 - 18
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15.	Work Plan for 2020/21	Mrs C James	95 - 98
<b>Date of next meeting:</b> Thursday, 18 March 2021 at 11.00 am <b>At:</b> 11 Broad Street West, Sheffield S1 2BQ			

**SCR - AUDIT AND STANDARDS COMMITTEE**

**MINUTES OF THE MEETING HELD ON:**

**THURSDAY, 29 OCTOBER 2020 AT 10.00 AM**

**11 BROAD STREET WEST, SHEFFIELD S1 2BQ**



**Present:**

Councillor Allan Jones (Chair)	Doncaster MBC
Rhys Jarvis (Vice-Chair)	(Independent Member)
Councillor Josie Paszek	Sheffield City Council
Councillor Ian Auckland	Sheffield City Council
Councillor Jeff Ennis	Barnsley MBC
Angela Marshall	(Independent Member)
CLlr Phillip Lofts	Barnsley MBC
Councillor Ken Wyatt	Rotherham MBC

**Officers in Attendance:**

Dr Dave Smith	Chief Executive	MCA Executive Team
Gareth Sutton	Chief Finance Officer/S73 Officer	MCA Executive Team
Dr Ruth Adams	Deputy Chief Executive	MCA Executive Team
Mike Thomas	Senior Finance Manager/ Deputy S73 Officer	MCA Executive Team
Claire James	Senior Governance & Compliance Manager	MCA Executive Team

**In Attendance**

Lisa MacKenzie	Internal Audit
Andrew Smith	External Audit
Gillian Richards (Minute Taker)	

**1 Welcome and Apologies**

The Chair welcomed everyone to the meeting.

There were no apologies.

**2 Urgent Items/Announcements**

None.

**3 Items to be Considered in the Absence of Public and Press**

None.

4 **Declarations of Interest by any Members**

None.

5 **Reports from and Questions by Members**

None.

6 **Questions from Members of the Public**

None.

7 **Minutes and Actions of the Previous Meeting**

Cllr Ennis informed the Committee that Cllr Lofts had replaced Cllr Richardson on the Committee. He suggested sending a letter of thanks to Cllr Richardson for all his work on the Committee. This was agreed.

With regard to a joint meeting with the Overview and Scrutiny Committee, members felt this would still be beneficial and requested that a joint meeting be arranged for January 2021 This would enable discussions around governance and the Bus Review Response schedule and any changes planned due to the Covid-19 situation.

RESOLVED – That the minutes of the meeting held on 16<sup>th</sup> July 2020 be agreed as a true record.

8 **External Audit Progress Update**

A report was submitted that provided an update on the external audit process for the 2019/20 statutory MCA financial accounts.

Members were reminded that under the Committee's Terms of Reference they were obliged to make a recommendation to the MCA Board on whether to accept and approve the audited annual Statement of Accounts.

This meeting of the Committee had been planned to enable the Committee to receive the external auditor's final opinion on the accounts and take a decision on whether to formally endorse the accounts to the MCA Board.

The Committee was informed that, although the audit of the MCA's accounts was substantially complete, the audit of the South Yorkshire Pension Fund had still not been completed. Until this had been received that auditor would be unable to release his formal opinion. It was noted that the external auditor believed that the audit opinion would be ready for release by the paper deadline of 6<sup>th</sup> November.

The report gave details of options available to the Committee. These included calling an additional single-item meeting before the 6<sup>th</sup> November to formally receive the audit opinion or delegate the endorsement of the accounts to the Chair and Vice-Chair of the MCA Audit Committee and SYPTE Audit

Committee.

After a discussion it was decided to delegate the decision as described above providing there had been no material changes to the accounts.

RESOLVED – That the decision on whether to formally endorse the accounts to the MCA Board be delegated to the Chair and Vice-Chair of the MCA Audit Committee and SYPTE Audit Committee providing that there had been no material changes to the accounts.

## 9 **Annual Governance Statement**

A report was considered that presented the Authority's Annual Governance Statement (AGS) for approval and also included a Governance Improvement Plan GIP for 2020/21.

Members were reminded that an earlier draft of the AGS had been presented to them in June 2020. The final draft now included a 'Governance Improvement Plan' (at section 7) which had taken the events of the last six months into account. This was the only substantial change from the earlier draft.

RESOLVED – That the Committee approve the Annual Governance Statement for 2019/20.

## 10 **Internal Audit Progress Report**

A Smith presented an update on the progress of the 2020/21 Group Internal Audit Plan.

It was noted that 31 days of the planned 71 days in respect of the MCA reviews had been delivered and a total of 98.5 of the 272 days in the joint audit plan, a detailed breakdown was contained within the report.

Members noted that since the last meeting of the Committee the grant certification work had been completed and the sign off certification letter in respect of the Growth Hub and Local Transport Capital Funding had been issued.

The Capital Programme and Core Financial Controls audit reports had been finalised both receiving significant assurance.

The report also included details of work in progress and changes to the audit plan since the last meeting of the Committee. Members noted that the plan was under constant review due to the Covid-19 outbreak and the uncertainty of its impact.

RESOLVED – That the Committee note the progress of 2020/21 audit activity undertaken by Grant Thornton for:

- i) Joint MCA and SYPTE audits
- ii) MCA audits
- iii) SYPTE audits

## Internal Audit Reports

The Committee considered a report which presented the Internal Audit reports for the Capital Programme and for Core Financial Controls.

Members were reminded that a review of the SYPTE Capital Programme was undertaken by the previous internal audit providers and a report was issued in May 2019 and four “significant actions” and two “merits attention” actions were agreed.

The objective of the review was to provide an independent assessment of the extent to which the agreed actions had been implemented.

Based on the progress made in the areas reviewed a significant assurance opinion was provided in respect of the progress being made to implement the six actions identified by the May 2019 audit.

Members noted that four actions had been addressed, one action had been considered and subsequently rejected and two actions were ongoing. Full details of these were contained within the report.

The review of the Core Financial Controls had focused on several potential risk areas. These were:

- General ledger
- Accounts payable
- Accounts receivable
- Cash & bank
- Payroll
- Capital accounting

The audit concluded that the processes provided significant assurance with some improvement required.

It was noted that the majority of the core financial processes across both organisations had robust controls in place and testing had found that these controls were generally operating effectively. Appendix 3 to the report provided a breakdown of assurance levels by core financial process for each organisation.

The audit had identified areas of good practice, areas for development and raised seven recommendations all of which were detailed within the report.

RESOLVED – That the findings and recommendations of the internal audit on:

- i) Capital Programme (Appendix 1), and
- ii) Core Financial Controls (Appendix 2)

are noted.



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## **Internal Audit Recommendation Tracking Report**

A report was submitted which presented an update on the implementation of the recommendations made by Internal Audit.

It was noted that, at the date of finalising the report, there were eight recommendations agreed with management that were overdue. It was confirmed that one action had been superseded and nine had been implemented since the last Audit Committee; nine recommendations were not yet due.

The current status of all outstanding recommendations was detailed within the report.

It was acknowledged that progress with implementation may have been impacted due to the disruptions of the Covid-19 pandemic. Actions were being closed out much later than originally agreed and the Committee needed to be able to monitor the situation to see if it was getting better or worse.

L Mackenzie informed members that the next report would include KPI information which would give the Committee the information required.

The Committee also requested that actions with an 'on hold' status could be given a broad date for completion.

R Adams explained the delay relating to the development of an Inward Investment Plan with supporting KPIs and the launch of a Strategic Economic Plan. It was noted that the consultation on the SEP had now been completed and a report would be submitted to the next LEP Board meeting to seek their agreement, feedback and approval of changes that had been made as a result of the consultation.

In answer to a question from A Marshall, C James agreed to find out the timescale for the unions signing off the draft IT policy.

RESOLVED – That the Committee note the progress of the implementation of internal audit recommendations.

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## **Risk Policy and Process**

A report was considered that presented a new risk management policy and process and sought to provide assurance that risk was being actively managed by the MCA Executive Management Board.

Members were informed that a recent Internal Audit report on risk management had concluded that the processes of the MCA Executive in monitoring and managing risk on behalf of the MCA provided 'significant assurance with some improvements required'.

The recommendations of the audit included refreshing the Authority's Risk Management Policy and Process to ensure they accurately reflected the structure of the organisation, set out reporting requirements, clarify escalation

and de-escalation procedures and outlined how the MCA oversee the risk management arrangements of the PTE.

Members noted that the documentation, attached at Appendix A to the report, addressed a number of recommendations made by Internal Audit on risk management, these were detailed within the report.

Subject to any suggestions made by the Committee the Risk Management Policy and Process would be submitted to the MCA for adoption.

RESOLVED – That the Committee agree that the amended approach gives the required assurance of active risk management and endorse the approach to the MCA Board.

## 14 **Strategic Risk Monitoring**

A report was submitted which presented revised strategic risk categorisations and risk management plans.

Internal Audit had recommended that the Authority reviewed the format of the strategic risk register to ensure there was clarity and evidence of movement in a risk and whether risks were controlled and managed or if further escalation may be required.

The Committee was informed that in response to the recommendations, the Management Board of the MCA had undertaken a review of its 13 strategic risk categories. As a result, the strategic risk framework had been rationalised to cover five categories of risk. These were:

1. Strategic Focus
2. Organisational Management
3. Budgetary and Financial Management
4. Programme Management
5. Governance and Compliance Management

Against the new risk categories, the individual corporate risks were summarised into Strategic Risk Registers which were attached at Appendix A to the report.

Members were informed that each risk register was structured to provide:

- A description of the risks, each individually scored for the likelihood and impact
- A description of the potential consequences/impact if the risk materialised
- A risk category cumulative score
- A description of the mitigation strategies and controls
- A mitigates risk category cumulative score
- Control/mitigation weaknesses
- Action Plan
- Risk Owner

A summary of the actions for the coming year was attached at Appendix B to

the report.

It was noted that the risk ratings shown in the risk registers are structured on a 4-point scale using a probability impact grid which was illustrated within the report.

It was suggested that in future the full risk registers were presented to the Committee twice annually but that, in between that, the Committee receive a monitoring report that covered and updated on Medium-High and High risks, identified any risk movements and charted progress against the cumulative action plan.

The Committee welcomed the revised strategic risk categorisations and risk management plans commenting that they provided greater clarity.

A Marshall suggested that it would be useful if the intermediate monitoring reports contained a heat map and Gantt chart to see where risks were moving and also to show any emerging risks that had been identified during the period.

R Adams confirmed that all Directors and Assistant Directors had been involved in the process and eight Risk Champions had been trained. The next step would be to embed the process throughout the organisation.

Members noted that consideration was being given to using risk management software to enhance reporting.

Officers updated the Committee on risks around the public transport system, resources to run the organisation, the effects of Covid-19 and the integration of SYPTE into the MCA.

It was agreed that further details on the integration of the MCA and SYPTE would be brought to a future meeting of the Committee.

D Smith agreed to bring an report describing the different possible economic scenarios for the region post pandemic to the next meeting.

RESOLVED – That the Committee had considered and discussed:

- i) The revision of the MCA strategic risk categorisations.
- ii) The strategic risk definitions.
- iii) The established mitigating controls and the self-assessment of weaknesses in controls.
- iv) The annual action plan.

## 15 **Work Plan (to July 2021)**

The Committee considered its work plan for 2020/21.

It was confirmed that reports on the Bus Review implementation and the

integration of SYPTE into the MCA would be added to the agenda for January's meeting.

D Smith confirmed that officers continued to work with businesses and provide information to prepare them for Brexit. He agreed to circulate a briefing paper to update members on the work being done in preparation for Brexit.

RESOLVED – That the work plan be noted.

16 **Any other business**

None.

I, the undersigned, confirm that this is a true and accurate record of the meeting.

Signed .....

Name .....

Position .....

Date .....

**AUDIT & STANDARDS COMMITTEE**

21<sup>st</sup> January 2021

**Actions/Matters arising from the MCA Audit and Standards Committee held on 29<sup>th</sup> October 2021**

Minute No	Action	Status/Update
7.	Letter of thanks to Cllr Richardson	Complete
7.	Joint meeting with OSC in Jan 21 regarding Bus Review.	OSC Chair consulted and felt this might be more beneficial at a future point, given the more immediate issues re financial stability and risk to the system given the protracted pandemic.
8.	Delegation of formal endorsement of the accounts to the MCA Board be to the Chair and Vice-Chair of the MCA Audit Committee and SYPTE Audit Committee providing that there were no material changes to the accounts.	Complete
14.	Risk Reports to contain a heat map and Gantt chart to show movement of risks and to show new or emerging risks.	The report at agenda item 14 highlights movement and new risks and will continue to evolve to provide a more visual representation of risk.
14.	Provide further details on the integration of the MCA and SYPTE.	Agenda item 9.
14.	Provide a report on different possible economic scenarios for the region post pandemic.	Due to the significant change in circumstances of the pandemic and the continuation of national stimulus a verbal update will be provided on this issue at the meeting.
15.	Circulate a briefing paper on the work to prepare for Brexit.	Complete

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21<sup>st</sup> January 2021

## INTEGRATION OF THE PTE WITH THE MCA UPDATE

### Purpose of Report

ASC Members requested an update of progress and next steps for the integration of the PTE and MCA. This report confirms the agreement of the outline project plan agreed by the MCA Board in September.

### Thematic Priority

Cross Cutting - governance

### Freedom of Information and Schedule 12A of the Local Government Act 1972

The paper will be available under the Combined Authority Publication Scheme

### Recommendations

The ASC Members, note the project plan approved by the MCA Board, specifically:

1. the aim and objectives, as outlined in section 2.1,
2. the proposed workstreams and outline for communication, and that a fuller work programme and risk register will be developed in the coming months;

## 1. Introduction

- 1.1** The MCA, at its meeting 27<sup>th</sup> July 2020, agreed to begin the process for integrating the South Yorkshire Passenger Transport Executive (SYPTTE) fully within the MCA, moving away from the current Group Structure of the MCA with a wholly owned Subsidiary Body. Engagement with MHCLG is underway to agree the route and milestones to dissolve the PTE. The precise legislative route to undertake the integration is under discussion with MHCLG but will require a Statutory process and an Order of Parliament to formally merge the 2 bodies. The timescale of the legal integration will depend on MHCLG securing parliamentary time following their agreement to support the proposal. At conclusion of the statutory process all undertakings of the PTE will transfer to the MCA, including assets, contracts and employees. Until this point the PTE will legally retain its independent identity.
- 1.2** Work is continuing to move towards full integration of the Executive Teams. A number of services are already integrated across the Group, including legal, IT and HR, further work is taking place to fully integrate finance and marketing and communications. Planning work is commencing to integrate structures, processes and systems across the Group in preparation for full integration.
- 1.3** The MCA Board approved an outline project plan in September and work is commencing to further develop the workstreams and workpackages into a full operational plan.

## 2. Proposal and justification

2.1 The proposal is to commence the process for integrating the South Yorkshire Passenger Transport Executive (SYPTTE) fully within the MCA. The aim of the activity is defined as: ***To fully integrate the PTE into the MCA as a single entity encompassing economic development and transport strategic and operational functions. Including the creation of a single Executive organisation to support the MCA remit.***

2.2 Delivery objectives are defined as:

1. To dissolve the PTE, via statutory instrument, ensuring any statutory obligations are undertaken in a timely manner,
2. To develop an integrated MCA Executive Function, including the transfer of employees from the PTE to the MCA
3. To agree the requirements for any new governance processes across the MCA, to ensure good governance and risk management systems can be agreed, developed and implemented

A detailed plan with interim and final deadlines is in the process of being developed, albeit we have no confirmation from Government as to the statutory timetable for this activity, which will ultimately shape the scheduling of activity.

2.3 The draft programme approved by the MCA Board has been broken down into 5 workstreams, defined as:

- Governance
- HR
- Finance and Assets
- Branding and Communications
- Programmes

A detailed project plan based on the above workstreams is in development and will include a series of milestones where decisions will be required by the MCA Board. The Mayor and Chair of the Transport Board will maintain a detailed oversight of the process.

2.4 There is a requirement for additional capacity to support the management of this process. Work is underway to appoint an interim capacity to lead the HR workstream and a specification for additional general and specific support is planned to be issued imminently. This activity is in direct response to the need to mobilise and progress action in a timely manner.

## 3. Consideration of alternative approaches

3.1 Based on the agreement to integrate the PTE fully in the MCA there are a number of sequencing issues that can be considered:

1. To do the initial preparation but to largely leave implementation of practical actions until after the statutory process has concluded;
2. To do the initial preparation and to implement as much as possible to achieve full integration in advance of the statutory process;

In view of there being no clarity on securing parliamentary time, especially against the context of operational issues relating to EU exit and the pandemic, the second option is the most likely proposal. As each workstream is developed and there is greater clarity of the timeline for the statutory process Members will be updated on the proposed timetable.



## 4. Implications

### 4.1 Financial

Any costs associated with the integration process will be assessed and reported on, these may include costs related to:

- Consultation, although it is not certain that public consultation will be required,
- Legal support if revision to terms and conditions of staff are required,
- Revised branding of all operational transport assets and information,
- Additional interim and specialist support and advice required.

### 4.2 Legal

Section 85 Transport Act 1985 allows the Secretary of State to dissolve the PTE by Statutory Order. The MCA are unlikely to need external legal advice to do this work but some elements of the implementation including harmonisation of terms and conditions may require specialist legal advice.

### 4.3 Risk Management

A full risk plan is in development and will mirror the themes of the main work programme themes

### 4.4 Equality, Diversity and Social Inclusion

The MCA Executive and PTE HR team will be fully integrated into the implementation team to ensure that in all processes relating to employees of the MCA Executive and PTE regarding equality and diversity are fully adhered to.

## 5. Communications

- 5.1 Following the acceptance of the 7 Point Implementation Plan, a full briefing was provided by the Head of Paid Service and Executive Director of the PTE to all staff. Further staff consultation sessions are being scheduled to provide updates on activity.

In addition to this there is a commitment to consult with the relevant Trade Unions regarding the integration and implications for officers of both organisations.

The MCA Board are considering the name of the MCA and whether this need changing in light of changes to the LEP geography, progression of devolution and the integration work (initial discussion scheduled January 21 MCA Board). Following this the proposal is for a full review of branding.

## 6. Appendices/Annexes

- 6.1 N/A

Report Author	<b>Ruth Adams</b>
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Officer responsible	Dave Smith
Organisation	MCA Executive
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

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**Audit & Standards Committee**

**21<sup>st</sup> January 2021**

**Group Internal Audit Plan Progress Report**

**Purpose**

This report provides an update on the progress of the 2020/21 Group Internal Audit Plan.

**Freedom of Information & Section 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

**Recommendations**

The Audit and Standards Committee are asked to note the progress of 2020/21 audit activity undertaken by Grant Thornton for:

- Joint MCA & SYPTE audits
- MCA audits
- SYPTE audits

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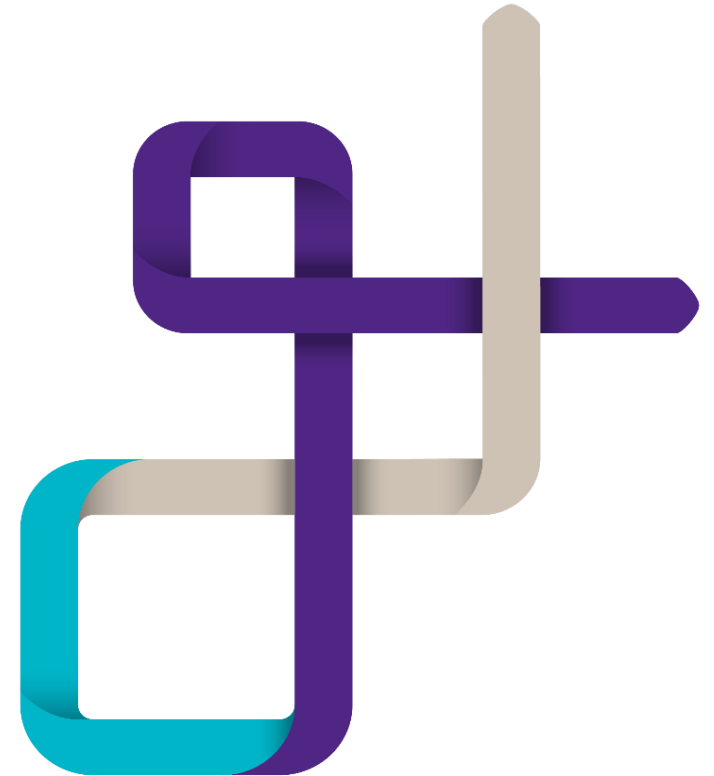


# Internal Audit Progress Report

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Sheffield City Region Mayoral Combined Authority  
January 2021

Page 1



# Introduction & headlines

## Purpose

This report provides an update on progress to date against the 2020/21 internal audit plan. We have delivered 32 of the 71 days in respect of the MCA reviews, this is equivalent to 45%. We have delivered a total of 123 days of the 272 days in the joint audit plan which is equivalent to 45% overall. A breakdown can be found at pages 3 and 4.

## Final reports issued

We have finalised two audit reports since the last Audit Committee meeting. A copy of the reports are attached with the agenda papers:

Audit Completed	Overall Assurance Level
Programme Management – Follow up	Significant assurance with some improvement required
Public Engagement and Consultation	Significant assurance with some improvement required

Our assurance levels are shown at appendix 1.

## Work in progress

As at the date of preparing this report the following reviews are in progress:

- A final draft report has been issued in respect of the AMP Technology Centre review.

Fieldwork is currently in progress in respect of the following:

- Core Financial Controls
- Travel and Expense Claims

Scoping and planning has also commenced in respect of:

- Risk Management
- Governance

## Resourcing

We confirm that we have sufficient internal audit team members available to deliver the internal audit plan on time. We will flex the plan where needed for emerging priorities and to accommodate timescales requested by management.

## Changes to the audit plan since the last meeting

Due to the outbreak of COVID-19 and the uncertainty of its impact, we will continue to keep the audit plan under review and will reflect on the scope of each review to include emerging issues.

In light of COVID-19, the Department for Transport have made available additional grant funding which requires Head of Internal Audit certification. Scoping around the arrangements and work requirements are still being sought.

Following our discussions with the Executive Officers, we are proposing the following changes to the Audit Plan:

- postpone the review of Climate Emergency as the original risk is now mitigated through the strategy. It is proposed that a wider review of how Climate Emergency is featuring within the Authorities decision making processes will be included within the Governance review in Q4. The 12 planned days to be moved to contingency.
- the Procurement review to be completed in two phases, phase one to be completed in Q4 focussing on the design effectiveness of the procurement process and phase two to be completed in 21/22 focussing on embeddedness and operational effectiveness. The additional planned days to be used to carry out a high level review of contract standing orders compliance.
- postpone the review of Back Office Systems which was originally planned to be undertaken in Q3 to Q4

## Additional work undertaken outside of the audit plan

There has been no work undertaken outside of the Audit Plan.

# Progress against 2020/21 Internal Audit Plan

Audit	Planned days	Start date	Scope meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report sent	Mgt response received	Final report sent	Days used
<b>Annual Reviews for HOIA opinion and Joint Authority Audits</b>											
Core financial controls	30	Quarter 3									10
Risk Management	12	Quarter 4									0.5
Governance	12	Quarter 4									0.5
Procurement	18	Quarter 4									2
Public Engagement and Consultation	12	Quarter 1									12
Follow up of recommendations	10	Ongoing									7
Attendance at Audit Committee & other client meetings	25	Ongoing									20
<b>Sub-total</b>	<b>119</b>										<b>52</b>

# Progress against 2020/21 Internal Audit Plan

Audit	Planned days	Start date	Scope meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report sent	Mgt response received	Final report sent	Days used
<b>Sheffield City Region Mayoral Combined Authority</b>											
Grant Claims: • Growth Hub • Local Transport Capital Funding	8	Quarter 1/2									8
Adult Education Budget	8	To be confirmed									1
AMP Technology Centre	13	Quarter 2									13
Programme Management – Follow up	4	Quarter 2									4
Forward Investment	12	Quarter 4									0
Travel and Expense Claims	12	Quarter 3									5.5
Back Office Systems	14	Quarter 4									0.5
<b>Sub-total</b>	<b>71</b>										<b>32</b>
<b>South Yorkshire Passenger Transport Executive</b>	<b>57</b>										<b>39</b>
<b>Contingency</b>	<b>25</b>										<b>0</b>
<b>Total Plan</b>	<b>272</b>										<b>123</b>



# Appendix 1 - Our assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Description
<b>Significant assurance</b>	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are suitably designed to achieve the risk management objectives required by management.</p> <p>These activities and controls were operating with sufficient effectiveness to provide significant assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by no weaknesses in design or operation of controls and only IMPROVEMENT recommendations.</p>
<b>Significant assurance with some improvement required</b>	<p>Overall, we have concluded that in the areas examined, there are only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by minor weaknesses in design or operation of controls and only LOW rated recommendations.</p>
<b>Partial assurance with improvement required</b>	<p>Overall, we have concluded that, in the areas examined, there are some moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide partial assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by moderate weaknesses in design or operation of controls and one or more MEDIUM or HIGH rated recommendations.</p>
<b>No assurance</b>	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are not suitably designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were not operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by significant weaknesses in design or operation of controls and several HIGH rated recommendations.</p>



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**Audit & Standards Committee**

**21<sup>st</sup> January 2021**

**Internal Audit Reports**

**Purpose**

This report presents the Internal Audit Report for Public Engagement and Consultation and, Programme Management.

**Freedom of Information & Section 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

**Recommendations**

The Audit and Standards Committee are asked to consider the findings and recommendations of the internal audits on:

- Public Engagement & Consultation (Appendix 1)
- Programme Management (Appendix 2)

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# Sheffield City Region Mayoral Combined Authority and South Yorkshire Passenger Transport Executive

## Public Engagement and Consultation December 2020

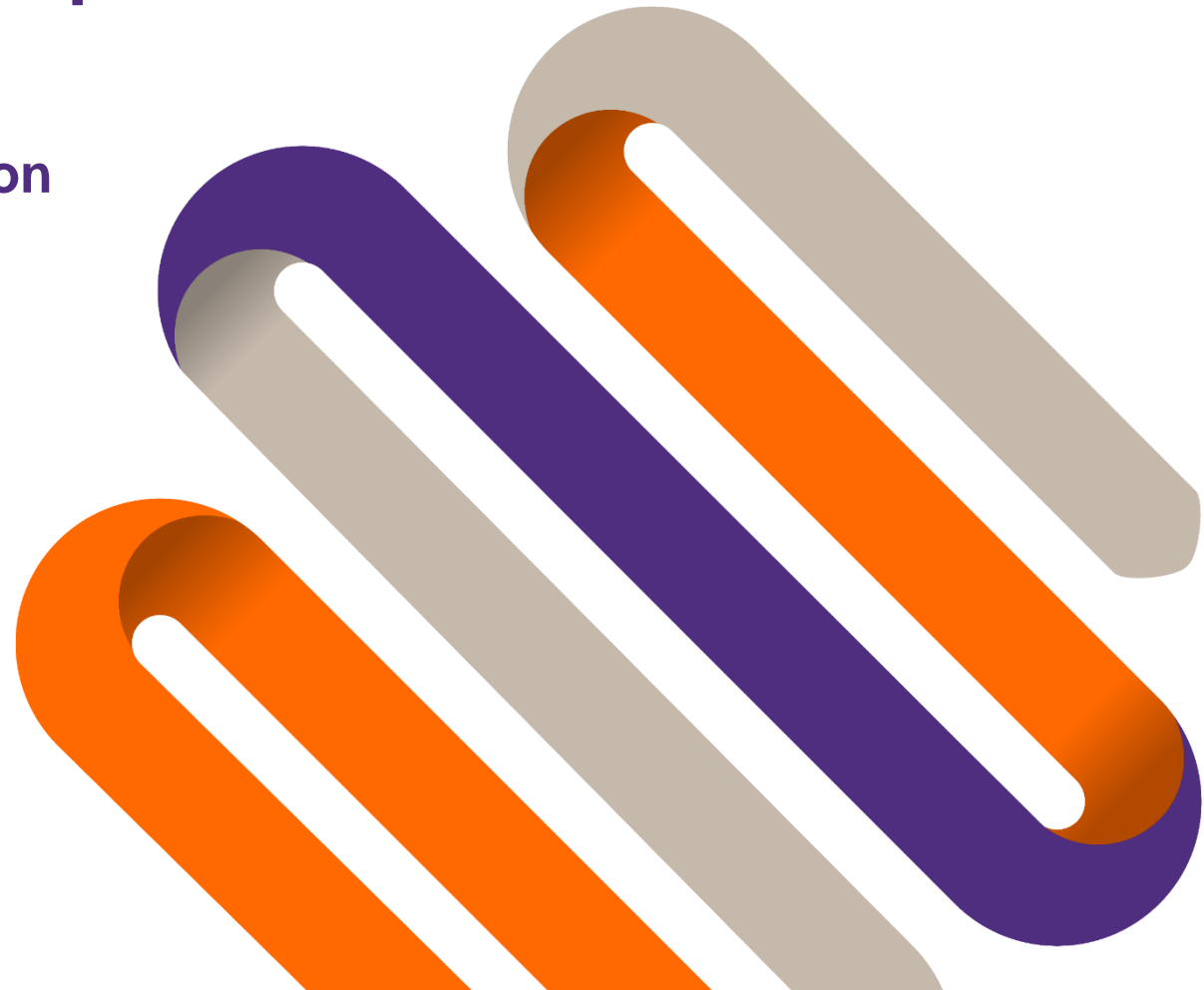
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- Stephen Edwards, Executive Director (SYPTTE)
- Ruth Adams, Deputy Managing Director (MCA)
- Steve Davenport, Monitoring Officer, Principal Solicitor & Secretary to the Executive
- Gareth Sutton, Group Finance Director
- Mike Thomas, Deputy Section 73 Officer
- Dawn Marshall, Secretary to the Group Finance Director and Deputy Section 73 Officer

## For action:

- Claire James, Head of Governance (MCA)
- Daniel Wright, Head of Communications (MCA)
- Darshana Dholakia, Head of Marketing and Communications (SYPTTE)

## Responsible Executives:

- Stephen Batey, Director of Mayors Office Group (MCA)
- Tim Taylor, Director of Customer Services (SYPTTE)

This report is confidential and is intended for use by the management and directors of Sheffield City Region Mayoral Combined Authority (MCA) and South Yorkshire Passenger Transport Executive (SYPTTE). It forms part of our continuing dialogue with you. It should not be made available, in whole or in part, to any third party without our prior written consent. We do not accept responsibility for any reliance that third parties may place upon this report. Any third party relying on this report does so entirely at its own risk. We accept no liability to any third party for any loss or damage suffered or costs incurred, arising out of or in connection with the use of this report, however such loss or damage is caused.

It is the responsibility solely of the Authority's and Executive's management and directors to ensure there are adequate arrangements in place in relation to risk management, governance, control and value for money.

# Executive Summary

## Background

Engagement creates a stronger two-way relationship between an organisation and the community. There may be many occasions when more detail about what residents, partners and the wider communities think about specific issues or changes that affect them. This is known as consultation. Consultation is technically any activity that gives local people a voice and an opportunity to influence important decisions.

Ongoing dialogue between an organisation and its stakeholders is an important part of policymaking. This dialogue will, at times, need to become more formal and more public. There are many occasions where there is a statutory requirement to carry out formal consultations. Statutory consultations are bound by legal requirements, and can have strict rules surrounding how they should be conducted. Failing to run a statutory consultation in line with those rules could lead to being liable for a judicial review.

The Government's Code of Practice on Consultation, underpinned by specific consultation principles, sets out how consultation exercises are best run and what people can expect.

There are also a range of other non-statutory consultation and engagements exercises. Non-statutory consultations have no legal status but do enable organisations to hear from a representative cross-section of the population.

## Objectives

The objective of the review was to provide an independent assessment of the design and operational effectiveness of the MCA's and PTE's frameworks in place for conducting statutory and non-statutory consultation and engagement exercises.

## Objectives (continued)

Our review focused on the following potential risk areas:

- Policies and procedures do not adequately set out the arrangements in place for conducting statutory and non-statutory consultation and engagement exercises, and are not sufficiently clear as to what type and scale of consultation is required proportionate to the nature of the change or issue to be consulted on.
- Governance arrangements are not robust; roles and responsibilities, management oversight, monitoring and reporting arrangements are not effective.
- The current internal processes are not aligned with the Government's Code of Practice on Consultation, and consultation principles.
- Operational managers do not comply with agreed processes.

## Limitations of scope

Our findings and conclusions will be limited to the risks identified above. The scope of this audit does not allow us to provide an independent assessment of all risks and controls associated with consultation and engagement.

Where sample testing is undertaken, our findings and conclusions will be limited to the sample tested only. Please note that there is a risk that our findings and conclusions based on the sample may differ from the findings and conclusions we would reach if we tested the entire population from which the sample is taken.

This report does not constitute an assurance engagement as set out under ISAE 3000.

# Executive Summary

## Conclusion

### Significant assurance with some improvement required

We have reviewed the key risks and operational effectiveness of the MCA's and PTE's framework in place for conducting statutory and non-statutory consultation and engagement exercises. The scope of the audit is set out in our Audit Planning Brief dated August 2020.

We have concluded that the processes provide **Significant assurance with some improvement required** to the Committee.

We have provided this opinion based on the fundamentals and key elements in place, while acknowledging that both organisations currently have their own approach and processes in place. Our review has reported similar themes throughout and recognise there is an opportunity for the MCA and PTE to work together and build on their existing arrangements and build an integrated approach moving forwards.

## Good practice

- The PTE has robust policies and procedures in place around the process of undertaking consultations, including a clear procedure flowchart outlining the arrangements and timescales from the point it is identified that a consultation is required. There is an opportunity to share and further develop this across the group.
- For those consultations reviewed as part of our sample testing, all had been conducted in line with government-published principles and all were supported by communication plans.
- Reports are prepared detailing the findings and outcome of the consultation and outlining any changes made as a result of the consultation. These are published on the Authority's websites.

## Areas requiring improvement

- The MCA do not currently have a public engagement and consultation policy or procedures to support a consistent approach. Consequently, there is no standard documentation in place such as a flow chart to help guide the user on whether a consultation would be appropriate or what type of consultation it should be. There is a risk that an ad-hoc approach may develop or decisions are not consistently made and approved at an appropriate level.
- While there are policies and procedures in place within the PTE, these are around the process of undertaking consultations, there is currently no guidance in place to document how service areas identify whether a consultation is required, the size of any potential consultation or the decision process in place.
- Communications plans are in place for all consultations, however these can be further enhanced to include specific roles and responsibilities to ensure there is accountability, ownership and oversight at an appropriate level.

## Recommendations

Based on our findings, we have made nine recommendations the grading is shown:

	High	Medium	Low	Improvement
PTE	-	-	4	-
MCA	-	1	4	-

## Acknowledgement

We would like to take this opportunity to thank your staff for their co-operation during this internal audit.



# Action Plan - SYPTE

In this section we set out the detailed findings arising from our work. Details of what each of the ratings represents can be found in Appendix 2.

Risk Issue	Findings and Recommendation	Action Plan
<p>Policies and procedures do not adequately set out the arrangements in place for conducting statutory and non-statutory consultation and engagement exercises and are not sufficiently clear as to what type and scale of consultation is required proportionate to the nature of the change or issue to be consulted on.</p>	<p><b>Key Findings</b></p> <ul style="list-style-type: none"> <li>• The statutory guidance is clear where mandatory consultations are required in general areas such as major projects requiring planning consent or grant funding, but requirements around areas more specific to a transport executive, such as bus reviews, are unclear. The closest statutory guidance is within Section 4 of the Communications Guide published by the Local Government Association, however this is more applicable to councils and not specific to transport executives.</li> <li>• The communications team have tried to encourage the completion of consultations where possible, even if not a statutory requirement, as this is good practice. However, this is resource driven and has recently been limited in terms of staffing.</li> <li>• Occasionally the PTE and operators will work together on consultations or the PTE will perform consultations on behalf of operators. However, these can be lacking in effectiveness, as the commercial operators are not required to implement actions arising from a consultation, therefore rendering the consultation a box ticking exercise. Furthermore, the bus partnership agreements in place with providers do not clearly outline situations in which a consultation would be required and whether this should be carried out by the PTE, the operator or jointly.</li> <li>• We have reviewed the policies and procedures in place around the undertaking of consultations and have found that there is a clear procedure flowchart in place outlining the arrangements and timescales from the point it is identified that a consultation is required. The flowchart covers the process of creating a plan, designing a consultation, promotion of the consultation and publication. There is also a 'Guide to Stakeholder Communications' which outlines how to approach communications with different groups and a 'Consultation Principles' document which defines the general principles to adhere to when conducting a consultation.</li> <li>• However, there are no formal policies or procedures in place to document how service areas identify whether a consultation is required and the size of any potential consultation. This is currently carried out independently by the service area and then brought to the communications team if a consultation is deemed to be required. There is a risk that the risk appetite of the service area managers may differ and hence inconsistency as to when a consultation of a certain scale is applied.</li> <li>• We were also advised that senior management involvement within the initial stages of the consultation process can be limited, therefore creating a risk that decisions regarding the need for consultations may not be made at the appropriate level.</li> </ul>	

# Action Plan - SYPTE

Risk Issue	Findings and Recommendation	Action Plan
<p>Policies and procedures do not adequately set out the arrangements in place for conducting statutory and non-statutory consultation and engagement exercises and are not sufficiently clear as to what type and scale of consultation is required proportionate to the nature of the change or issue to be consulted on.</p>	<p><b>Issues Identified:</b></p> <ul style="list-style-type: none"> <li>The PTE does not have a documented approach in place to provide guidance or instruction on how service areas identify whether a consultation is required and the size of any potential consultation, particularly around areas where the statute does not identify the requirement for a mandatory consultation.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Inconsistent, ineffective or inappropriate approach to consultations.</li> <li>Ineffective management including lack of approval and sign-off at an appropriate level and monitoring.</li> <li>Lack of awareness within the Authority and potential opportunities for consultation not identified.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>The PTE to develop a documented standardised approach which outlines where consultations should be considered and carried out and the approval process, particularly identifying areas that are not required by statute. As the criteria for consultations may not be uniform across all areas, this approach could contain subsections for areas where the criteria diverges.</li> </ul>	<p><b>Agreed Action:</b></p> <p>There are a number workstreams involved in the integration process and this is an area which would benefit from a joint approach between SYPTE and SCRMCMA</p> <p>Develop a joint Consultation Policy and Procedures which brings together the issues raised by this audit.</p> <p><b>Responsible Officer:</b> Darshana Dholakia, Head of Marketing and Communications</p> <p><b>Executive Lead:</b> Tim Taylor, Director of Customer Services</p> <p><b>Due date:</b> 30 June 2021</p>
	<p><b>Issues Identified:</b></p> <ul style="list-style-type: none"> <li>The bus partnership agreements in place with providers do not clearly outline situations in which a consultation would be required, whether this should be carried out by the PTE, the operator or jointly or the responsibilities for the implementation of any outcomes.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Consultations are not performed when required and the best interests of the public identified as part of these reviews are not being appropriately considered.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>As part of the partnership agreement, the PTE to clarify where consultations are required and the roles and responsibilities of each party.</li> <li>The PTE to implement contract language into partnership agreements that allows them to effectively challenge operators when the recommendations of a consultation are not implemented.</li> </ul>	<p><b>Agreed Action:</b></p> <p>This will be undertaken in relation to the action above. Once the policy is defined, the authority will then inform operators of how it will be applied.</p> <p><b>Responsible Officer:</b> Darshana Dholakia, Head of Marketing and Communications</p> <p><b>Executive Lead:</b> Tim Taylor, Director of Customer Services</p> <p><b>Due date:</b> 30 June 2021</p>

# Action Plan - SYPTE

Risk Issue	Findings and Recommendation	Action Plan
<p>Governance arrangements are not robust; roles and responsibilities, management oversight, monitoring and reporting arrangements are not effective.</p>	<p><b>Key Findings</b></p> <ul style="list-style-type: none"> <li>• As part of the agreed communications procedures flowchart, a communication plan is created for each consultation and includes outlining the roles and responsibilities for the consultation.</li> <li>• As part of our testing we reviewed a sample of communications plans in place and have noted that whilst there is a clear delivery plan and timescale in place, responsibilities are documented generally at team level rather than individuals.</li> <li>• For the majority of consultations, the service area which requires the consultation works in conjunction with the data analytics team and the communications team. However, there are no formal procedures in place, either in general or specifically within each individual communications plan, around how each team should interact and their corresponding roles and responsibilities.</li> <li>• The communications team write up a report on the findings of the consultation and this is shared with the relevant stakeholders. A final report is also published on the PTE website in line with the internal process, in a 'you said we did' approach to the public, outlining the changes as a result of the consultation.</li> </ul> <p><b>Issues Identified:</b></p> <ul style="list-style-type: none"> <li>• Responsibilities are only documented generally at team level rather than at role level.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>• Inconsistent or inappropriate approach to managing consultations.</li> <li>• Lack of accountability, ownership or oversight at an appropriate level.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>• Responsibilities should be allocated at a role level within the communications plan.</li> </ul>	<p><b>Actions:</b></p> <p>All future communications delivery plans to support consultations will allocate responsibilities at a role level, where possible.</p> <p><b>Responsible Officer:</b></p> <p>Darshana Dholakia, Head of Marketing and Communications</p> <p><b>Executive Lead:</b></p> <p>Tim Taylor, Director of Customer Services</p> <p><b>Due date:</b> To be undertaken during next consultation.</p> <p>Action considered complete.</p>

# Action Plan - SYPTE

Risk Issue	Findings and Recommendation	Action Plan
<p>The current internal processes are not aligned with the Government’s Code of Practice on Consultation, and consultation principles.</p>	<p><b>Key Findings</b></p> <ul style="list-style-type: none"> <li>The communications team have developed a guide to stakeholder communications and a set of Consultation Principles as part of the policies and procedures around consultations. These are distributed to all communications team members and are accessible on the Intranet to all staff members.</li> <li>The internal Consultation Principles, which are based on the Government’s Code of Practice on Consultation and Cabinet Office Consultation Principles, includes the majority of recommended practices as well as additional principles centred on good practice. However, the internal guidance are lacking principles around ‘Formal consultation should take place at a stage when there is scope to influence the policy outcome’ and ‘Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.’ to fully align with the Cabinet Office principles.</li> <li>The procedure flowchart for consultations incorporates the best practice outlined within the Consultation Principles, aligning internal processes with the Government’s Code of Practice on Consultation. Whilst the process flowchart identifies examples of what may constitute a major or minor project and gives a corresponding timeline for the different types of project, the requirements of the undertaking for each type of project is the same, therefore ensuring that all consultations meet the principles.</li> </ul> <p><b>Issues Identified:</b></p> <ul style="list-style-type: none"> <li>Not all principles within the Government’s Code of Practice on Consultation are included within the internal Consultation Principles.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Consultations may not be carried out in line with government guidance and best practice, therefore they may be lacking in effectiveness.</li> </ul> <p><b>Recommendation:</b></p> <ul style="list-style-type: none"> <li>The PTE to update their internal Consultation Principles to include principles around ‘Formal consultation should take place at a stage when there is scope to influence the policy outcome’ and ‘Officials running consultations should seek guidance in how to run an effective consultation exercise and share what they have learned from the experience.’ to fully align with the Government’s Code of Practice. It should be noted that these principles are applicable to all stakeholders at all stages within the consultation process.</li> </ul>	<p><b>Agreed Action:</b></p> <p>Review and refresh the organisation’s principles for consultation for executive sign off and disseminate to service areas across the organisation for adoption and application.</p> <p><b>Responsible Officer:</b> Darshana Dholakia, Head of Marketing and Communications</p> <p><b>Executive Lead:</b> Tim Taylor, Director of Customer Services</p> <p><b>Due date:</b> 31 March 2021</p>

# Action Plan - SYPTE

Risk Issue	Findings and Recommendation	Action Plan
<p>Operational managers do not comply with agreed processes.</p>	<p><b>Key Findings</b></p> <ul style="list-style-type: none"> <li>• As part of this review we have undertaken sample testing to assess whether internal processes are being complied with in practice. We reviewed the following consultations:               <ul style="list-style-type: none"> <li>– Future of Supertram project carried out Sept-Oct 2016</li> <li>– Future of Supertram project carried out Sept-Nov 2018</li> <li>– Changes to Bus Services consultation carried out Dec 2019–Feb 2020.</li> </ul> </li> <li>• We did not identify any issues or occurrences where the procedure flowchart was not followed. Communications Plans were created, Consultation Questions were developed, the consultations were promoted, results reported and published all within the 12-week timeframe.</li> <li>• As part of our sample testing we have reviewed the outcome of consultations and implementation of these recommendations. As two of our reviews are part of a larger 'Future of Supertram' project, this has not reached the implementation point. Our review of the Feb 2019 Bus Service Changes showed good documentation of consultation findings, summarisation and publication of these findings and a summarisation of the implementations as a result of the recommendations.</li> </ul>	

# Action Plan - SCRMCAs

In this section we set out the detailed findings arising from our work. Details of what each of the ratings represents can be found in Appendix 2.

Issue	Findings and Recommendation	Action Plan
<p>Policies and procedures do not adequately set out the arrangements in place for conducting statutory and non-statutory consultation and engagement exercises, and are not sufficiently clear as to what type and scale of consultation is required proportionate to the nature of the change or issue to be consulted on.</p>	<ul style="list-style-type: none"> <li>• The MCA does not currently have a public engagement and consultation policy and procedures. There are no guidance notes, process flow chart or checklist to support the consultation process and indicate the different routes depending on the scale and complexity of the issue or consultation.</li> <li>• We selected three consultations for review, each followed a different path as dictated by the nature and complexity of the consultation:               <ul style="list-style-type: none"> <li>– Devolution This consultation was mandated by law with specific requirements and timeframe.</li> <li>– Bus Review This consultation was conducted by an independent panel at the request of the Mayor with administrative support from the Authority.</li> <li>– Strategic Economic Plan (SEP) This consultation is currently ongoing and is led by the Authority.</li> </ul> </li> <li>• We recognise that there is no “one size fits all” and would expect a principles-based rather than rules-based approach to developing the policy and procedures.</li> </ul> <p><b>Issue identified:</b></p> <ul style="list-style-type: none"> <li>• There is no public engagement and consultation policy and procedures.</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Inconsistent, ineffective or inappropriate approach to consultations.</li> <li>• Ineffective management including lack of approval and sign-off at an appropriate level and monitoring.</li> <li>• Lack of awareness within the Authority and potential opportunities for consultation not identified.</li> </ul>	

# Action Plan - SCRMCAs

Issue	Findings and Recommendation	Action Plan
<p>Policies and procedures do not adequately set out the arrangements in place for conducting statutory and non-statutory consultation and engagement exercises, and are not sufficiently clear as to what type and scale of consultation is required proportionate to the nature of the change or issue to be consulted on.</p>	<p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• An overarching policy document to be produced, setting out the consultation principles to consider and the process to follow. The procedures to include;               <ul style="list-style-type: none"> <li>– A flow chart to help guide the user on whether a consultation would be appropriate and what type of consultation it should be depending on the scale and complexity of the consultation.</li> <li>– A checklist to ensure all key elements have been considered and are in place such as working group set-up, financial budget, SMART implementation or action plan etc.</li> <li>– The governance framework including roles and responsibilities, reporting, oversight, and for each stage of the process, the decision-making and accountability and approval arrangements.</li> </ul> </li> </ul>	<p><b>Actions:</b></p> <p>There are a number workstreams involved in the integration process and this is an area which would benefit from a joint approach between SYPTE and SCRMCAs.</p> <p>Develop a joint Consultation Policy and Procedures which brings together the issues raised by this audit.</p> <p><b>Responsible Officer:</b> Claire James, Head of Governance</p> <p><b>Executive Lead:</b> Stephen Batey, Director of Mayors Office Group</p> <p><b>Due date:</b> 31<sup>st</sup> December 2021</p>

# Action Plan - SCRMCAs

Issue	Findings and Recommendation	Action Plan
<p>Governance arrangements are not robust; roles and responsibilities, management oversight, monitoring and reporting arrangements are not effective.</p>	<p>Our discussions and review of documentation for the three consultations in our sample identified that governance is provided through development of a Communications Plan and the processes in operation in carrying out a consultation:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities are established within the consultation working group and in line with job roles.</li> <li>• A consultation working group is established to monitor progress with monitoring and reporting undertaken through email and working group meetings.</li> <li>• Oversight is provided by senior management and the Board / committees through reports presented at these forums at key stages of the process, e.g. approval of consultation questions.</li> </ul> <p>However, whilst the Communications Plan provides a summary of the key stages and actions, it does not formalise all the elements of a governance framework:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities and meeting arrangements are not established through a formal terms of reference for the consultation working groups.</li> <li>• Working group meetings are not minuted or supported by an action log and updates and progress may be shared verbally rather than through formal progress reports.</li> </ul> <p><b>Issue identified:</b></p> <ul style="list-style-type: none"> <li>• The governance arrangements supporting individual public consultations are not formally set out.</li> </ul> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Inconsistent or inappropriate approach to managing consultations.</li> <li>• Lack of accountability, ownership or oversight at an appropriate level.</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• Each consultation to be supported by formal governance arrangements (TORs) and an overarching plan which incorporates the communication plan and the governance framework.</li> </ul>	<p><b>Actions:</b> Policy and procedures will be developed to include guidance on having an overarching consultation plan which sets out the governance arrangements including TOR for working groups.</p> <p><b>Responsible Officer:</b> Claire James, Head of Governance</p> <p><b>Executive Lead:</b> Stephen Batey, Director of Mayors Office Group</p> <p><b>Due date:</b> 31<sup>st</sup> December 2021</p>



# Action Plan - SCRMCAs

Issue	Findings and Recommendation	Action Plan
<p>The current internal processes may not be aligned with the Government's Code of Practice on Consultation, and consultation principles.</p>	<ul style="list-style-type: none"> <li>• Our discussions with officers identified that the Cabinet Office Consultation Principles (dated March 2018) together with the experience and expertise of staff are used to conduct consultations. The Cabinet Office Consultation Principles cover 11 areas including that consultations should be clear and concise, targeted, last for a proportionate amount of time and be held before publication.</li> <li>• Other guidance which is available is the Government Code of Practice on Consultation (dated July 2008). Together with the areas in the Cabinet Office Consultation Principles, this code adds that consultation exercises would normally last for at least 12 weeks, should be accessible and lessons learnt should be shared.</li> <li>• Our review of the consultations in our sample confirmed that, on the whole, these principles have been applied. We noted the following;             <ul style="list-style-type: none"> <li>– A shorter duration than the recommended 12 weeks was applied to the devolution and SEP consultations; we consider this adequate in a more digital environment. We note that the Bus Review consultation lasted 21 weeks, following an extension requested by the Chair of the consultation panel; this time period was considered proportionate.</li> <li>– We were advised that lessons learnt / post-consultation analysis is discussed within the working group and communications team but any key messages arising are not formalised. Improvement opportunities may be missed, including if existing expertise / experience in the team is not available (for example if staff are absent or leave).</li> </ul> </li> <li>• We consider that implementation of a checklist, based on these principles would support staff to ensure that all areas / principles are adequately considered / addressed.</li> </ul>	

# Action Plan - SCRMCAs

Issue	Findings and Recommendation	Action Plan
<p>The current internal processes may not be aligned with the Government's Code of Practice on Consultation, and consultation principles.</p>	<p><b>Issue identified:</b></p> <ul style="list-style-type: none"> <li>No checklist available to ensure consultation principles are followed.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Inconsistent, ineffective or inappropriate approach to consultations.</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>As part of the policies and procedures, develop a consultation checklist detailing the principle considerations in line with current government guidance.</li> </ul>	<p><b>Actions:</b></p> <p>A checklist, covering consultation principles in current government guidance will be included in the procedures..</p> <p><b>Responsible Officer:</b></p> <p>Claire James, Head of Governance</p> <p><b>Executive Lead:</b></p> <p>Stephen Batey, Director of Mayors Office Group</p> <p><b>Due date:</b></p> <p>31<sup>st</sup> December 2021</p>

# Action Plan - SCRMCAs

Issue	Findings and Recommendation	Action Plan
<p>Operational managers may not comply with agreed processes leading to an inconsistent approach and ineffective consultations.</p>	<ul style="list-style-type: none"> <li>• Some of the key consultation documentation was not readily available for review for the three consultations selected. This included:               <ul style="list-style-type: none"> <li>– Formal evidence of approval by the working group of consultation questions, and communication and promotional material.</li> <li>– Lack of detail in the communications plans about resources or budgets.</li> </ul> </li> <li>• In addition, we identified that:               <ul style="list-style-type: none"> <li>– There is no programme of potential future consultation areas or issues identified at the start of the year which can then be used to monitor and follow-up appropriateness if they don't go ahead.</li> <li>– There is no guidance or set of procedures for service areas which outline how to identify the need for a public consultation when developing their project plan. As a result, an ad-hoc approach to consulting may develop across the Authority.</li> </ul> </li> </ul>	
	<p><b>Issue identified:</b></p> <ul style="list-style-type: none"> <li>• There is a lack of documentation to provide assurance that good practice is followed and that processes are applied consistently across consultations.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>• Inconsistent and ineffective consultations.</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>• Procedures to set out the key documents required to demonstrate compliance with the process and to support effective reporting and monitoring.</li> </ul>	<p><b>Actions:</b></p> <p>Guidance on what key supporting documents are required to demonstrate compliance (including a financial breakdown), will be set out in the Consultation Policy and Procedures.</p> <p><b>Responsible Officer:</b></p> <p>Claire James, Head of Governance</p> <p><b>Executive Lead:</b></p> <p>Stephen Batey, Director of Mayors Office Group</p> <p><b>Due date:</b></p> <p>31<sup>st</sup> December 2021</p>

# Action Plan - SCRMCMA

Issue	Findings and Recommendation	Action Plan
<p>Operational managers may not comply with agreed processes leading to an inconsistent approach and ineffective consultations.</p>	<ul style="list-style-type: none"> <li>A report is prepared detailing the findings of the consultation and this, together with the action planned to address issues arising is presented to the Board. The report is also published on the Authority’s website.</li> <li>However, we identified that there is currently no schedule of past consultations, for example a web-page on the corporate site citing the importance of consultations, current ongoing consultations and past consultations.</li> </ul>	
	<p><b>Issue identified:</b></p> <ul style="list-style-type: none"> <li>There is a lack of information on current and past consultations on the website.</li> </ul> <p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>Lack of public and stakeholder awareness of consultations or missed opportunity to promote importance of public engagement to the Authority.</li> </ul> <p><b>Recommendations:</b></p> <ul style="list-style-type: none"> <li>Include a section on consultations on the MCA website, developing a ‘you said we did’ approach to the public.</li> </ul>	<p><b>Management Response:</b></p> <p>There will be time lag between concluding the consultation and putting outcomes into practice. Information on the website will need to be reviewed and updated as progress is made on implementation.</p> <p><b>Actions:</b></p> <p>A process will be developed to include and regularly review information on past and present consultations on the website.</p> <p><b>Responsible Officer:</b></p> <p>Daniel Wright, Head of Communications</p> <p><b>Executive Lead:</b></p> <p>Stephen Batey, Director of Mayors Office Group</p> <p><b>Due date:</b> 31<sup>st</sup> December 2021</p>

# Appendices

# Appendix 1 – Staff involved and documents reviewed

## Staff involved

### PTE

- Darshana Dholakia
- Victoria Greenwood

### MCA

- Daniel Wright
- Fiona Bowden
- Anita Dell
- Claire James

## Documents reviewed

- Cabinet Office Consultation Principles (dated March 2018)
- Government Code of Practice on Consultation (dated July 2008)

### PTE

- A Guide to Stakeholder Communications
- Consultation Flowchart
- Consultation Principles
- Future of Supertram and changes to Bus Services Consultation Evidence

### MCA

- Communications Plan & Strategy – Devolution, Bus Review, Strategic Economic Plan (SEP)
- Progress papers to the MCA Board

# Appendix 2 - Our assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Description
<b>Significant assurance</b>	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are suitably designed to achieve the risk management objectives required by management.</p> <p>These activities and controls were operating with sufficient effectiveness to provide significant assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by no weaknesses in design or operation of controls and only IMPROVEMENT recommendations.</p>
<b>Significant assurance with some improvement required</b>	<p>Overall, we have concluded that in the areas examined, there are only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by minor weaknesses in design or operation of controls and only LOW rated recommendations.</p>
<b>Partial assurance with improvement required</b>	<p>Overall, we have concluded that, in the areas examined, there are some moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide partial assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by moderate weaknesses in design or operation of controls and one or more MEDIUM or HIGH rated recommendations.</p>
<b>No assurance</b>	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are not suitably designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were not operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review</p> <p>Might be indicated by significant weaknesses in design or operation of controls and several HIGH rated recommendations.</p>

# Appendix 2 - Our assurance levels (cont'd)

The table below describes how we grade our audit recommendations.

Rating	Description	Possible features
<b>High</b>	Findings that are fundamental to the management of risk in the business area, representing a weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> <li>▪ Key activity or control not designed or operating effectively</li> <li>▪ Potential for fraud identified</li> <li>▪ Non-compliance with key procedures / standards</li> <li>▪ Non-compliance with regulation</li> </ul>
<b>Medium</b>	Findings that are important to the management of risk in the business area, representing a moderate weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> <li>▪ Important activity or control not designed or operating effectively</li> <li>▪ Impact is contained within the department and compensating controls would detect errors</li> <li>▪ Possibility for fraud exists</li> <li>▪ Control failures identified but not in key controls</li> <li>▪ Non-compliance with procedures / standards (but not resulting in key control failure)</li> </ul>
<b>Low</b>	Findings that identify non-compliance with established procedures, or which identify changes that could improve the efficiency and/or effectiveness of the activity or control but which are not vital to the management of risk in the business area.	<ul style="list-style-type: none"> <li>▪ Minor control design or operational weakness</li> <li>▪ Minor non-compliance with procedures / standards</li> </ul>
<b>Improvement</b>	Items requiring no action but which may be of interest to management or which represent best practice advice	<ul style="list-style-type: none"> <li>▪ Information for management</li> <li>▪ Control operating but not necessarily in accordance with best practice</li> </ul>





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## Sheffield City Region Mayoral Combined Authority (SCRMCA)

### Programme Management - Follow-Up

December 2020

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**Andrew Smith**

Director

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**Lisa MacKenzie**

Internal Audit Manager

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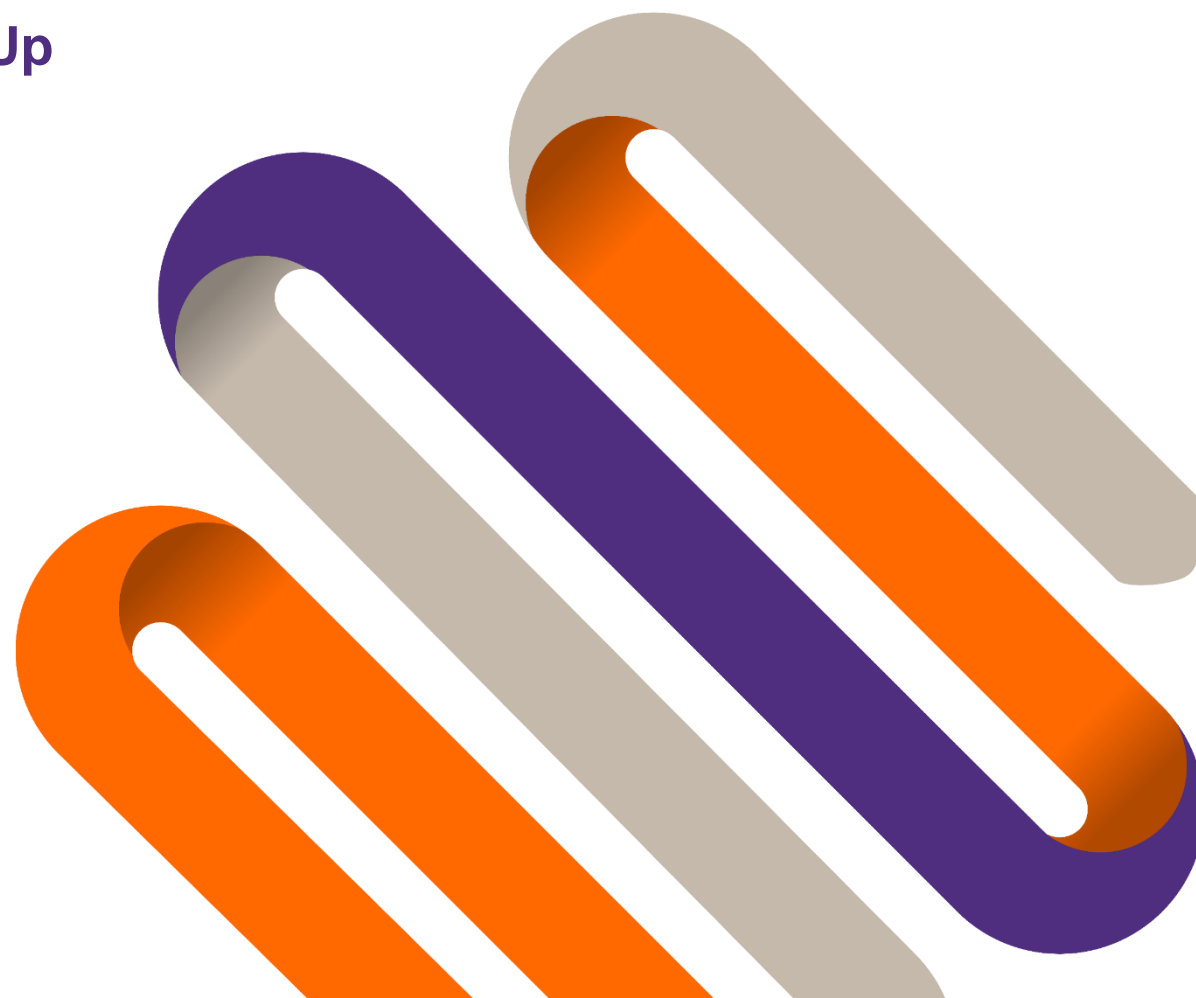
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Internal Auditor

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# Contents

1 Executive Summary	3
2 Follow Up Findings	5
3 Appendices	9

## Report distribution:

### For Information:

- Dave Smith, Managing Director
- Ruth Adams, Deputy Managing Director
- Steve Davenport, Monitoring Officer
- Gareth Sutton, Group Finance Director
- Mike Thomas, Deputy Section 73 Officer
- Claire James, Senior Governance & Compliance Officer

### For action:

- Carl Howard, Senior Programme Manager

### Responsible Executive:

- Sue Sykes, Assistant Director, Programme and Performance Unit

This report is confidential and is intended for use by the management and directors of Sheffield City Region Mayoral Combined Authority (SCRMCA). It forms part of our continuing dialogue with you. It should not be made available, in whole or in part, to any third party without our prior written consent. We do not accept responsibility for any reliance that third parties may place upon this report. Any third party relying on this report does so entirely at its own risk. We accept no liability to any third party for any loss or damage suffered or costs incurred, arising out of or in connection with the use of this report, however such loss or damage is caused.

It is the responsibility solely of the organisations' management and directors to ensure there are adequate arrangements in place in relation to risk management, governance, control and value for money.

# Executive Summary

## Background

Programme management is the coordinated management of a portfolio of projects to achieve a set of business objectives. There are the four stages in programme management:

- Programme identification
- Programme planning
- Programme delivery
- Programme closure

Sheffield City Region Mayoral Combined Authority's (SCRMCA) Programme Management function was previously split into two functions which were merged to form the Programme Performance Unit, where the end to end Programme Management Cycle is now completed.

Programmes are funded via successful bids for funding through a number of key funding streams including the Local Growth Fund, Department for Transport and Transforming Cities etc. The programmes are delivered via a number of related projects. Each project is allocated a Project Manager and supported by a project team.

A review of programme management arrangements was undertaken and a report issued in February 2020. A Significant Assurance opinion was reported with two low risk actions agreed. We agreed to undertake a follow-up piece of work, focussing on the Transforming Cities Fund, to determine how the issues and actions raised in this report were addressed.

## Objectives

The objective of our review was to provide an independent assessment of the extent to which the agreed actions have been implemented. We selected the Transforming Cities Grant Fund to test compliance.

We achieved this objective by:

- interviewing key staff to gain an understanding of the actions agreed and progress of implementation.
- reviewing key documentary evidence and information.
- where appropriate, re-testing the operational effectiveness of key processes and controls.

## Limitations in scope

Please note that our conclusion and opinion is limited by scope. It is limited to the areas outlined above. Other risks exist in this process which our review and therefore our conclusion has not considered.

Where sample testing has been undertaken, our findings and conclusions are limited to the items selected for testing. In addition, our assurance on the completeness of the declarations recorded in the register of interest is limited to the findings from our sample testing.

This report does not constitute an assurance engagement as set out under ISAE 3000.

# Executive Summary

## Conclusion

**Significant assurance with some improvement required**

We can provide significant assurance in respect of the progress being made to implement the two actions identified by the February 2020 audit.

One low risk action has now been implemented and one low risk action is ongoing. The ongoing action relates to ensuring that the Assurance Framework reflects the different project monitoring routes. Our opinion reflects that the ongoing area is not fundamental to and does not significantly affect the programme management control environment.

## Progress

One action had been addressed;

- Signed business cases or application forms as applicable were available for the sample of four projects selected for testing.

## Ongoing Action

One action is ongoing;

- The Assurance Framework has been revised in 2020 noted that the project approval section of the framework detailed different process streams depending on project risk / value. However, the monitoring section of the framework does not reflect

## Summary of Progress

The table below summarises the progress made; more detail can be found at Appendix 1.

Risk	Actioned	Ongoing	Outstanding	Rejected
Low	1	1	-	-

## Acknowledgement

We would like to take this opportunity to thank your staff for their co-operation during this internal audit.

# Follow-Up Findings

R1	Low	<p><b>Original finding</b></p> <p>As part of the Assurance Programme investment appraisal process, a Strategic Business Case, Outline Business Case (OBC) and Full Business Case (FBC) is developed and presented for proportionate appraisal to assess the merits of the application, its strategic fit and value for money. During our detailed testing of a sample of projects which are currently in progress it was noted that the final version of the Business cases, signed and dated by all parties, was not always held on file by SCRMCAs. It is accepted that SCRMCAs are chasing up receipt of these documents.</p>	Actioned																									
		<p><b>Recommendation</b></p> <p>SCRMCAs to use best endeavours to ensure that all final signed documents are held on file.</p>																										
		<p><b>Responsible officer</b></p> <p>Senior Programme Manager</p>																										
		<p><b>Follow-up findings</b></p> <p>We selected a sample of four projects from the Transforming Cities Fund (TCF) for review:</p>																										
		<table border="1"> <thead> <tr> <th>Project</th> <th>Project Total</th> <th>Scheme Total</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Tranche One</b></td> </tr> <tr> <td>Sheffield City Centre West Cycle Route</td> <td>£753,000</td> <td>£3,370,000</td> <td>In Delivery</td> </tr> <tr> <td>Rotherham Package extension: Additional 200m of shared cycleway</td> <td>£70,000</td> <td>£1, 710,000</td> <td>Pending variation</td> </tr> <tr> <td>Doncaster South East Active Travel Package</td> <td>£480,000</td> <td>£1,580,000</td> <td>In Delivery</td> </tr> <tr> <td colspan="4"><b>Tranche Two</b></td> </tr> <tr> <td>Doncaster / Doncaster Sheffield Airport / lport</td> <td>-</td> <td>£5,648,290</td> <td>In Contracting</td> </tr> </tbody> </table>		Project	Project Total	Scheme Total	Status	<b>Tranche One</b>				Sheffield City Centre West Cycle Route	£753,000	£3,370,000	In Delivery	Rotherham Package extension: Additional 200m of shared cycleway	£70,000	£1, 710,000	Pending variation	Doncaster South East Active Travel Package	£480,000	£1,580,000	In Delivery	<b>Tranche Two</b>				Doncaster / Doncaster Sheffield Airport / lport
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<b>Tranche Two</b>																												
Doncaster / Doncaster Sheffield Airport / lport	-	£5,648,290	In Contracting																									
		<p>We were provided with appropriately signed and dated Outline Business Cases for the tranche two project and the Standard Department for Transport (DfT) Funding application Forms (FAF) for the tranche one projects.</p>																										

# Follow-Up Findings

R1

Low

## Follow-up findings, Continued

- Our review of the documentation provided by the Senior Programme Manager for the schemes which these projects are part of, included the funding application form and the outline business case (OBC). We identified that:
  - A standard Department for Transport (DfT) Funding application Form (FAF) and Active Mode Appraisal Toolkit (AMAT) supported the three tranche one projects. The DfT hold the tranche one budget and SCR bids follow the DfT application process.
  - The FAFs for all the tranche one schemes were signed by the Director of Programme Commissioning as the responsible officer and by the Senior Finance Manager / S151 Officer. Although the sign-offs were not dated (this is not required on the form), we confirmed the date of submission to DfT.
  - The FAF for the Sheffield City Centre West Cycle Route scheme included a standard governance flowchart detailing the SCR approval process.
  - We were provided with the change form for the Rotherham Package extension: Additional 200m of shared cycleway project; we noted that approval by the appraisal panel was recorded on the form and confirmed that the request was approved by the DfT.
  - The business case for the tranche two, Doncaster / Doncaster Sheffield Airport / Iport project was signed by the Director of Customer Services and the Senior Finance Manager. Tranche two funding is awarded to SCR and the authority assess applications and agrees any changes.
  - The business case included project governance and organisations charts.
  - We confirmed that a paper was submitted to the MCA Board in November 2020 for approval of the Iport project in line with assurance framework requirements.
- We noted the following findings which we have assessed as 'Improvement Points' as opposed to formal recommendations, and as such do not require a management response or formal follow up response:
  - The standard governance flowchart detailing the SCR approval process does not include monetary limits or risk categories and the different approval routes determined by these factors, the action at R2 will address this.
  - No governance flowchart formed part of the funding application for two of the tranche one schemes in our sample. The Authority should include a governance flowchart or governance framework as part of the documentation supporting each project.



# Follow-Up Findings

R2	Low	<p><b>Original finding</b></p> <p>With regards to the programme monitoring arrangements in place, the current assurance framework is not consistently applied to all funding streams. There are two processes dependent on whether SCRMCA is applying for and receiving money or whether they are assessing individual bids which are applying for funding they administer. The LGF forms, process and Assurance Framework is the starting point for any new funds (other than LGF) they receive, but there are some tweaks in individual cases dependent on several factors such as scale of the funding pot, timescales or Government requirements for example. This is particularly true for small scale Programmes such as OPE where monitoring processes are commensurate with the amount of funding granted.</p> <p>As part of the plan to have a single pot of devolution monies SCRMCA is exploring how they can better bring together several different funding streams and standardise existing processes, so that the current Assurance Framework fully applies to all funds received. This would help ensure clarity over the required approval/monitoring processes required for each funding stream.</p>	<p><b>Ongoing</b></p> <p><b>Revised Implementation Date:</b> 31 March 2021</p> <p><b>Responsible Officer:</b> Carl Howard, Senior programme Manager</p> <p><b>Executive Lead:</b> Sue Sykes, Assistant Director, Programme and Performance Unit</p>
		<p><b>Recommendation</b></p> <p>SCRMCA should further develop the Assurance Framework to enable the programme monitoring approach to be proportionate to the level of risk.</p>	
		<p><b>Responsible officer</b></p> <p>Senior Programme Manager</p>	
		<p><b>Follow up findings</b></p> <p>We note that projects currently continue to be funded from different sources and monitoring arrangements are aligned to the fund requirements. However, the monitoring section of the revised Assurance Framework, (effective from 1<sup>st</sup> April 2020) does not set out an approach which guides projects through different monitoring arrangements or streams depending on the funding source, value or risk of a project. It was agreed with the Senior Programme Manager that more detail would be added to the next revision of the Assurance Framework.</p>	

# Follow-Up Findings

R2

Low

## Follow-up Findings, Continued

- We reviewed the revised Assurance Framework 2020 and noted that, in a change from the previous framework, monetary value has been used to direct projects into different streams as part of the decision-making process. Projects under £500,000 are only required to have a Business Justification Case rather than OBC / FBC. Projects under £2 million are approved by the Thematic Board and those over £2 million are approved by the Mayoral Combined Authority Board. We also noted that the 2020 Assurance Framework applies to all new funding regimes, funding bids and projects and for continuity the 2019 Assurance Framework approval regime continued to be applied to existing projects.
- The tranche one projects we sampled were approved prior to the 2020 Assurance Framework.
- We confirmed that a paper requesting MCA Board approval of the tranche two project, Doncaster / Doncaster Sheffield Airport / Iport was presented at the November 2020 meeting and this is in accordance with the Assurance Framework as this project is over £2m.
- We noted that monitoring arrangements are detailed in the Project Lifecycle schedule and include monthly / quarterly progress meetings, completion of Project Delivery Sheets (PDS), performance reporting including a dashboard and spend profile, and updates to the thematic Board. We identified that these were in place for the tranche one projects we sampled;
  - Review of the Transportation Board (now the Transport and Environment Board) September 2020 meeting confirmed that an update on the progress of the TCF was presented. The report highlighted that the programme is at risk of significant under performance due to scheme promoters seeking to move project spend towards the end of the programme; this could result in a risk of considerable grant being returned to the DfT. The report advised of the mitigating action being taken and the intention to carry out a review of the programme. The revised programme was to have been discussed at the October Transport Board meeting but this meeting was cancelled and the next opportunity will now be at the January 2021 meeting.
  - The report included a programme summary, the performance dashboard and a rag-rated risk log which noted the underperformance risk above. The minutes of the September 2020 Transport Board confirmed discussion of mitigating actions and escalation to the MCA Board if these did not yield results.
  - We were provided minutes of progress meetings between the SCR and project partners to update the PDS and performance reports.
- We acknowledge that the reporting to the Transport Board has not been as regular in 2020 due to COVID-19 resulting in a number of meeting cancellations.
- We noted that a progress update was provided to DfT in January 2020 when completion of tranche one projects was delayed.

# Appendices

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# Appendix 1 - Our assurance levels

The table below shows the levels of assurance we provide and guidelines for how these are arrived at. We always exercise professional judgement in determining assignment assurance levels, reflective of the circumstances of each individual assignment.

Rating	Description
<b>Significant assurance</b>	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are suitably designed to achieve the risk management objectives required by management.</p> <p>These activities and controls were operating with sufficient effectiveness to provide significant assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by no weaknesses in design or operation of controls and only IMPROVEMENT recommendations.</p>
<b>Significant assurance with some improvement required</b>	<p>Overall, we have concluded that in the areas examined, there are only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by minor weaknesses in design or operation of controls and only LOW rated recommendations.</p>
<b>Partial assurance with improvement required</b>	<p>Overall, we have concluded that, in the areas examined, there are some moderate weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were operating with sufficient effectiveness to provide partial assurance that the related risk management objectives were achieved during the period under review.</p> <p>Might be indicated by moderate weaknesses in design or operation of controls and one or more MEDIUM or HIGH rated recommendations.</p>
<b>No assurance</b>	<p>Overall, we have concluded that, in the areas examined, the risk management activities and controls are not suitably designed to achieve the risk management objectives required by management.</p> <p>Those activities and controls that we examined were not operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review</p> <p>Might be indicated by significant weaknesses in design or operation of controls and several HIGH rated recommendations.</p>

# Appendix 1 - Our assurance levels (cont'd)

The table below describes how we grade our audit recommendations.

Rating	Description	Possible features
<b>High</b>	Findings that are fundamental to the management of risk in the business area, representing a weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> <li>▪ Key activity or control not designed or operating effectively</li> <li>▪ Potential for fraud identified</li> <li>▪ Non-compliance with key procedures / standards</li> <li>▪ Non-compliance with regulation</li> </ul>
<b>Medium</b>	Findings that are important to the management of risk in the business area, representing a moderate weakness in the design or application of activities or control that requires the immediate attention of management	<ul style="list-style-type: none"> <li>▪ Important activity or control not designed or operating effectively</li> <li>▪ Impact is contained within the department and compensating controls would detect errors</li> <li>▪ Possibility for fraud exists</li> <li>▪ Control failures identified but not in key controls</li> <li>▪ Non-compliance with procedures / standards (but not resulting in key control failure)</li> </ul>
<b>Low</b>	Findings that identify non-compliance with established procedures, or which identify changes that could improve the efficiency and/or effectiveness of the activity or control but which are not vital to the management of risk in the business area.	<ul style="list-style-type: none"> <li>▪ Minor control design or operational weakness</li> <li>▪ Minor non-compliance with procedures / standards</li> </ul>
<b>Improvement</b>	Items requiring no action but which may be of interest to management or which represent best practice advice	<ul style="list-style-type: none"> <li>▪ Information for management</li> <li>▪ Control operating but not necessarily in accordance with best practice</li> </ul>



**AUDIT & STANDARDS COMMITTEE**

**21<sup>st</sup> January 2021**

**Internal Audit Recommendations Tracker Report**

**Purpose of Report**

The Audit and Standards Committee is responsible for overseeing and reviewing the Authority's internal audit strategy, and receiving reports, as appropriate, from the Internal Auditor. This report presents an update on the implementation of the recommendations made by Internal Audit.

**Freedom of Information & Section 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

**Recommendations**

Members are asked to review the progress of the implementation of internal audit recommendations.

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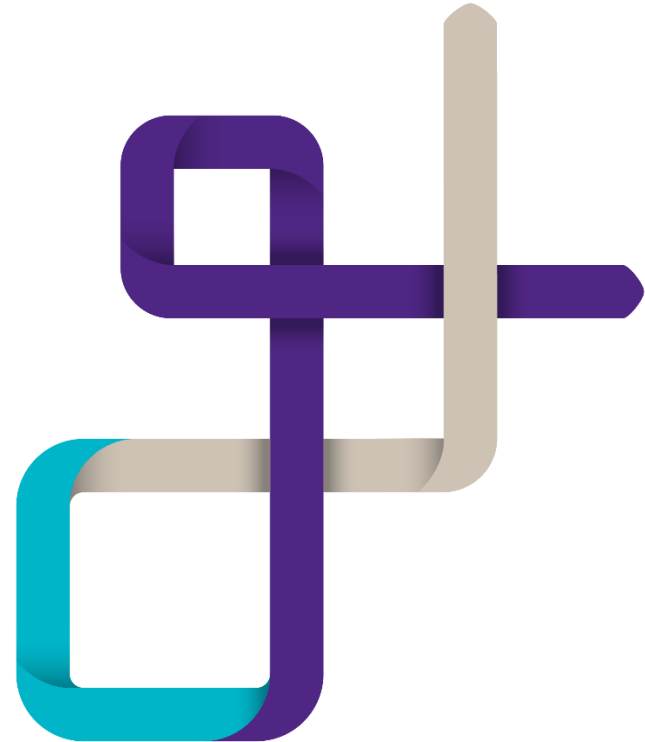




# Internal Audit Recommendation Tracker

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Sheffield City Region Mayoral Combined Authority  
January 2021



# Introduction & headlines

## Purpose

This document provides an overview of the status of internal audit recommendations.

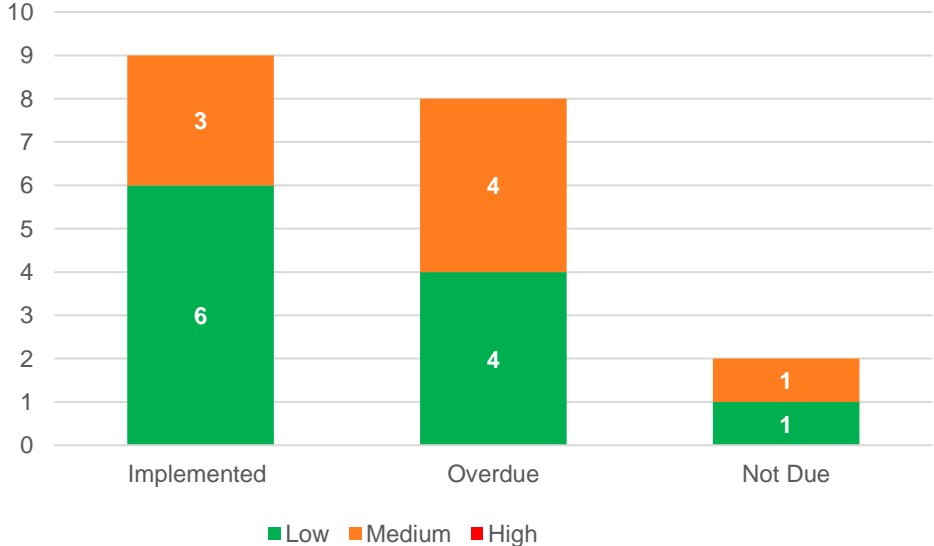
## Respective responsibilities

We follow up recommendations and report progress to the Audit Committee. It is the responsibility of management to implement audit recommendations on time and provide updates for the Action Tracker.

## Analysis of outstanding recommendations

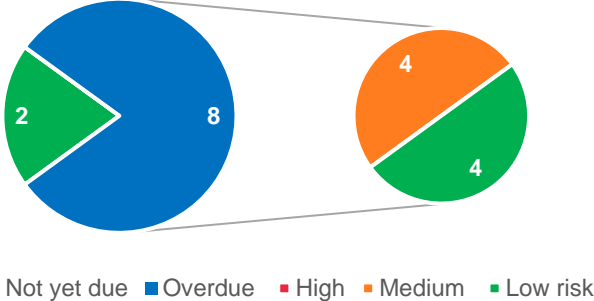
As at the date of finalising this report, there were eight overdue recommendations agreed with management which remain outstanding. Management confirmed nine actions have been implemented since the last Audit Committee. Two recommendations are not yet due. We acknowledge that progress with implementation may have been impacted due to the disruptions of COVID-19 and the Authority may wish to consider agreeing revised implementation dates.

We have summarised below the current status of all outstanding recommendations.



## Recommendations due for implementation

An analysis of the recommendations that were required to be implemented prior to this Audit Committee meeting is shown below. Of the eight recommendations that are overdue, four are medium and four are low risk.



## Overdue recommendation by department

An analysis of the overdue recommendations by SMT owner is shown below. On the remaining pages of this report, we provide the responses provided by management in respect of progress with implementation of actions.



# Status of Overdue Recommendations.

Audit area	Risk rating	Agreed management action	Responsible officer	Due Date	Days from original due date	Status	Management comment
Inward Investment (2018/19)	Medium	The International Trade and Investment Plan should include agreed implementation dates against each of the detailed objectives (actions) and also targets against each of the outcomes (key performance indicators), to enable the delivery of plan to be proactively managed and monitored during the year.	Rachel Clark Director of Trade and Investment	Original - 31/12/19  Revised – 31/05/20	373	On Hold	The launch of the SEP has been delayed due to the pandemic. This recommendation will be considered as and when a new Trade and Investment Plan is developed in line with the new SEP.
Inward Investment (2018/19)	Medium	Key performance Indicators should be set for the Inward Investment Team and performance measured against these reported to the Trade and Investment Advisory Board on a regular basis to enable challenges to be made if applicable.	Rachel Clark Director of Trade and Investment	Original - 31/12/19  Revised – 31/05/20	373	On Hold	The launch of the SEP has been delayed due to the pandemic. This recommendation will be considered as and when a new Trade and Investment Plan is developed in line with the new SEP.

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# Status of Overdue Recommendations.

Audit area	Risk rating	Agreed management action	Responsible officer	Due Date	Days from original due date	Status	Management comment
Resource Management / HR Systems (2019/20)	Medium	Develop and execute a project plan for the remainder of the project, which outlines key tasks, timeframes and roles and responsibilities.	Rachael Radford	30/09/20	99	In Progress	Waiting for progress update
		Ensure that the project plan and corresponding timescales are realistic, achievable and appropriately resourced.	HR Business Partner Manager				
		Ensure there are escalation and oversight routes to address any slippage.					
Resource Management / HR Systems (2019/20)	Medium	The HR Shared Service should look to fill this vacancy as soon as possible in order to avoid jeopardising the effective functioning of the HR service.	Rachael Radford	30/09/20	99	In Progress	Waiting for progress update
		The Authority to ensure there is adequate resource capacity to provide a day to day HR function in addition to the requirements and demands of the transformation project.	HR Business Partner Manager				

# Status of Overdue Recommendations.

Audit area	Risk rating	Agreed management action	Responsible officer	Due Date	Days from original due date	Status	Management comment
GDPR (2019/20)	Low	Review the way in which the Information Asset Register is used across both organisations and look for an opportunity to standardise on a more consistent, comprehensive version that includes all key fields that should be tracked for both organisations in line with the requirements of GDPR/DPA2018.	Claire James, Governance and Compliance Manager	01/12/20	37	In Progress	<p>Work is underway to replicate the MCA asset register format for use in SYPTTE to ensure both organisations are using the same fields and recording the same information including security classifications. This activity has a target date of 15/01/21. Once the new registers are set up, SYPTTE Information Asset Owners will be asked to review and update their registers.</p> <p>HR is a Group resource and therefore the asset register is by default MCAs. All registers are overseen by one DPO. All asset registers will be reviewed and consolidated as a result of the integration of the MCA and PTE.</p>
GDPR (2019/20)	Low	The public facing websites will be updated and a new IT Policy will be implemented in April 2020.	Christine Marriott, Scrutiny Officer	01/04/20	281	In Progress	The new IT Policy has been published on the website. It is still in draft form awaiting union sign off.

# Status of Overdue Recommendations.

Audit area	Risk rating	Agreed management action	Responsible officer	Due Date	Days from original due date	Status	Management comment
<b>Risk Management (2019/20)</b>	<b>Low</b>	A Corporate Plan setting out its strategic objectives will be developed in 2020/21 linked closely to the Strategic Economic Plan alongside the devolution.	Claire James, Governance and Compliance Manager	31/12/20	7	<b>In Progress</b>	A Corporate Plan is underdevelopment. The Business Planning process, which will inform the budget requirements for 2021/22, ensures that all activity is aligned to the Corporate Plan and MCA objectives and that risks to its delivery are identified and monitored.
<b>Risk Management (2019/20)</b>	<b>Low</b>	The Authority to consider introducing a simple risk appetite matrix to be completed as part of the Board overview reports to enable decisions to be made inconsideration and alignment with the Authority's risk appetite	Claire James, Governance and Compliance Manager	31/12/20	7	<b>In Progress</b>	A revised board paper template and guidance is under consideration and includes enhanced requirements around risk.

## Status of Recommendations Not Yet Due.

Audit area	Risk rating	Agreed management action	Responsible officer	Due Date	Days from original due date	Status	Management comment
<b>Risk Management (2019/20)</b>	<b>Medium</b>	Look at the frequency of reporting and develop a more comprehensive approach as strategic objectives are embedded.	Claire James, Governance and Compliance Manager	31/03/21	N/A	<b>In Progress</b>	The new Policy and Process outlines the reporting frequency. The format for reports is under development and evolving.
<b>Programme Management (2019/20)</b>	<b>Low</b>	SCRMCA will further develop the Assurance Framework to enable the programme monitoring approach to be proportionate to the level of risk.	Carl Howard, Senior Programme Manager	Original – 31/03/20 Revised – 31/03/21	282	<b>In Progress</b>	Further detail will be added to the next revision of the Assurance Framework. A refresh of the Assurance Framework is due to take place prior to March 2021



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**AUDIT & STANDARDS COMMITTEE**

**21<sup>st</sup> January 2021**

**Governance Review Process and Improvement Plan Progress**

**Purpose of Report**

This paper:

- sets out the proposed process for the Annual Governance Review of the financial year ending 31<sup>st</sup> March 2021
- updates the Committee on the progress against the 2020/21 Governance Improvement Plan

**Freedom of Information and Schedule 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

**Recommendations**

The Audit and Standards Committee is asked to consider:

- the proposed process for conducting the Annual Governance Review for the financial year ending 31<sup>st</sup> March 2021
- the progress against the Governance Improvement Plan for 20/21

**1. Introduction**

- 1.1 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review, at least once in a year, of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts.

The scope of the MCA's governance and internal control framework spans the whole of the organisation's activities and, as recommended in the CIPFA/SOLACE Framework ***Delivering Good Governance in Local Government 2016***, is described in MCA's Local Code of Corporate Governance. The Code demonstrates that governance arrangements comply with the core and sub-principles contained in the Framework.

The proposed process for conducting the required annual review of MCA governance arrangements is outlined in section 2.1. The findings of the review will inform the Annual Governance Statement which will be published with the 20/21 Accounts.

- 1.2 CIPFA guidance on the preparation of an Annual Governance Statement prescribes that the statement should include an 'agreed action plan showing actions taken, or proposed, to deal with significant governance issues' (Governance Improvement Plan). This paper also provides

an update on the progress of the Governance Improvement Plan for 20/21 which formed part of the AGS for the previous financial year. This can be found at appendix A.

## **2. Proposal and justification**

### **2.1 Review Process**

During February and March, the MCA Executive will conduct an assessment of compliance with the Local Code of Corporate Governance; to gain assurance the effectiveness of current arrangements and to; identify any opportunities for improvement.

This process will include

- a review with MCA Statutory Officers
- a review with the Executive Team full Management Board
- One to ones with Assistant Directors and specific team members where required.

The initial findings of the review will be reported to the Committee in March 2021 and an updated Code of Corporate Governance and draft Annual Governance Statement is scheduled to be presented to the Audit and Standards Committee in June 2021.

## **3. Consideration of alternative approaches**

- 3.1 An annual review of the effectiveness of systems of internal control is required by the Accounts and Audit Regulations 2015.

## **4. Implications**

### **4.1 Financial**

There are no financial implications relating to the proposal set out regarding the annual governance review however, non-compliance with the Accounts and Audit Regulations may result in a qualified audit opinion for 20/21 and potentially a withdrawal or withholding of funding.

### **4.2 Legal**

There are no legal implications relating to the proposal set out regarding the annual governance review.

### **4.3 Risk Management**

The Strategic Risk Register has nine risks in the category 'Governance and Compliance Management' and will be updated as a result of the findings of the Annual Governance Review.

### **4.4 Equality, Diversity and Social Inclusion**

There are no equality, diversity or social inclusion implications relating to the proposal set out regarding the annual governance review.

## **5. Communications**

- 5.1 The timetable of meetings required to conduct the annual governance review will be communicated internally to those involved.

## **6. Appendices/Annexes**

- 6.1 Appendix A – Governance Improvement Plan 20/21 – Progress Update

<b>REPORT AUTHOR</b>	<b>Claire James</b>
<b>POST</b>	<b>Senior Governance and Compliance Officer</b>
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: None

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No.	Focus for 2020/21	Lead	Milestones/ Deadline	Status Update	RAG Rating
<b>Strategic</b>					
1	Adoption of the SEP and RAP and the development of agreed implementation plans for the SEP and the RAP	Head of Paid Service / Deputy CEX	Dec 20	The RAP was adopted by the MCA July 2020. A final version of the SEP will be presented to the LEP on 14 <sup>th</sup> January and to the MCA on 25 <sup>th</sup> January.	
2	Implementation Bus Review recommendations including progressing the full integration of the PTE into the MCA	Head of Paid Service / Deputy CEX	Mar 21 and beyond	A high-level project plan was approved by the MCA in September 2020, work continues to negotiate with Government on a date for the legal order	
3	Implementation of new Thematic Board arrangements	Head of Paid Service / Monitoring Officer	Oct 20	The new Thematic Board have been operational since October 2020.	
4	Continuation of negotiation and implementation of Devolution agreement	Head of Paid Service	Ongoing	The negotiated deal has received all formal processes, work is underway on a number of aspects of implementation eg Implementing the transfer of the Adult Education Budget (formal transfer of responsibility Aug 21) and on the Investment Strategy for Gainshare	
<b>Operational</b>					
5	Embedding risk management processes	Deputy Chief Executive	Mar 21	The revised Risk Management Policy and Process was endorsed by the Audit and Standards Committee in October 2020 and approved by the MCA in November. Risk Management is embedded into the 2021/22 Business Planning process and is being embedded in to the new Programme Management System currently under development.	
6	Introduction of new CPRs and a Social Value Policy	S73 Officer	Jan 21	New Contract Procurement Rules were approved by the MCA in November, a new Head of Procurement is due to take up a new position in April 21 and full training will be rolled out across the Executive Team.	
7	Review and implementation of new corporate induction	Deputy Chief Executive	Jan 21	Content for the corporate induction was reviewed and largely finalised in December. Management Board checking of content is scheduled for January and an implementation plan for adopting the new induction process is in development, with the aim for full roll out by the end of Q4 (noting the roll out will be virtual due to new starters working remotely)	

8	Refresh Assurance Framework to take account of devolution	Deputy Chief Executive	Dec 20	A thorough review of the Assurance Framework is underway and will conclude by the end of Q4. A paper outlining the key changes required will be considered by the MCA on 25 <sup>th</sup> January, a timeline is included to ensure a revised document has necessary local and national approvals by March 31 <sup>st</sup> 2021.	
9	Refresh Evaluation Strategy to take account of devolution and implement programme level evaluations for LGF and TCF	Deputy Chief Executive	Feb 21	An initial review of the Monitoring and Evaluation Framework has been undertaken. The draft Framework will be considered by the MCA on 25 <sup>th</sup> January, a timeline is included to ensure a revised document has necessary local and national approvals by March 31 <sup>st</sup> 2021.	
	<b>Delivery</b>				
10	Embed cross organisational Collaboration Teams to improve the effectiveness of major programme delivery	Deputy Chief Executive	Mar 21	Initial work to progress formalised cross team working was paused due to multiple lockdowns. This work will be considered as part of the Corporate and Business Planning work currently underway, with a view to reintroducing this in 21/22.	
11	Full review of the lifecycle of programme development and delivery to inform continual improvements	Deputy Chief Executive	Mar 21	Work, jointly sponsored by the Deputy Chief Executive and CEX of DMBC (on behalf of SY LA) has commenced to do a full review, leading to a report to Members on systems. A programme manager has been appointed and a report to members is scheduled.	

**Audit & Standards Committee**21<sup>st</sup> January 2021**Risk Management****Purpose of Report**

This paper reports on the progress of embedding the revised approach to risk management and provides an update on strategic risks.

**Thematic Priority**

Cross cutting.

**Freedom of Information**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

**Recommendations**

Audit and Standards Committee Members are asked to:

- Note the progress of embedding the revised risk management approach across the organisation.
- Note the update on strategic risks

and identify any issues.

**1. Introduction**

- 1.1 Following a full internal Management Board review and an Internal Audit Report in 2020, the risk management framework of the MCA was revised and refreshed. The Audit and Standards Committee endorsed the revised policy and process in October and, following their recommendation, it was approved and adopted by the MCA at their meeting in November. This report informs the Committee on the progress made embed the revised approach across the organisation. In addition, the report provides and update on strategic risk.

## 2. Proposal and justification

### 2.1 Operationalising the Risk Management Policy and Process

Since the endorsement of the new approach by the Audit and Standards Committee and subsequent adoption by the MCA a number of activities and actions have been undertaken to begin to embed the revised risk management approach including:

Consideration of risk has been embedded into the corporate and business planning process. Risk Champions are working with 'Business Planners' to ensure the agreed process is applied appropriately.

The new Programme Management system under development and currently in 'build/test phase' has functionality for recording and monitoring risk for all projects and programmes which is aligned to the agreed risk management approach.

The MCA board paper template has been re-developed to encourage better consideration of risk and regular risk sessions have been built into the Management Board meeting schedule.

#### **Next steps**

The business planning process will conclude by the end of Q4, at which point the plans will become operational. At this point the risk register developed during the developmental stages will become the register for the relevant programme of work and will be reviewed and reported on in line with the Risk Management Policy and Process.

Work will continue on the new Programme Management system to ensure alignment to the agreed approach.

Risk sections of Business Case documentation will be reviewed to ensure alignment to the agreed approach.

A staff training/induction module and a dedicated area on the intranet will be developed.

### 2.2 Strategic Risk Update

The table below provides a summary of the five strategic risk categories. Revised Risk Management Actions Plans are provided at appendix A-E.

	Strategy Focus	Org M'Mt	Budget & Fin M'Mt	Prog M'Mt	Gov & Comp M'Mt	Total
No. of risks in category	5	5	8	7	9	34
Overall/average mitigated probability score						
Overall/average mitigated impact score						
Overall/average mitigated risk score						
No. of highly probable risks	1	0	2	0	0	3
No. of new risks added since last report	1		1	0	0	2
No. of risks closed since last report	0	0	0	0	0	0
No. of open actions	6	3	4	3	4	20
No. of actions overdue	3	1	0	2	2	8

### 2.3 Risk Category – Strategy Focus (appendix A)

The Risk Management Action Plan continues to have a red risk linked to the strategy for the long-term sustainability of public transport. Despite some additional resource being allocated from central government, this remains a high rated risk.



An additional risk (#5) has been added relating to the capacity in the system to develop and deliver an expanding and complex programme.

Two of the mitigation controls have been slightly adapted to take into account additional activity.

All actions are either completed or are underway, actions including those lobbying for funding for public transport and resources linked to future CSR, budget and SPF are on-going actions with no final date for any submission. An amendment to the action for the gainshare Investment Plan will be defined and added to the action plan.

### **Movement**

Risk #2 'Failure to engage stakeholders in Renewal Action Plans etc leads to lack of funding to address economic challenges'

Probability remains the same at Probable

Mitigated probability has increased from Possible to Probable

The overall mitigated probability for category has increased from Possible to Probable.

Impact #1 'sustained economic recession'

Impact level has increased from Moderate to Major/Serious

Mitigated impact level remains the same at Moderate

Impact #2 'lack of investment for locally delivered interventions'

Impact level remains at Major/Serious

Mitigated impact level has increased from Moderate to Major/Serious

The overall risk score for the category has increased from Medium to Medium/High.

## **2.4 Risk Category – Organisational Management (appendix B)**

The Risk Management Action Plan is broadly unchanged since the one presented to members. The overall risk score for the category remains Medium.

Members are asked to note that all actions have been delivered in the timescales set except for one action... consider the options for an employer voice forum, originally scheduled for November 2020.

The rationale for this is that during lockdown a large additional programme of employee communication has been implemented as illustrated below:

Continuing with the fortnightly remote, but in-person CEX briefing for all staff,

A Daily, now weekly briefing from the Deputy Chief Executive to all staff;

A staff consultation plan covering all aspects of communication,

Weekly Mayoral written briefings and quarterly Mayoral remote (in-person) briefing for staff

A monthly Management Session Deputy CEX and all AD,

A management remote planning workshop (December 2020)

The instigation of a Health and Safety employee forum (Jan 2021)

In view of the work planned on the integration of the MCA and PTE, Management Board are proposing to relook at a formal employee forum as part of the Integration Workstream on Organisational Development, and believe that the activity detailed above is sufficient in mitigating any risks of lack of clarity regarding priorities and also business continuity.

## 2.5 Risk Category – Budget & Financial Management (appendix C)

Budget and Financial Management risks continue to be closely monitored as the operating environment changes with each phase of the pandemic and the resultant response from national government.

A number of risks highlighted below have been adjusted reflecting the outcome of the Spending Review.

Initial reactive budget pressures arising from the March lockdown have now largely been addressed, and whilst Covid related pressures are an inherent risk, our ability to identify, measure, and mitigate is now much stronger than earlier in the year.

Whilst more certainty was garnered from the Spending Review around some funding streams, and the outline of a roadmap for bus funding has been communicated by government, there is still a lack of overall clarity and more specifically no plan for tram funding. This issue is reflected in a number of enhanced risks, reflecting that as we edge towards the new financial year without a solution these risks become more prominent

A new risk relating to asset management (#4) has been added to this Risk Management Action Plan. This reflects a number of issues that have now converged around inconsistencies in our approach to asset management and landlord functions.

### **Movement**

Risk #2 'Loss of income/budgetary pressures as a result of COVID'  
Probability has decreased from Probable to Possible  
Mitigated Probability remains as Possible

Risk #3 'Ending of major funding streams leading to shortfall in income'  
Probability has decreased from Highly Probable to Probable  
Mitigated Probability remains at Probable

Risk #7 'Failure to find local contribution required to attract Government funding for mass transit renewal'  
Probability remains Highly Probable  
Mitigated Probability has increased from Possible to Probable

Impact #1 'Financial stability compromised due to unsustainable use of reserves'  
Impact level remains Extreme  
Mitigated impact level increased from Moderate to Major/Serious  
Overall mitigated risk score for the category remains Medium-High.

## 2.6 Risk Category – Programme Management (appendix D)

There have been some minor changes to the register which are as a consequence of greater certainty to mitigate the risk of AEB implementation, following receipt of implementation resource from DFE.

Of the three actions there is one action that has slipped in timescales this being the implementation of the programme management system. The slippage was as a result of needing to do more bespoke technical work, including integration of the agreed risk management format. The revised date is for go-live in April 2021.

We are monitoring a further action which is to roll out Better Business Case training. HMT released a revised Green Book late 2020 and we are proposing on the back of this to roll out in

partnership with HMT a significant programme of training. We have no timescales from HMT for this and will monitor in case a localised training programme is required to be developed.

### **Movement**

Risk #6 'Scale and complexity of work to deliver the Transforming Cities Funding'  
Probability has increased to Highly Probable  
Mitigated Probability has increased from Possible to Probable

Overall mitigated risk score for the category remains Medium.

## **2.7 Risk Category – Governance & Compliance Management (appendix E)**

There have been no significant changes to this Risk Management Action Plan since the last report.

### **Movement**

Risk #8 - 'Information asset and GDPR approach for AEB'  
Probability decreased from Probable to Possible  
Mitigated Probability decreased from Possible to Unlikely

Impact #3 'Potential data breach and penalties'  
Mitigated impact level decreased from Moderate to Minor  
Overall mitigated risk score for the category has decreased from Medium to Low.

## **3. Consideration of alternative approaches**

3.1 The approach to risk management has been endorsed by the Audit and Standards Committee and approved by the MCA however, the style and content of reporting will continue to evolve.

## **4. Implications**

### **4.1 Financial**

Failure to adequately manage risk could have significant financial implications for the MCA.

### **4.2 Legal**

There are no legal implications as a result of this report.

### **4.3 Risk Management**

Risk is one of the fundamental controls that IA consider and that forms a fundamental aspect of the work of the ASC work.

This report follows a significant review of risk by the Statutory Officers and the Management Board of the Authority.

### **4.4 Equality, Diversity and Social Inclusion**

Any risks relating to equality and diversity will be captured in the new risk category of Organisational Management.

## **5. Communications**

5.1 Risk reporting is in line with the agreed policy and process.

## **6. Appendices**

6.1 Appendix A – Strategy Focus Risk Management Action Plan  
Appendix B – Organisational Management Risk Management Action Plan  
Appendix C – Budget & Financial Management Risk Management Action Plan

Appendix D – Programme Management Risk Management Action Plan  
Appendix E – Governance & Compliance Management Risk Management Action Plan

<b>REPORT AUTHOR</b>	<b>Claire James</b>
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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

DATE Jan 21

Risk Category	Strategy Focus
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Risk Description	Probability	Mitigated probability
1 A lack of a clearly articulated set of strategic priorities and implementation plans could mean that we will fail to respond effectively to the economic downturn predicted by the global pandemic.	3	2
2 Failure to engage government and other national and local stakeholders in the Renewal Action Plan / Implementation Plans could mean that there is a lack of buy-in and commitment to funding the interventions required to address the economic challenges of the region.	3	2
3 Failure to respond effectively, as a Group, to the challenges brought about by the pandemic, for the public transport network and services for which the MCA Group are responsible could mean that transport ambitions for the region are not realised.	4	3
4 A lack of defined organisational priorities and deliverable activity in the form of a Corporate Plan could mean that focus and resource is not aligned to strategic objectives.	3	2
5 NEW A lack of capacity across all aspects of the system (not simply the MCA) to develop and deliver the activity required to respond effectively to the economic downturn predicted by the global pandemic	4	3
Overall/average mitigated probability score		3

Key

1 - Remote
2 - Unlikely
3 - Possible
4 - Probable
5 - Highly Probable

Potential Impact / Consequence if risk materialises	Impact	Mitigated impact
1 a lack of focus in priorities leading to a widening of the gap in KPIs of the SY economy with other northern regions, a sustained economic recession, high levels of unemployment, high levels of business insolvency and significant risks to our places.	4	3
2 a lack of investment to deliver the locally agreed interventions with an over reliance on untargeted national solutions.	4	3
3 a significant loss of income for the MCA.	4	3
4 a significant reduction in public transport services.	4	3
5 a lack of focus, unclear outcomes and resource plans not aligned to priorities.	4	3
6 reputational damage to the Mayor and the MCA and the Management Board of the MCA Exec.	4	3
Overall/average mitigated impact score		3

Key

1 - Immaterial
2 - Minor
3 - Moderate
4 - Major/Serious
5 - Extreme

Existing mitigation strategies / controls for the risk category	Mitigated/Residual risk score
Detailed Corporate and associated business plans capturing the priorities of the Transport Strategy (2019), SEP (2020), Renewal Action Plan (RAP) (2020), Devolution Deal (2020) will be formalised by March 2021, establishing the 21/22 work programme	3
Focus activity on local investment (gainshare), local discretionary grants and delivering out the agreed national programmes which address locally specified priorities (£390m). Continue to lobby for flexibility in future Shared Prosperity Funding (SPF) from the pilot to full roll out in subsequent years.	
Detailed analysis and risk monitoring of income and patronage and risk associated with light rail and bus services.	

Key

1-4 Low
5-10 Medium
11-16 Medium-High
17-25 High

Existing mitigation strategies / controls weaknesses
High level of uncertainty re future sources of central government investment to support the delivery of the SEP and RAP and to mitigate some major service transport challenges as a result of COVID-19. MCA has some influence to lobby and challenge but decision making to address the weakness is external
Corporate Plan, consolidating the priorities of the Mayor, the MCA and the LEP as documented in the various strategic documents not yet drafted. MCA has full influence over decision making to address the weakness.

Action Plan	Status update	Interim date	completion date
The RAP needs supplementing with detailed and costed Implementation Plans, currently in development led by Thematic Boards.	This work is underway and has been discussed at each meeting of a relevant Thematic Board. Costed plans are in place for the business recovery priorities but further work is required on some elements of the skills and employment priorities	Oct-20	Dec-20
Corporate Plan to be drafted to clarify the Mayoral, MCA and LEP priorities to be progressed.	The Corporate Plan is in a near complete draft, pending finalisation of the business plans to confirm 21/22 budgets. Some additional work is required on KPI following the release of ONS Q3 data for the SY economy.	Oct-20	Dec-20
Sustained lobbying for future funding for light rail and bus services.	Officer engagement with the Department for Transport is going, both bilaterally and in concert with peer authorities. Members and the Mayor have been kept apprised of the situation. The Department have made commitments to support both bus and tram to the end of the financial year, but as at the time of writing whilst the Spending Review did make commitments towards bus operations there was no specified support to tram. HMT has requested tram recovery plans, and will consider these ahead of making further decisions on extensions to the Light Rail Recovery Grant scheme. It is understood that government support for bus is likely to be accompanied by changes to the current relationship between LTAs and bus operators, either by enhanced partnerships or franchising. Engagement is continuing to understand how the latest wave of restrictions will affect the commitments to March and further understand support into the new financial year	Ongoing	
Planning for and agreement to the implementation of the 7 Point Bus Review Plan.	MCA Board agreed to outline the plan. Work has commenced to mobilise a detailed programme plan and with government to secure parliamentary time for the legislative process.	Jul-20	
Sustained lobbying for future funding linked to CSR and the future Shared Prosperity Funds.	The MCA submitted a detailed submission to the Government's Comprehensive Spending Review process and has made private and public representations setting out the importance of the Government putting regional economic development funding on a long-term sustainable footing. A submission into the Government's March Budget is also being prepared. The Mayor also continues to work directly with MHCLG and the Government along with the other 7 MCAs and the Mayor of London for future funding and SPF allocations through the M9 Group. Given the short term focus of the Spending Review efforts will continue in 2021.	Oct-20	Nov-20
Agreement with Members of the plan for gainshare.	Members have agreed their priorities for the first two years of gainshare to be focused on the RAP implementation plans (MCA Board 16 November) . Further work is now underway to develop an Investment Strategy for Gainshare.	Sep-20	Nov-20
Risk / Mitigation Owner	Dr Dave Smith		

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DATE Jan 21

**Risk Category**      **Organisational Management**

Risk Description	Probability	Mitigated probability
1 Failure of the leadership of the MCA Executive to respond and adapt to the priorities of the Mayor, MCA and the LEP resulting in organisational priorities and team / individuals objectives that are poorly articulated and communicated are poorly articulated and communicated that could mean outcomes are not achieved.	Yellow	Green
2 Due to the rate and pace of change, due to the pandemic, devolution and new priorities, the MCA Executive does not have the capacity or capability to deliver the emerging priorities and programmes. That could mean a loss of funding, failure to deliver outcomes, reputational damage, and the potential for an increase in staff absenteeism due to stress.	Yellow	Green
3 Failure to agree a sustainable budget for the MCA Executive, continued dependence on short-term and temporary funding streams, creating a reliance on short-term fixed term contracts and the use of short term consultancy contracts or agency workers.	Orange	Yellow
4 Diversion of resources as a result of COVID-19, and remote working, leading to delays in progressing new business priorities or increased inefficiencies in progressing core operations that could mean increased errors and / or costs.	Orange	Yellow
5 Failure to have in place an adequate and effective approach to business continuity management, which due to technical, health or operational disruption could mean the operations, programmes and services of the MCA Executive are significantly disrupted.	Yellow	Green
Overall/average mitigated probability score		

Key

1 - Remote
2 - Unlikely
3 - Possible
4 - Probable
5 - Highly Probable

Potential Impact / Consequence if risk materialises	Impact	Mitigated impact
1 Increasing resignations and staff absenteeism	Yellow	Green
2 Difficulties in recruiting, leading to higher costs	Orange	Yellow
3 High level of establishment vacancies, higher levels of off-establishment appointments	Orange	Yellow
4 Outcomes and resource plans not aligned to priorities	Yellow	Green
5 Disruption to payments, operations, services	Yellow	Green
6 Reputational damage to the Mayor and the MCA and the Management Board of the MCA Executive	Yellow	Yellow
Overall/average mitigated impact score		

Key

1 - Immaterial
2 - Minor
3 - Moderate
4 - Major/Serious
5 - Extreme

Existing mitigation strategies / controls for the risk category	Mitigated/Residual risk score
Weekly Group Management Board meetings, to facilitate planning for policy and delivery priorities and to agree organisational communication.	Yellow
Weekly meeting with Mayor, fortnightly meeting LEP Board and regular meetings with Leaders re their portfolio, led by Management Board.	
Approval of an approach to establish Collaboration Teams (policy or programme focused) to increase the momentum and focus for new areas of activity.	
Business Continuity Plan developed and monitored quarterly. Detailed lessons learned analysis of continuity issues as a result of COVID-19 integrated into MCA Executive Continuity Plan.	

Key

1-4 Low
5-10 Medium
11-16 Medium-High
17-25 High

Existing mitigation strategies / controls weaknesses
Corporate Plan, consolidating the priorities of the Mayor, the MCA and the LEP as documented in the various strategic documents not yet drafted. MCA has full influence over decision making to address the weakness.
Full review of HR policies and practices, new job evaluation approach, corporate values and behaviours, a new approach to objectives and job chats (reviews), a new induction and training and development process. MCA has full influence over decision making to address the weakness.
Detailed work on a hybrid approach to working, blending remote and office based, to maximise impact of collaborative working and the continued safety of employees. MCA has full influence over decision making to address the weakness.
MCA Executive regularly briefs all employees but there is no established Employee Forum. MCA has full influence over decision making to address the weakness.

Action Plan	Status update	Interim date	completion date
Corporate Plan to be drafted to clarify the Mayoral, MCA and LEP priorities to be progressed.	Draft completed - finessing KPI linked to business planning work	Oct-20	Dec-20
Review of establishment structure, monitoring of HR statistics for recruitment, absenteeism and performance issues, to become part of quarterly HR Monitoring Report.	Review undertaken of data and KPI report included as part of corporate plan monitoring - baseline report due end of Q4	Oct-20	Dec-20
Review of non-establishment positions to be undertaken and to become part of quarterly HR Monitoring Report.	as above completed	Sep-20	
Consider options for an employer voice forum.	Incomplete for MCA but in place for PTE. New approaches in place during pandemic for staff engagement - but will look at formal approaches aligned to integration work	Sep-20	Nov-20

**Risk / Mitigation Owner**      Ruth Adams

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DATE Jan 21

**Risk Category** Budget and Financial Management

Risk Description	Probability	Mitigated probability
1 Failure across the MCA Group to create, maintain and implement an effective strategic and operational approach to budgetary, financial and asset management could mean poor financial management accountability, poor transparency and failure to achieve intended outcomes	Yellow	Green
2 Loss of income and higher reactive expenditure as a result of COVID-19, leading to significant budgetary pressures to resource the MCA Executive and to support the delivery of the programmes and outcomes	Yellow	Yellow
3 Ending of some major funding streams including Local Growth Fund, Mayoral Capacity Fund, Integrated Transport Block, Active Travel, without plans for successor funding, leading to a significant shortfall in income to support priorities and the MCA Executive	Orange	Orange
4 NEW An inconsistent approach to asset management across the MCA Group and landlord functions leads to sub-optimal performance, tenant dissatisfaction, and inefficient reactive expenditure	Yellow	Green
5 Systemic loss of commercial viability in the South Yorkshire transport network due to patronage reductions, leading to pressure for greater public subsidy	Red	Red
6 Re-franchising of the Supertram mass-transit light-rail system in 2024 exposes the Group to commercial risk that it is has previously been shielded from	Red	Red
7 The MCA fails to find the local contribution required to attract central government support for the mass-transit renewals scheme, with implications on the ability to re-franchise the light-rail system and significant ongoing issues as ageing infrastructure becomes inefficient	Red	Orange
8 No clear consensus on the use of the devolution financial flexibilities and for the use of gainshare, leading to risk averse behaviour could mean failure to maximise the potential to invest in priorities	Yellow	Green

Key

1 - Remote
2 - Unlikely
3 - Possible
4 - Probable
5 - Highly Probable

Overall/average mitigated probability score

Potential Impact / Consequence if risk materialises	Impact	Mitigated Impact
1 The financial stability of the MCA Executive is compromised as reserves are deployed on an unsustainable basis	Red	Orange
2 NEW The MCA is exposed to unplanned and reactive expenditure	Yellow	Green
3 The ability of the MCA Group to resource activity beyond immediate priorities is prejudiced	Yellow	Yellow
4 The MCA's ability to adequately control its activity through appropriate staffing levels is compromised	Yellow	Yellow
5 The mass-transit renewals project stalls	Red	Red
6 NEW The MCA seeks greater unplanned contributions from local partners or there are service reductions	Red	Orange
7 Reputational damage to the Mayor and the MCA and the Management Board of the MCA Executive	Red	Yellow

Key

1 - Immaterial
2 - Minor
3 - Moderate
4 - Major/Serious
5 - Extreme

Overall/average mitigated impact score

Existing mitigation strategies / controls for the risk category	Mitigated/Residual risk score
Reserves and provisions are held at prudent levels to mitigate known and unforeseen risks.	Orange
Strong internal controls around forecasting and commissioning allows the MCA to control its financial commitments.	
NEW The MCA has implemented a Business Planning Process to ensure resource is matched to business priorities	
NEW Proposals have been brought forward through the Business Planning process to address weaknesses in the approach to asset management and landlord functions	
UPDATED The MCA has introduced a cycle of Budget Revisions throughout the year to re-test expenditure and income assumptions, readopting budgets every quarter	
The MCA Group has been active in engaging with and corraling support from other MCAs to lobby government for continued public transport support during Covid disruption	
Exit strategies are further being developed to allow the MCA to transition away from the current public subsidy model that is supporting the public transport network through Covid disruption.	
UPDATED A financial strategy for the new year has been adopted including holding the transport levy and committing more reserves to Covid resilience	
UPDATED Gainshare strategy planning is underway, with Members committing to individual projects and wider strategies such as the development of a Project Feasibility Fund	
The MCA Group is engaging with local and government partners in the development of the Mass Transit full business case.	

Key

1-4 Low
5-10 Medium
11-16 Medium-High
17-25 High

Existing mitigation strategies / controls weaknesses
No clarity on future years funding from government including Shared Prosperity Funds, MCF, ITB, LEP Capacity Grant. MCA has some influence to lobby and challenge but decision making to address the weakness is external.
There are limited means for the MCA Group to actively intervene in the public transport market to prime demand and redress falling patronage.
There are limited means to manage major investment projects such as the Mass Transit Renewals scheme beyond central government support, and further limited means to manage local contributions without the support of local levy-paying partners.
The MCA Group lacks the resources and powers to manage mass disruption – such as that arising from Covid – on the public transport network, and is reliant on central government support.

Action Plan	Status update	Interim date	completion date
Budget rebaselining and presentation of a revised budget to MCA.	Three budget revisions have now been presented to the MCA. These exercises have been used to address budget pressures and re-set the organisation with an appropriate level of activity. These exercises have allowed the MCA to release previously paused activity and invest in services	Sep-20	Ongoing
Development of exit strategies from the current public-subsidy model for the public transport network, and continued lobbying of government for sustained support to the network during Covid disruption.	Covid exit strategies remain in development. Reports have been presented to the Thematic Boards whilst an internal transport recovery steering group has been formed. These workstreams are aligned to the financial strategy which seeks to provide a bridge to the recovery stage.	Oct-20	Mar-21
Sustainable funding review of the MCA Executive to be undertaken as part of Gainshare strategy discussions	A review has been undertaken of the approach to recharging and top-slicing programme funding streams in support of MCA Executive costs. At this stage no gainshare resource has been specifically allocated to core MCA Executive services.	Dec-20	Mar-21
Development of the Mass-Transit Renewal FBC to determine an approach to local contributions.	Work on a Mass Transit FBC will commence on completion and approval of the OBC. Further OBC work is required to take account of new post-pandemic patronage forecasts.	Sep-20	Sep-21
Risk / Mitigation Owner	Gareth Sutton		

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DATE Jan 21

**Risk Category** Programme Management

Risk Description	Probability	Mitigated probability
1 The number and diversity of new programmes and government funding, each with its own specific complexities, exacerbate the current limitations in the system (MCA Executive and Partners) to respond to bidding rounds to secure resources for programmes to meet Mayor, MCA and LEP priorities.		
2 The number and diversity of new programmes exacerbate the current limitations in the system (MCA Executive and Partners) in terms of capacity and capability to develop and deliver well formed programmes and projects that meet MCA / LEP objectives.		
3 Pace of change and diversity of assurance requirements for different funds requires a range of technical assurance expertise and could mean weaknesses in recommendations made to decision makers.		
4 Scale and complexity of work to implement the Bus Review 7 Point Plan, requiring expertise and resources beyond what is available could mean a failure to effect the desired changes and deliver the desired SY transport network.		
5 Scale and complexity of the devolution of the Adult Education Budget, with limited capacity and resources results in a poorly developed and executed programme.		
6 Scale and complexity of work to deliver the Transforming Cities Funding, to the time limits set by Government, exacerbates the limitations in capacity and capability of transport teams to deliver the scale of the programme.		
7 Failure to collate performance and investment data and risk assessments, adequately analyse and transparently report on performance and benefit realisation outcomes and risks.		

Overall/average mitigated probability score

Key

1 - Remote
2 - Unlikely
3 - Possible
4 - Probable
5 - Highly Probable

Potential Impact / Consequence if risk materialises	Impact	Mitigated impact
1 a reduced level of grant income awarded to the MCA or LEP.		
2 a lack of investment in SY to deliver the locally agreed interventions leading to an over reliance on national programmes with minimal influence.		
3 public transport services patronage continues to decline resulting in loss of income and failure to meet the priorities of the bus review and the ambition to mitigate climate change.		
4 destabilisation of the FE Sector and problems in provision for adults.		
5 reputational damage, as a result of poor performance or failure to mitigate risks, to the Mayor and the MCA and the Management Board of the MCA Exec.		

Overall/average mitigated impact score

Key

1 - Immaterial
2 - Minor
3 - Moderate
4 - Major/Serious
5 - Extreme

Existing mitigation strategies / controls for the risk category
Development programme leading to trained employees with MSP / Prince 2, Better Business Case or Risk Champion training in place and regularly reviewed
Appraisal Models developed and subject to peer review by relevant government departments
The Assurance and Accountability Framework establishes all processes for the development of business cases, assurance and any post approval change requests and sets out decision making
All schemes report quarterly on milestones, risks. The Programme and Performance Unit summarise information and escalate issues to the Management Board and to the Thematic Boards and LEP / MCA.
Commissioned national AEB expert to lead the devolution of AEB programme, with recent experience of heading arrangements in other devolved administrations
DCEX appointed to lead programme of MCA / PTE Integration

Mitigated/Residual risk score

Key

1-4 Low
5-10 Medium
11-16 Medium-High
17-25 High

Existing mitigation strategies / controls weaknesses
Frequency of changes to government funding streams, often launched without guidance and the retrospective application of rules, hampers the ability to provide clarity and to update processes and implement training. MCA / LEP has limited influence to address the weakness.
Quality of programme information from Scheme Promotors is not always accurate and therefore milestone and performance reporting makes it difficult to adequately plan and execute mitigation strategies. MCA has influence to address the weakness.
All programme management information is currently processed manually via spreadsheets increasing the potential for errors. MCA has influence to address the weakness.

Action Plan	Status update	Interim date	completion date
Task and Finish Group of MCA Executive and LA Economic Development and Transport Teams to be established to consider systems weaknesses (capacity, capability and resources) leading to an options proposal for Members	A programme of work led by the Deputy CEX and CEX of DMBC have started a programme of work to review all aspects of the pinch points in the system leading to a paper to MCA. The task group has met on 3 occasions with 3 additional sessions with LA CEX. Following completion of the initial phase work to conclude the options for Members is underway and revised interim and completion dates for this phase are being agreed	Oct-20	Nov-20
Roll out of Better Business Training to all MCA Executive and external Scheme Promotors, subject to budget constraints	This has not started due to awaiting resources following the Government publication of the revised Green Book. We are building budget for this training roll out into the Business Plan for 21/22. Any slippage of the development of training resources will be monitored in case there is a need for a local solution to be developed	Dec-20	Apr-21
Implementation of Programme Management System concluded	The procurement of the system has concluded and is now in the implementation phase. The timescales have slipped and the go-live date is now April 2021. The reason for the slippage was to build in localised changes and developments which have taken additional team resource.	Sep-20	Nov-20
Risk / Mitigation Owner	Gareth Sutton		

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DATE Jan 21

**Risk Category** Governance and Compliance Management

Risk Description	Probability	Mitigated probability
1 Failure to create, implement and monitor an effective strategic and operational approach to governance improvement across the MCA Group and for the LEP.	Green	Green
2 Failure to implement and monitor an effective approach to the publication of up to date relevant information on procurement, contracts, projects, policy documents and meeting papers could mean a lack of transparency.	Yellow	Green
3 Failure to effectively identify and plan for the integration of the PTE with the MCA as a consequence of the Bus Review leading to weaknesses in governance and compliance issues as the PTE operation is required to comply with the legislation governing MCA.	Orange	Yellow
4 Failure to create, implement and monitor an effective approach to ensuring legislative, regulatory and statutory compliance across the organisation.	Orange	Yellow
5 Lack of specialist procurement and commercial expertise and weaknesses in the capability of officers to effectively procure goods and services could mean a failure to secure best value and cost overruns as a result of poorly defined specifications.	Orange	Yellow
6 Failure to agree and implement a Mayoral Remuneration Panel and to get agreement to the outcome.	Yellow	Green
7 Failure to comply with the requirements of the LEP Review, particularly ensuring compliance with the gender diversity KPI	Green	Green
8 Failure to create and implement an effective decision making framework for the MCA and LEP via a new structure for Thematic Boards, with delegation levels agreed could mean a lack of efficiency in policy development, oversight and decision making.	Yellow	Green
9 Failure to create, implement and monitor an effective information asset and GDPR management approach to manage personal data following the devolution of AEB could mean increased probability of data breaches.	Yellow	Green

Overall/average mitigated probability score

Key

1 - Remote
2 - Unlikely
3 - Possible
4 - Probable
5 - Highly Probable

Potential Impact / Consequence if risk materialises	Impact	Mitigated impact
1 Poor assessment of governance improvement and compliance by Internal and External Audit and Government as part of the Annual Performance Review of LEPs.	Yellow	Green
2 Potential Litigation and Financial Penalties.	Yellow	Green
3 Potential data breach and penalties.	Yellow	Green
4 Bottle-necks in decision making.	Orange	Yellow
5 Increased numbers of FOIs.	Orange	Yellow
6 Reputational damage to the Mayor and the MCA and the Management Board of the MCA Executive.	Yellow	Green

Overall/average mitigated impact score

Key

1 - Immaterial
2 - Minor
3 - Moderate
4 - Major/Serious
5 - Extreme

Existing mitigation strategies / controls for the risk category	Mitigated/Residual risk score
Deputy Chief Executive responsible for governance improvement activity across the MCA Executive and LEP.	Green
Annual review of the Constitution, Financial Regulations, Contract Procedure Rules, Assurance and Accountability Framework and LEP Board Policies.	
Fundamental review of CPRs and development of new procurement processes in year.	
OSC and ASC scrutinise policies, processes, decisions. Members have informal briefing sessions with CEX and Senior Officers to increase the effectiveness of the scrutiny process.	
HR Policies are reviewed and updated to ensure legislative compliance.	
IT Security systems and GDPR Action Plan is in place.	

Mitigated/Residual risk score

Key

1-4 Low
5-10 Medium
11-16 Medium-High
17-25 High

Existing mitigation strategies / controls weaknesses
There is no operational Governance Improvement Plan which specifies in detail the required actions and which officers are accountable for implementing actions, this results in weaknesses in transparency of information. MCA has influence to address the weakness.
Lack of an organisation wide training programme for all officers in the requirements of new CPR and procurement process, which makes clear the officer obligations and consequences for non-compliance. MCA has influence to address the weakness.
Lack of capacity and capability in the IT team to lead on the complex work as a result of the devolution of AEB. MCA has influence to address the weakness.

Action Plan	Status update	Interim date	completion date
Roll out of new CPR rules and processes and development of a MCA Exec wide training programme.	CPR Rules were approved by the MCA in November. Training to be rolled out appropriately.	Sep-20	Jan-21
Develop and implement a system of monitoring breaches in application of processes especially in procurement.	In progress	Sep-20	Oct-20
Agree the process for the Mayoral Remuneration Panel.	Process agreed. Final report of Remuneration Panel scheduled for MCA meeting Jan 21.	Sep-20	Oct-20
Create, implement and monitor an operational governance improvement plan with specific actions and officer accountabilities specified.	In progress	Sep-20	Oct-20
Agree a revised governance model linked to newly constituted Thematic Boards, with options to vary delegation levels considered.	Complete	Sep-20	Sep-20
Commission capacity, implement and seek assurances with regard to the data management and IT systems work for the devolution of AEB.	In progress	Sep-20	Jul-21
Risk / Mitigation Owner	Steve Davenport		

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**AUDIT & STANDARDS COMMITTEE**21<sup>st</sup> January 2021**Work Plan for 2020/21****Purpose of Report**

This report presents the Audit and Standards Committee work plan for 2020/21.

**Freedom of Information & Section 12A of the Local Government Act 1972**

Under the Freedom of Information Act this paper and any appendices will be made available under the Mayoral Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

**Recommendations**

Members consider the work plan for 2020/21 and agree any changes or additional items to be scheduled.

**1. Introduction**

1.1 The Audit and Standards Committee work plan for 2020/21, is required to facilitate the Committee in meeting its accountabilities.

1.2 The work plan is reviewed quarterly to ensure it remains on schedule.

**2. Proposal**

2.1 The work plan is attached at appendix A. This document aims to ensure the Audit and Standards Committee are appropriately sighted on key governance issues and activities in a timely manner and ensure that items relevant to their statutory accountabilities are appropriately scheduled.

**3. Consideration of alternative approaches**

3.1 A work plan is required to ensure the Audit and Standards Committee is able to meet its accountabilities.

**4. Implications**

4.1 **Financial**  
None.

#### **4.2 Legal**

None.

#### **4.3 Risk Management**

Failure to consider this annual work plan could result in ineffective controls of the MCA / LEP.

#### **4.4 Equality, Diversity and Social Inclusion**

There are no equality, diversity or social inclusion implications.

### **5. Communications**

5.1 None.

### **6. Appendices/Annexes**

6.1 Appendix A – Work Plan

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#### **POST**

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## Appendix A

<b>Date</b>	<b>Agenda items</b>
Thursday 21 <sup>st</sup> January 2021	Update on 20/21 AGS Governance Improvement Plan Actions 20/21 AGR Process 2020/21 Internal Audit Annual Plan Progress Report Internal Audit Reports Strategic Risk Monitoring
Training	Treasury Management
Thursday 18 <sup>th</sup> March 2021	*20/21 Draft Treasury Management Strategy AGR initial findings Internal Audit Plan 2021/22 2020/21 Internal Audit Annual Plan Progress Report Internal Audit Reports - tbc External Audit Annual Plan Updated Assurance and Accountability Framework Strategic Risk Monitoring
Training	Scrutinising the Accounts
Thursday 10 <sup>th</sup> June 2021	**Annual review of Code of Corporate Governance AGR Findings and Draft AGS Draft Accounts 2020/21 Internal Audit Annual Plan Progress Report Strategic Risk Monitoring Internal Audit Reports - tbc
Thursday 15 <sup>th</sup> July 2021	Final AGS Final Accounts IA Annual Report Internal Audit Reports - tbc Strategic Risk Monitoring

\*deferred from January to March

\*\*deferred from March to June

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