

## MCA - AUDIT, STANDARDS AND RISK COMMITTEE

### MINUTES OF THE MEETING HELD ON:

THURSDAY, 14 JULY 2022 AT 11.00 AM

SOUTH YORKSHIRE MCA, 11 BROAD STREET WEST,  
SHEFFIELD, S1 2BQ



### Present:

Councillor Phillip Lofts (Chair)  
Rhys Jarvis (Vice-Chair)  
Councillor Ian Auckland  
Angela Marshall  
Councillor Austen White

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

### In Attendance:

Dr Ruth Adams	Deputy Chief Executive	SYMCA Executive Team
Mike Thomas	Assistant Director of Finance & Deputy S73 Officer	SYMCA Executive Team
Claire James	Head of Corporate Governance	SYMCA Executive Team

### Apologies:

Councillor Emily Barley  
Hassan Rohimun  
Gareth Sutton

Rotherham MBC  
External Audit  
SYMCA Executive Team

### 56 Welcome and Apologies

The Chair welcomed everyone to the meeting.

Apologies were noted as above.

### 57 Urgent Items/Announcements

The Chair noted that this was A Marshall's final meeting and the committee thanked her for her service and expert advice during her tenure. Officers echoed and endorsed their thanks.

### 58 Items to be Considered in the Absence of Public and Press

None.

59 **Declarations of Interest by any Members**

None.

60 **Reports from and Questions by Members**

None.

61 **Questions from Members of the Public**

None.

62 **Minutes of the Previous Meeting held on 9 June 2022**

**ACTION:** Democratic Services to edit the minutes to reflect that Cllr Auckland was present, and that following Councillor Loft's nomination as Chair, it was the Cllr Loft who welcomed everyone to the meeting, and not Cllr Auckland.

RESOLVED – Subject to the above amendments being made, that the minutes of the meeting held on 9th June 2022 be agreed as a true record.

63 **Matters Arising and Action Log**

**Climate Change**

Members had expected a climate change risk report to be featured on the work plan. The Chair explained that he anticipated that an environmental element would be present in each section of work the committee audited. A discussion was had around the different pieces of work in this topic area and what would be most beneficial for members to see.

**ACTION:** The Deputy Chief Executive and L Mackenzie to work together on a summary of the NAO report to present to members.

**ACTION:** The Deputy Chief Executive to work with officers to ensure a climate change report to be brought to the next meeting.

**Audit, Standards and Risk Panel**

Members discussed the future of the panel. A Marshall and R Jarvis felt that a panel could support the work of the main Committee but that an elected member from the committee would be required.

The Deputy Chief Executive clarified the Terms of Reference (ToR) regarding the committee's authority to set up working groups, panels and sub-committees; the committee cannot delegate any of its powers as given to it by the MCA to a sub-group or panel so work would be needed around the ToR for such a group. The committee were informed that this would be discussed further with the Monitoring Officer.

Members discussed the risks surrounding transport; Cllr Auckland stated that this was an area of interest for him and stated he would be willing to be a member of a working group if the opportunity arose.

**ACTION:** Deputy Chief Executive to discuss with the Monitoring Officer what members can do in terms of setting up a working group (or similar) specifically linked to the transport risk. Members to receive a paper on these recommendations.

The Head of Corporate Governance suggested that a report to the committee which mapped the MCAs existing assurance procedures.

**ACTION:** Head of Corporate Governance to investigate assurance mapping and present the committee with an update.

### **Action Log**

Cllr Lofts and the Assistant Director of Finance will be meeting with H Rohimun over the next few days.

Members were reminded that Treasury Management Training would take place on Thursday 1<sup>st</sup> September 2022.

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### **Draft Accounts 2021/22**

The Assistant Director of Finance introduced a report which provided members with an update on the 2021/22 Annual Accounts for the MCA Group and SYPTE.

Members noted that the external audit planning phase began last week and would continue for 4-5 weeks. The Assistant Director of Finance explained that the information provided to them was due to regulation but drew their attention to the narrative statement at the beginning of each report which set out the context. Members noted the update from the Assistant Director of Finance.

A discussion took place regarding whether there was a programme in place to help the MCA reach its spending and scheme delivery targets due to the underspend described by the Assistance Director of Finance. Members were reassured that a team was in place who would look at mitigating risks associated with this. Additionally, the MCA's Assurance Framework and other processes had been adapted to ensure changes were dealt with easily. The Assistant Director of Finance reassured the committee that there was other funding available as a contingency if central Government withdrew funding.

Members discussed External Audit fees and noted that there was currently no indication as to whether there would be any additional fees. Members agreed that if additional charges are incurred, an explanation would be appreciated to understand why they had been incurred.

The Assistant Director of Finance informed members of the new External Audit Manager, the Reverend Sue Gill, and assured them that he had been in conversation with the Public Sector Audit Appointments (PSAA) regarding concerns raising over the past few meetings. Members agreed that they looked forward to meeting the Reverend S Gill.

**RESOLVED:** That members reviewed the Annual Accounts for 2021/22 and noted that external audit was underway.

65 **Internal Audit Annual Report/Head of Audit Opinion**

P Clark briefly gave an overview of the Internal Audit Annual Report and Head of Internal Audit Opinion 2021/22.

Members were asked to note summary pages in the paper pack. The committee were reassured that no changes had been made since the draft report was brought before the committee on 9 June 2022.

Members enquired when the Governance Report would be brought before the committee. The committee were informed that this was in the final draft stages would be on the next ASRC meeting agenda.

**ACTION:** Democratic Services to place Internal Audit Governance Report on the forward plan.

**RESOLVED:** Members noted the Internal Audit Annual Report and Head of Internal Audit Opinion 2021/22.

66 **External Audit Update**

H Rohimun was not present at the meeting and did not send apologies.

**ACTION:** Cllr Lofts and M Thomas to meet with H Rohimun and discuss attendance at meetings.

67 **2022/23 Internal Audit Plan Progress Report**

L Mackenzie presented an update on the progress of the 2022/23 Group Internal Audit Plan.

L Mackenzie asked members to note that the GDPR Review was in progress and was coming to the end of the fieldwork stage and would be presented to Members at the next meeting. Members were informed that introductory conversations around the Net Zero Review, Adult Education Budget and Integration Review were in the pipeline to be scoped. Additional controls testing around the Growth Fund Grant had been requested by managers and discussions around allocation time scales were taking place.

The Director of Public Transport Operations asked members to note that the approved request for additional allocation of days for use on Community Transport work had been delayed.

**RESOLVED:** That members noted the progress of 2022/23 audit activity and approved changes to the Internal Audit Plan.

68 **Internal Audit Reports - Risk Management**

L Mackenzie summarised the Internal Audit Report for Risk Management from the 2021/22 Internal Audit Plan.

Members were asked to note that this review was completed in respect of the 2021/22 financial year, and it followed a very small scope to consider the integration of the two authorities (MCA and PTE) into one joined authority. It does not give assurance on the embeddedness of the processes put in place, but this would be the focus of this year's review.

Members noted that one medium risk was raised relating to the oversight of risk within the thematic boards. The Deputy Chief Executive updated members on the ToR for the Thematic Boards which were scoped by the MCA and did not delegate risk oversight other than at a decision-by-decision level. Management will go back to the MCA to see if they would like to change the ToR for the Thematic Boards.

**RESOLVED:** That members noted the findings and recommendations of the internal audit on Risk Management.

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### **Risk Management Framework Implementation**

The Head of Corporate Governance provided members with a summary of the risk management development activity to date and presented a plan and timeline for the continuing implementation of the agreed risk management approach.

Members were asked to note Section 3 and Appendix A which discussed resourcing requirements, actions and implementation timeline required to continue to embed this.

Members discussed the specifics of the timeline as they felt that aspects were planned to take place too early and quarter 4 was 'crowded'. The structure of the Governance team and the administration and implementation of the risk system was also discussed.

**ACTION:** Head of Corporate Governance and L Mackenzie to review the Post Implementation Review schedule.

The Committee noted that the framework would be presented to the MCA Board on 25 July 2022.

**RESOLVED** - That members noted the progress to date and considered the plan and timeline for the continuing implementation of the agreed risk management approach.

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### **Governance Improvement Plan Update**

The Head of Corporate Governance updated the Committee on the 2022/23 Governance Improvement Plan.

Members noted that an update would be brought to every committee meeting going forward. The actions within the plan are high level and multi-layered requiring collaboration with other teams and so required a slightly longer timeframe. A discussion took place regarding how the key themes would be broken down into responsible officers and deadlines. Members agreed that this

would be a sensible approach.

**RESOLVED:** Members noted the activity to progress the governance improvement plan.

71 **Work plan for 2022/23**

The Head of Corporate Governance asked for feedback on the proposed work plan for 2022/23.

Members discussed the proposed work plan items and suggested amendments.

**ACTION:** Head of Corporate Governance to add a session for the Committee to review its Terms of Reference.

**ACTION:** The Head of Corporate Governance to add a session on Performance Management.

**ACTION:** The Head of Corporate Governance to create and circulate an Assurance Map to Members.

**ACTION:** The Head of Corporate Governance plan a session on the Assurance and Accountability Framework in January 2023 so members can comment on it during its creation.

**ACTION:** The Head of Corporate Governance to review the methodology behind the Internal Audit Review (ie, a report formed from interviews with Committee Members).

**ACTION:** The Head of Corporate Governance to investigate splitting the March workload into two separate meetings to allow for all scheduled work to be looked at thoroughly.

**RESOLVED:** Members noted the proposed work plan for 2022/23 and agreed on changes and additional items.

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

Signed .....

Name .....

Position .....

Date .....