

## AUDIT, STANDARDS AND RISK COMMITTEE

### MINUTES OF THE MEETING HELD ON:

WEDNESDAY, 13 DECEMBER 2023 AT 10.30 AM

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



#### Present:

Councillor Phillip Lofts (Chair)  
David Phillips (Vice-Chair)  
Councillor Ian Auckland  
Councillor Austen White  
Paul Schofield

Barnsley MBC  
Independent Member  
Sheffield City Council  
City of Doncaster Council  
Independent Member

#### In Attendance:

Martin Swales	Chief Executive and Head of Paid Service	SYMCA Executive Team
Gareth Sutton	Executive Director of Resources & Investment	SYMCA Executive Team
Claire James	Head of Corporate Governance	SYMCA Executive Team
Mike Thomas	Assistant Director of Finance & Deputy s73 Officer	SYMCA Executive Team
Pat Beijer	Executive Director of Transport (Acting)	SYMCA Executive Team
Nick Brailsford	Head of Digital Transformation	SYMCA Executive Team
Michelle Stansfield	Head of Facilities and Asset Management	SYMCA Executive Team
Tim Taylor	Director of Public Transport Operations	SYMCA Executive Team
Lyndsey Whitaker	Senior Economic Policy Manager	SYMCA Executive Team
Mark Cooper	Police and Crime Commissioner Project Manager	

Hassan Rohimun (EY)  
Rob Barnett and Anna Mullen (RSM)

#### 197 **Welcome and Apologies**

The Chair welcomed attendees to the meeting, and apologies were noted as above.

#### 198 **Urgent Items/Announcements**

None.

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

Agenda item 26 was restricted and would be considered in private at the end of the meeting.

200 **Declarations of Interest by any Members**

Dave Philips declared that he was a Member of the South Yorkshire Police and Crime Commissioner Board.

201 **Reports from and Questions by Members**

None.

202 **Questions from Members of the Public**

None.

203 **Minutes and Actions of the Previous Meeting held on 20 September 2023**

The minutes of the meeting held on 20 September 2023 were agreed as a true and accurate record.

The Action Log was noted.

204 **Restricted Minutes and Actions of the Previous Meeting held on 20 September 2023**

The restricted minutes of the meeting held on 20 September 2023 were agreed as a true and accurate record.

All actions in the restricted action log were noted.

205 **Health and Safety Update**

A Health and Safety Update was presented.

It was noted that the current Health & Safety Advisor was due to leave the MCA, and that a replacement would be in place in the new year.

There had been an incident at Doncaster, for which SYMCA was not liable, which was currently being investigated. **ACTION: Head of Facilities and Asset Management** to highlight the Doncaster incident within the next Committee Health and Safety Report.

A discussion was held on antisocial behaviour in Barnsley Interchange, and it was noted that the MCA was working with partners including bus operators, the Youth Justice team and South Yorkshire Police, and through the Reanimation Project to address ongoing issues.

A question was raised around completion of essential training by SYMCA staff.

It was confirmed that there is a process in place for highlighting those who have not completed training, and that further monitoring systems would be implemented in the new year to address this.

**RESOLVED:** to note the update.

## 206 **Tram Programme Update**

A Tram Programme Update was presented, noting that:

- Governance arrangements had been established for the operating organisation to be in place from the first day of operation
- Oversight of risk would sit with the MCA Audit Standards and Risk Committee,
- The incumbent pension provider would remain in place, and the MCA was currently in the process of acquiring audit services for the operating company.
- A year-one Business Plan had been developed to mobilise systems and processes for new operations and to ensure regulatory and legal compliance,
- A significant asset renewal programme would also be undertaken within this period and would be addressed within the business plan.

A question was asked around milestone delivery and slipping deadlines in commercial areas in November and December. A response was given that securing relevant communications and marketing expertise had been difficult due to the interim nature of roles, but that posts had now been filled and officers were confident that delivery was on track.

Engagement sessions between the MCA and Operational SYSL staff had also been taking place to smooth personnel and cultural changes.

**RESOLVED:** to note the update.

## 207 **Bus Franchising Update**

A Bus Franchising Update was presented, noting that:

- There had been a change to services from October 2023, with MCA reserves used to maintain parts of the network, and 40% of network mileage had been lost in the previous decade.
- An assessment of franchising had been commissioned and was currently being finalised,
- Lessons were being taken from other regions which had undertaken Bus Franchising,
- If agreed by the MCA Board, an independent audit of the franchising case would be undertaken, followed by a public consultation and final decision by the MCA Board whether to progress to a Franchised bus network.

Members highlighted the management of data in collaboration with bus operators as an area for improvement. A response was given that under a franchised system the flow of data would need to be managed differently and more efficiently.

Questions were raised whether key milestones could be met alongside the Mayoral election. It was confirmed that work was ongoing to complete the necessary detailed assessments, for the MCA Board to take a decision in the new year.

**RESOLVED:** to note the update.

208

### **Mid-Year Treasury Management Strategy Report**

The Mid-Year Treasury Management Strategy Report was presented, noting that:

- The MCA had exceptional investment performance in the previous quarter, forecasting investment income of £17m as opposed to the originally forecast £3m,
- Surplus funds had been allocated to projects such as the Bus Franchising assessment, and the Mayoral election,
- £20m of loans had been repaid, made manageable by high cash reserves,
- The level of under-borrowing presented a long-term low risk.

It was noted that work was ongoing to align treasury management with the Office of the Police and Crime and Commissioner.

It was noted that most of the MCA's debt was largely historical SYPTTE borrowing; There was no borrowing planned in programme forecasts, which are 100% grant funded. However, more direct exposure to bus and tram system would change MCA risk profiles, and therefore may shape borrowing plans.

**RESOLVED:** to note the report.

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### **Assurance Framework**

An update on the Assurance Framework was presented.

Workshops were ongoing with Local Authority partners to collect feedback on the 2023 Assurance Framework. These had welcomed:

- The advice and guidance provided by the new Programme Management Office,
- The payment of 14% development costs on approval of a Strategic Business Case,
- Streamlined change control process, and that all projects had been moving through the assurance process more efficiently.

New governance arrangements would be reflected in the 2024 Assurance Framework.

**ACTION: Head of Assurance and Evaluation** to bring the 2024 Framework to the March Committee meeting, and informally prior to that.

**RESOLVED:** to note the update and recommend the above feedback for inclusion in the 2024/25 Assurance Framework.

210 **External Audit Update: Presentation of 2021/22 Annual Audit Letters for SYMCA and SYPTE and update on national consultation**

An External Audit Update was presented, including the 2021/22 Annual Audit Letters.

It was noted that the Auditors Annual Report had been issued, giving an unqualified opinion with no matters to report.

It was asked when the 2022/23 audit would be completed A response was given that the Minister of State in the Department for Levelling Up, Housing and Communities had confirmed commitment to reset external audit timelines, and that auditors were currently waiting on guidance to be issued and prioritising audits as necessary.

**ACTION: Executive Director of Resources & Investment** to circulate final wording of the Audit opinion to members

**ACTION: External Auditors** to amend and re-circulated Capital Monitoring Report.

**RESOLVED:** to note the update and the findings of the 2021/22 Annual Audit Letters.

211 **Internal Audit Plan Progress Report**

The Internal Audit Plan Progress Report was presented.

Members noted that:

- It had been recommended that the governance audit be delayed to March to allow the embedding of some new processes,
- KPIs needed adjusting to allow internal audit reports to be considered by the Executive Leadership Board before the Committee.

**RESOLVED:** to note the progress of the Internal Audit Plan 23/24.

212 **Internal Audit Reports**

Four Internal Audit Reports were presented.

**1. Bus Data Quality**

The report gave an overall positive opinion, based on actions agreed for completion by March 2024. Actions included:

- That there is an opportunity to tighten controls on concession payments, and formalise approval processes in validating concession claims,
- A refresh of tender methodology and process,
- Formally documenting KPIs with operators and acting on where they are not being met.

Members raised questions regarding how the actions had been rated as

medium. A response was given that these points were around continuous improvement and were not control failures.

Members agreed that there were limitations on the data and information operators are obliged to provide to the MCA, but that there was a need for improvement here.

**ACTION: Director of Public Transport Operations** to look at how much money is potentially at-risk regarding controls on concession payments.

## **2. Risk Management**

The report gave an overall positive opinion, with the recommendation that an Assurance Map be developed.

## **3. Purchasing and Creditors**

The report gave an overall positive opinion. Actions had been identified around the recording new suppliers, and removing duplicate supplier accounts which had resulted from combining MCA and SYPTE systems.

## **4. Tram Services Progress Health Check**

The report identified a medium action in relation to documentation of project changes, specifically in terms of sign off and completion of tasks.

**RESOLVED:** to note the findings of the Internal Audit Reports.

213 **Transport Risk Working Group Update**

**NOTED.**

214 **Risk Monitoring Report and Risk Management Framework**

**NOTED.**

215 **Governance Improvement Plan**

**NOTED.**

216 **Annual Governance Review Process 2023/24**

**NOTED.**

217 **Breach of Controls Report**

**NOTED.**

218 **Local Authority Section 114 Notices: Key Issues and Lessons for SYMCA**

**NOTED.**

219 **Work Plan**

**NOTED.**

220 **Police & Crime Commissioner Update**

A Police and Crime Commissioner Update was presented, noting that:

- The Order would be laid in Parliament the following week to affect the transfer of Police and Crime Commissioner powers to South Yorkshire's Mayor,
- It was expected that the Constituent Councils would provide their consent to the Order by the end of the week,
- A formal Programme Board had been established to manage the transfer of functions,
- Seven working groups had been established to deliver the transfer of day-to-day functions.

**RESOLVED:** to note the update.

221 **Progress Update on the New Governance Model**

A Progress Update on the New Governance Model was presented, noting that:

- New governance systems were beginning to embed, with Portfolio Holders taking on a greater role in presenting of items to the MCA Board,
- The new Business Advisory Board had met, and the Mayor's Economic Advisory Council membership would be announced in due course.

**RESOLVED:** to note the update.

222 **Cyber Resilience Update**

A Cyber Resilience Update was presented.

**RESOLVED:** to note the update.

223 **Issues for Escalation**

**NOTED.**

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

Signed .....

Name .....

Position .....

Date .....