

## AUDIT & STANDARDS COMMITTEE

23<sup>rd</sup> October 2020

### Update on Internal Audit Recommendations made in 2018/19

#### Purpose of Report

This report presents an update on the implementation of the recommendations made by SCR's Internal Audit provider (BMBC) during 2018/19.

#### 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.

## 1. Introduction

- 1.1 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 paper updates the Committee on the implementation of the recommendations made by SCR's Internal Audit provider (BMBC) for the financial year 2018/19.

## 2. Proposal

### 2.1 GDPR Compliance

At the time of the Audit & Standards Committee in October 2019 there was one outstanding recommendation out of six made:

1. *'The roles and responsibilities for GDPR (including SIRO and Information Governance) should be clarified and then clearly defined within the relevant Job Descriptions.'*

**Status:** The actions identified to implement this recommendation are **partially complete**. This is due to a re-organisation of roles since the audit was undertaken: roles and responsibilities for GDPR are clarified in the SCR 'Information Asset Assurance Process'

which has been in place since 2018 and recently reviewed as part of a scheduled review of all GDPR related documentation. The job description for the Monitoring Officer/Principal Solicitor now includes reference to the role of Data Protection Officer (DPO). In November, the SCR Management Team agreed that the Head of Governance would assume the role of Senior Information Risk Owner (SIRO). The job description will be updated in due course.

The Committee is asked to note that a further GDPR audit is currently underway. The outcome of this audit is scheduled to be reported to the Audit & Standards Committee in March.

## 2.2 Capital Programme

At the time of the Audit & Standards Committee in October 2019 there was one outstanding recommendation out of six made:

1. *'The quarterly report presented to the CA in relation to the SYPTE's Capital Programme should include a more detailed breakdown of the funding streams.'*

**Status:** The actions identified to implement this recommendation are **complete**. The Q2 report submitted to the MCA in November included a more detailed breakdown of the funding streams for the SYPTE Capital Programme.

## 2.3 Inward Investment

At the time of the Audit & Standards Committee in October 2019 there were two outstanding recommendations out of two made. These were:

1. *'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.'*
2. *'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.'*

**Status:** The actions identified to implement these recommendations are **on hold** whilst a new Plan, aligned to the new Strategic Economic Plan (SEP), is developed. The LEP Board will be asked at their meeting in January to agree to a consultation on the draft SEP. A workshop will be undertaken with the Business Growth Board in early February. The findings of the consultation will be considered by the LEP Board in March and a final SEP published in May.

## 2.4 Procurement Arrangements

At the time of the Audit & Standards Committee in October 2019 there were 10 outstanding recommendations out of 11 made. These were:

1. *'The Transparency Code and associated best practice requirements need to be fully met in relation to the Contracts Register.'*
2. *'The Employee Agreement should be reviewed and updated to ensure that GPC card holders formally declare the requirement to adhere to the regulatory / policy requirements.'*

3. *'All application forms and evidence of approval should be securely retained in future, in accordance with the requirements of Financial Regulations and Document Retention Policy. Management should consider the use of merchant category restrictions and individual transaction limits to provide for enhanced controls with regards to procurement card expenditure.'*

4. *'All procurement cardholders and approving officers should be reminded of the process requirements and submission timescales that must be met. Official itemised receipts / invoices (VAT receipts where applicable) should be obtained for all purchases, in addition to the procurement card terminal receipt.'*

5. *'A review of the business credit limit, current card holders and individual credit limits should be undertaken to determine if there is a continued business requirement for a procurement card, with credit limits adjusted (as appropriate). Cards should be cancelled / removed where a business need is no longer required and / or allocated to additional users as considered appropriate.'*

6. *'Procurement cards should be utilised in accordance with the terms and conditions and all purchases should be approved by the cardholder prior to orders being placed. In addition, officers should be required to complete an Employee Agreement confirming their adherence to the requirements of the T&Cs of the card and also regulatory / procedural requirements.'*

7. *'All Officers should be reminded of the importance of adhering to the Public Contract Regulations, CPR and procedural requirements when undertaking procurement related activity.'*

8. *'All officers must complete and submit a return declaring any conflicts of interest (including nil returns). Declarations should be analysed and considered when undertaking procurement activity compensating controls and / or appropriate safeguards implemented (where considered appropriate) to mitigate associated risks. Conflict of interest forms should be completed by all officers within the procurement process on a risk basis and should extend to those RFQ opportunities that are openly advertised.'*

**Status:** The actions identified to implement these recommendations are **complete**.

A specific piece of work has been commissioned which will seek to develop the SCR MCA's procurement function and strategy. This significant piece of work has been commissioned to review the whole procurement function to ensure future procurement meets the needs of the evolving and growing SCR budget. This will involve a detailed review of existing procurement policies and the development of fit for purpose SCR MCA Procurement Strategy. The scope of the project will include implementing and embedding policies and processes into organisational ways of working. The following recommendations will be addressed within this piece of work that will be completed by 30<sup>th</sup> June 2020.

9. *'The Contract Procedure Rules and other procurement related documentation should be reviewed and updated in conjunction with the Operational Contracts Team at the earliest opportunity. All officers should be notified of the updated documentation, upon the completion of the review and signposting provided to its location.'*

10. *'A business entertainment and foreign travel policy should be drafted and approved, to confirm the type and level of expenditure that is acceptable to the SCR MCA when attending meetings and other commercial (business) related events. The policy should be published on the Intranet Site.'*

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

3.1 N/A

### **4. Implications**

#### **4.1 Financial**

None.

#### **4.2 Legal**

None.

#### **4.3 Risk Management**

Internal Audit forms part of SCR's system of internal control. The monitoring of the recommendations made by Internal Audit, and the agreed management response, supports governance improvement and the management of risk.

#### **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 None

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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: n/a