

## 1. The Governance Framework

The governance framework comprises the systems, processes and the culture by which the Mayoral Combined Authority (MCA) directs and controls its activities to deliver its intended outcomes. These systems and processes are mapped against the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework *Delivering Good Governance in Local Government 2016*. These principles underpin the governance of the organisation and provide a framework against which to structure the approach to governance. Commitment to these principles is outlined in the Code of Corporate Governance LINK.

The MCA, in delivering the Accountable Body function for the Sheffield City Region Local Enterprise Partnership (LEP), is obliged to consider the requirements of the National Assurance Framework in processes related to the delivery of the Local Growth Fund (LGF) programme.

## 2. Governance arrangements: their effectiveness

The scope of the governance and internal control framework spans the whole of the MCAs and the LEPs activities and is described in the Code of Corporate Governance. The Constitution and policies of both the MCA and the LEP set out the requirement that business is conducted in accordance with the <sup>1</sup>Nolan Principles. The following section considers the main components of the framework, their effectiveness during 2019/20, describes any improvements made in year and plans to strengthen arrangements into 2020/21.

### 2.1 Developing, communicating and embedding codes of conduct which define standards of behaviour for members and staff, and for policies dealing with whistleblowing and conflicts of interest.

#### The MCA Constitution

The Constitution defines the operating principles of the MCA and embraces a suite of policies including a Code of Conduct, which define the standards of behaviours for members. Other Constitutional policies and procedures include:

- **Whistleblowing Policy** – this policy sets out the protocols to be followed in relation to any allegations of misconduct. The policy states that any allegations should be directed to the MCA's Monitoring Officer and that, where a complaint cannot be resolved locally, and the matter relates to the use of public money, the issue can be escalated to a relevant Government department.
- **Gift and Hospitality Procedures** – any gifts or hospitality declared in line with this policy are published on the authority's website.
- **Register and Declaration of Interest** – each member of the MCA is required to make a declaration of interest, pecuniary and non-pecuniary, for the purposes of their individual organisations. Registers are updated as necessary and reviewed annually, are available on the authority's website and compliant with the requirements of the Localism Act 2011. Members are also required to declare any interests they may have in any agenda items at meetings. Any interests are recorded in the minutes and published on the website after the meeting. Where a member declares an interest, clear protocols exist within the Constitution to ensure that members do not participate in any decision making related to that interest.
- **Financial Regulations** which include Anti Bribery, Fraud and Money Laundering procedures.

Contracts for the supply of goods and services also include standard clauses relating to anti-bribery, anti-corruption, human rights, human trafficking and counter terrorism, information laws and environmental regulations.

<sup>1</sup> Selflessness, integrity, objectivity, accountability, openness, honesty, leadership

## The Sheffield City Region Local Enterprise Partnership

The SCR LEP policies are reviewed annually and are available on the website. The LEP suite of policies includes:

- **Code of Conduct** – it is a condition of appointment that all LEP Board Members adhere to the LEP Code of Conduct. This has been developed in accordance with the Nolan principles.
- **Terms of reference** – these set out the role and purpose of the Board and how it will operate to fulfil its role.
- **Declaration of gifts and hospitality** – this policy is aligned with existing local authority standards and Government guidance.
- **Whistleblowing and confidential complaints** – these policies set out the process by which individuals can ‘whistle-blow’ and raise confidential complaints about the work of, and decisions made, by the LEP. These policies are published on the website and are compliant with Government guidance.
- **Register and declaration of interests** – each member of the LEP is required to declare and register any interest, pecuniary and non-pecuniary. These registers must be updated and published within 28 days appointment or of a change in a Members interest. All Members registers are available on the website. Members are also required to declare any interests they may have in any agenda items at meetings. Any interests are recorded in the minutes and published on the website after the meeting. Where a member declares an interest, clear protocols exist to ensure that members do not participate in any decision making related to that interest. National guidance requires that protocols for conflicts and declaration of interests for members extends to any officers advising on decision making therefore senior officers of the SCR Executive team are also required to complete Registers of Interest.
- **Diversity** – this policy sets out the LEP’s commitment to promoting diversity, including through recruitment processes and other activities. The LEP Chair leads on equality and diversity and is the LEPs nominated Equality and Diversity Champion.
- **Gifts and hospitality** – this policy sets out the LEP’s protocol on accepting gifts and hospitality offered as a result of being LEP Board member.
- **Expenses** – eligible claimable items and associated amounts are set out within this policy. LEP expenses claims are published on the website.

The SCR Executive Team, who are employees of the MCA, are also bound by an employee Code of Conduct and other related policies.

There have been no standards or Code of Conduct issues during the year.

### **2.2 Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.**

The MCA’s **Financial Regulations** determine how money can be spent and ensure that expenditure is lawful.

**Contract Procurement Rules** are in place and are aligned to Public Contracts Regulations 2015. These have undergone a thorough review during the year to ensure that processes are consistent across the Group, robust and designed to minimise risk.

An **Anti-Money-Laundering Policy** is in place. The Deputy Finance Director is appointed as the ‘Money-Laundering Reporting Officer’ and has undertaken specific training regarding this role.

A **Data Protection Policy** and **Privacy Notice** compliant with Data Protection Act 2018 and General Data

Protection Regulation are published on the website. All data protection policies and processes have been reviewed and updated in year. An internal audit in Q3 found evidence of good practice and concluded that there is 'significant assurance' regarding data protection across the group. The audit report highlighted opportunities to create a more robust and efficient level of compliance which have been incorporated into the existing annual GDPR action plan.

A **Freedom of Information Publication Scheme** and related Guide to Information is published on the website. Compliance with the **Freedom of Information Act 2000** and information law is co-ordinated by the SCR Governance Team, assured by the legal team and internal audit and overseen by Statutory Officers through strategic risk management processes.

All schemes seeking SCR funding are tested for **State Aid compliance** prior to being submitted to the MCA for a funding decision. The responsibility for obtaining a legal opinion formally resides with the Scheme Promotor however, this is tested prior to a legal opinion being provided to the MCA.

### **2.3 Demonstration of SCR's commitment to openness and acting in the public interest.**

Unless there are good reasons to exclude the press and public, MCA meetings are held in public at Broad Street West, Sheffield. This location is accessible by public transport and the facilities are Disability Discrimination Act 2010 compliant. All public meetings held at Broad Street West are webcast.

All agendas and reports for the MCA and its statutory committees are published online, in accordance with statutory access to information requirements. The paper publication approach is replicated for the LEP Board and for five thematic boards who have delegated authority to make investment decisions up to £2m. Agendas, papers and minutes for these meetings are also available on the SCR website.

Annual accounts are reviewed by external auditors, their opinion, together with the final accounts are published and available for inspection.

SCR's Assurance Framework is reviewed annually to ensure compliance with any revisions to the National Assurance Framework requirements. This Framework, which is published on the website, sets out public money will be used responsibly and outlines the processes for ensuring openness and accountability for public funds. During 2020/21 the Framework will be updated to include the processes for the 'Transforming Cities Fund' allocation as well as for other budgets devolved to the MCA.

All schemes seeking funding are independently appraised and objectively considered by the SCR Appraisal Panel. The Panel establishes whether the proposed scheme can be considered 'value for money' and produces a 'value for money statement'. This statement, which is published on the website, informs the MCA when making an investment decision.

Scheme Promotors are required to publish their business cases on their own websites to enable comments to be made. The SCR Executive also publish the business cases to ensure consistency and provide opportunity for feedback from the public.

A 'LEP Governance and Transparency Policy Framework', which includes protocols regarding conflicts of interest and gifts and hospitality, and is aligned to Government guidance, is reviewed annually and is available on the website.

### **2.4 Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.**

Key documents and information are made accessible to communities and stakeholders through the website. Modern.gov, a meetings management system designed to help deliver good governance and ensure transparency, is integrated into the website. This system ensures information that supports, and reports on SCR decision making, is accessible.

A range of channels including social media, digital media, the press and a programme of events are used to communicate with communities, business and stakeholders. A communications and marketing strategy

is in place to ensure engagement with wide range of audiences at the right time, through the channels that they prefer to use. Social and digital media are increasingly important channels for engaging with communities and business audiences, particularly during the Covid-19 pandemic. The main Twitter account remains the MCA's most active channel, with more than 13,000 followers, while the number of followers and engagement rates on Facebook and LinkedIn continue to grow rapidly. A new newsletter from the Growth Hub, sent directly to businesses across South Yorkshire, has been launched and is receiving good feedback. Engagement with the traditional media, meanwhile, has been strengthened over the last year, with the work of Mayor Dan Jarvis, the LEP and the MCA receiving coverage in national print and broadcast media, as well as in regional, local and sector-specific titles.

An events programme, while restricted in the early part of 2020 due to Coronavirus, has enabled stronger relationships with stakeholders, partners, businesses, community groups and members of the public. In May 2019, a transport conference was held in Rotherham and launched the Mayor's vision for the future of transport in South Yorkshire, while a series of business-focused events, including workshops held in partnership with McLaren, enabled engagement directly with private sector stakeholders.

The SCR Executive, LEP and MCA also engage with partners through a range of Boards, Forums and events including, but not limited to, Thematic Boards, Executive Directors Forums, Directors of Finance Groups and Business Membership meetings. This engagement provides clear channels of communication with local authority partners on a range of issues including economic performance, devolution, the Local Growth Fund programme, transport strategy and priorities and, in particular, a direct stakeholder consultation has been carried out on the draft Strategic Economic Plan (SEP). A full public consultation on the SEP will be delivered in 2020/21, this will ensure people have the opportunity to give their views on plans for the region's economic growth up until 2040.

In order to deliver on his manifesto commitments and progress the collective ambitions of the MCA and LEP, the Mayor has engaged with stakeholders and the community on a number of key issues including the independent Bus Review and Active Travel. An interactive map, launched to enable members of the public to pinpoint opportunities for improvements to walking and cycling infrastructure, has gained more than 4,000 views since being launched in October 2019 and is shaping the work of the Active Travel Commissioner, Dame Sarah Storey.

In addition, the Mayor has continued to work with the Youth Mayoral Combined Authority which provides a voice for young people across the region, providing opportunities for influencing and informing regional decisions that affect young people's lives.

A formal public consultation on the Scheme and Governance Review for the South Yorkshire Devolution Deal took place during the year offering the public and stakeholders the opportunity to share their views on the additional functions proposed be conferred on the MCA as a result of devolution. The consultation was designed so that every resident, business and stakeholder could respond if they wished to do so and the purpose was to enable responses to devolution proposals.

## **2.5 Developing and communicating a vision which specifies intended outcomes for citizens and service users and is used as a basis for planning.**

A Strategic Economic Plan (SEP), which captures the ambition, vision and strategic priorities for the MCA and LEP has been in place since 2014. Led by the LEP, the development of a new SEP has been a key focus for 2019/20 and will ensure future policies are founded upon robust, up-to-date and independent evidence. This SEP will be an overarching strategy which will set out how to grow the economy in a way that better includes and benefits all communities across SCR and improves our natural capital. Once the SEP is agreed implementation plans will be developed to work through the detail of the proposed interventions.

## **2.6 Translating SCR's vision into courses of action for the SCR, its partnerships and collaborations.**

The Programme Commissioning directorate within the SCR Executive are responsible for the development of project and programmes, at scale, some of which are directly delivered by the SCR Executive but most of which involve externally commissioned activity which is delivered by partners and outside agencies. Proposed projects and programmes are evaluated to ensure they contribute towards strategic objectives and to establish that they are good value for money. Once validated, the Programme Performance Unit enters into contract with scheme promoters, coordinates activity in the programme and reports on performance. Remedial action is agreed by the MCA and LEP to improve delivery where necessary.

The Local Growth Fund money awarded to the LEP in 2015 concludes in 2020/21 and a key focus for 2019/20 has been to ensure the orderly conclusion of the LGF Programme over the two final years. Working closely with delivery partners during the year has enabled the annual target of investment in schemes that deliver benefits for the Sheffield City Region, to be met and exceeded.

The new Strategic Economic Plan will be used to engage with Government to secure further funding to continue with SCR's programme of work and avoid disjointed delivery.

## **2.7 Ensuring the decision-making framework is effective, including delegation arrangements, decision-making in partnerships, information provided to decision makers and robustness of data quality.**

The MCA's decision-making framework is described in the Constitution and, for the delivery of the Local Growth Fund Programme, in the Assurance Framework.

There are robust processes in place for strategic decisions and the prioritisation of investments. Evidence from various sources is considered including; economic analysis, national government policy and strategic developments

Capital Programme decisions are based on objective and robust information. Schemes seeking investment are considered following an analysis of strategic alignment, options appraisal, potential impact and risk assessment to ensure any investment will deliver the outcomes required and represent good value for money.

The new and updated appraisal models and tools used to inform decision making, which were introduced in 2018/19, are now embedded. This has built capacity in the assurance process and ensured greater consistency of approach. In particular, the new strategic transport model, has allowed the appraisal of large schemes and will support the transformation of transport infrastructure in order to achieve economic growth objectives.

The Assurance Framework requires clear communication with partners through publication of any programme commissioning the decision-making criteria that will be used. This is evidenced through the communication of criteria for the deployment of Skills Capital Funding, open calls for Expressions of Interest (EOIs) for acceptance onto a reserve pipeline of schemes funded by LGF.

Governance arrangements for the Transport Capital Programme have been strengthened in year and has ensure that funding is spent in line with priorities.

## **2.8 Measuring the performance of services and related projects and ensuring that they are delivered in accordance with defined outcomes and that they represent the best use of resources and value for money.**

A comprehensive Monitoring and Evaluation Framework sits alongside the Assurance Framework and is designed to provide robust feedback on any lessons learnt from individual projects and monitor and measure the success and impact of Local Growth Fund (LGF) investments on the economy. The framework is being updated during 2020/21 to measure the performance schemes funded through other grants given to and budgets devolved to the MCA. This includes the 'Transforming Cities Fund' allocation as well as the Adult Education Budget (AEB) and Gainshare funds received as a result of devolution.

Monitoring, including site visits and the auditing of evidence, takes place throughout the lifespan of a scheme to ensure the investment delivers its approved outputs and outcomes in line with strategic priorities. Funding agreements tie projects to delivering outcomes e.g. job creation that represent the best use of public resources and value for money, whilst the use of clawback and retention clauses ensure mitigation of risk.

Controls introduced during 2018/19 to manage the pipeline of schemes seeking LGF investment have continued to maximise spend, meaning the annual investment target for the LGF programme 2019/20 has been exceeded.

## **2.9 Defining and documenting the roles and responsibilities of members and management, with clear protocols for effective communication in respect of the MCA and partnership arrangements.**

The broader context for the MCA's governance and internal control environment is provided by the Constitution (see section 2.1) which gives comprehensive information on how the MCA is organised, the roles and responsibilities of members and officers, its decision-making processes, how authority is delegated through the Scheme of Delegation, and how probity and due process are promoted.

## **2.10 Ensuring that financial management arrangements conform with the governance requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2015) and, where they do not, explain why and how they deliver the same impact.**

The MCA's Chief Finance Officer (CFO) is a Statutory Officer (Section 73) of the MCA and operates in line with the CIPFA Statement on the Role of the CFO (2015). An interim Group Chief Finance Officer has been in post since September 2019 during which time a permanent CFO has been recruited and will take up the role in June 2020.

The CFO is actively involved in, and able to bring influence to bear on all material decisions to ensure that immediate and longer-term implications, opportunities and risks are fully considered. The CFO leads on the promotion and delivery of good financial management, which aims to ensure that public money is safeguarded and used in an appropriate, economic and effective manner.

To deliver these responsibilities, the CFO leads and directs the finance function to ensure it is resourced in such a way as to be fit for purpose and that staff are professionally qualified and suitably experienced. A new finance system has been introduced during the year which will ensure compliance with the CIPFA Code of Financial Management. The new system will also introduce new efficiencies and stronger internal controls.

The CFO and the Finance Team have a close working relationship with the LEP. This relationship provides a strong framework for managing LEP finances, including a role in ensuring propriety and regularity of spend. The CFO, or their representative, attends as an advisor on all MCA/LEP decision-making boards as well as the Overview and Scrutiny Committee and Audit and Standards Committees.

The CFO's deputy is embedded in the SCR Executive Team and is therefore positioned to ensure financial risks and issues are managed on an operational level. The deputy also has overview and provides advice to projects and the programme in general.

## **2.11 Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function and the Head of Paid Service function.**

The MCA Constitution outlines functions and delegated responsibilities of the statutory officers, namely the Head of Paid Service (Chief Executive), the Chief Finance Officer and the Monitoring Officer. Statutory Officers meet regularly, along with the Management Team, and focus on the specific statutory nature and responsibilities of their roles and the authorities delegated to them through the Scheme of Delegation. The Monitoring Officer and the Head of Paid Service have direct access to the Chair of the MCA and LEP

with reference to their core statutory and professional roles.

## **2.12 Inducting and identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training.**

**MCA Leaders** – Local Authority Leaders who are the members of the MCA are engaged in discussions on the development of the vision, priorities and their delivery. Individual members are advised and supported by officers of the MCA through papers and briefing meetings.

**Overview and Scrutiny Committee members** - An Overview & Scrutiny Committee toolkit is in place and ensures a consistent approach to scrutiny is taken by members and officers. This toolkit is used to structure the induction of new OSC members and is available to current members to support them in their strategic role. Workshops have taken place during the year to further enhance members skills and to establish the approach to scrutiny within a Mayoral Combined Authority.

**LEP Induction** - A formal programme of induction is in place for new LEP Board Members which covers the role and purpose of the LEP, economic performance and the opportunities and challenges facing Sheffield City Region, the Strategic Economic Plan, corporate affairs and governance. This is followed up with a 6-monthly review with the Chief Executive and LEP Chair to identify any additional support or development. Further to a successful recruitment process for new LEP Board members in spring 2020 the induction process is being developed

**SCR Executive** - All team members have a corporate induction which covers statutory matters including health and safety at work, IT compliance and HR matters. In addition, organisational specific induction modules, such as the MCA and LEP governance, financial systems, programme management approach are also delivered to new team members. A suite of comprehensive online training resources are also available. During 2019/20 a range of organisational development activities have taken place including regular staff briefings, an all staff away day, a management development programme and the launch of organisational values and behaviours.

## **2.13 Reviewing the effectiveness of the framework for identifying and managing risks and for performance, and demonstrating clear accountability.**

The approach to risk management is embedded in working practices and Risk Management Action Plans, covering areas of strategic and operational significance, are in place and managed by Statutory Officers.

The Risk Policy and Process are reviewed annually in conjunction with the Audit and Standards Committee and Risk Management Action Plans are reviewed and provided to the Audit and Standards Committee regularly. An internal audit conducted during the year recommended that there is 'significant assurance' around risk management processes. The report made a number of improvement recommendations to increase risk management maturity and this is reflected in the 2020/21 Governance Improvement Plan.

The SCR Assurance Framework includes a comprehensive issue and risk management approach developed in accordance with the Green Book guidance and project management methodology. Project/scheme risks are recorded and managed by individual scheme promoters. Risks are referenced in the Business Case, appraised as part of the assurance process and are part of the scheme monitoring approach in the project delivery phase.

In relation to Local Growth Fund investments, programmes of work are monitored throughout their lifespan. The Programme Performance Unit work closely with the Finance Team to understand the overall scale of investment and the conditionality of constituent components of the funding. This ensures that there is ongoing assessment of the effectiveness of each type of investment in line with the expectation of funding providers.

## **2.14 Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014).**

The MCA Constitution includes a Fraud Response Plan, Whistleblowing Policy, Anti-Money-Laundering and Anti-fraud and Bribery Policy, which provides direction and guidance for dealing with suspected cases of theft, fraud and corruption. It also gives direction on reporting matters of concern. The MCA also participates in the National Fraud Initiative.

Partners and all other stakeholders are expected to have strong anti-fraud and corruption measures in place. In the case of any investigation they are required to provide the MCA with full access to their financial records and staff. Agreements or contracts include these conditions, and appropriate due diligence is undertaken before entering into any agreement.

There have been no instances of fraud, money laundering, bribery or whistle-blowing during the year.

### **2.15 Ensuring an effective scrutiny function is in place.**

The MCA has an established SCR Overview and Scrutiny Committee to exercise scrutiny functions over its activities and decisions (and those of formal committees and the LEP). Until 31<sup>st</sup> March 2020, the Committee which is politically balanced, comprised 16 members from the 4 constituent and 5 non-constituent local authorities. From 1<sup>st</sup> April 2020, due to LEP geography changes, non-constituent members are no longer represented. Each local authority appoints at least one elected member to the Overview and Scrutiny Committee – often this is the chair of each authority's own overarching scrutiny committee.

The MCA has a dedicated Scrutiny Officer which ensures the function of scrutiny within the organisation is effective and compliant with the 2017 Order. The Committee produces an Annual Report which is made available on the SCR website.

### **2.16 Ensuring that assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, where they do not, explain why and how they deliver the same impact.**

Grant Thornton are the appointed Internal Auditors for the MCA.

The principles within the CIPFA Statement on the role of the HoIA in Local Government are embedded in the MCA's arrangements and the Internal Audit providers are fully compliant with Public Sector Internal Audit Standards (PSIAS). The Head of Internal Audit (HoIA) role is recognised as important in assisting in delivering strategic objectives.

The HoIA agrees the Annual Internal Audit Plan with Statutory Officers and the Audit and Standards Committee and ensures that internal audit service is appropriately resourced, fit for purpose, professionally qualified and suitably experienced.

### **2.17 Ensuring the core functions of an audit committee, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2013) are undertaken.**

In accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance an Audit and Standards Committee is established. The Committee, chaired by an elected member, comprises 10 members, two of whom are independent and is responsible for providing independent assurance to SCR on the adequacy and effectiveness of the governance and internal control framework, which incorporates the arrangements relating to financial, risk and performance management.

Ernst and Young, who are appointed as external auditors also attend Audit and Standards Committee meetings. This process is in keeping with arrangements in place for a local authority. As the Accountable Body for all funds awarded to the LEP, the Audit and Standards Committee covers the requirements for both the LEP and the MCA.

The Committee receives regular reports relating to its remit, including issues arising from the work of Internal Audit, updates on the progress of implementing recommendations that have been made, updates



on the risk management process, financial management reports, and reports from the external auditors.

As part of its governance remit, the Audit and Standards Committee have considered this AGS and, have provided challenge and comments where necessary. In addition, the Committee will monitor the progress of the Governance Improvement Plan developed as a result of the governance review process.

### **2.18 Provides timely support, information and responses to external auditors and properly considers audit findings and recommendations.**

The Statutory Officers of the MCA maintain working relationships with the external auditors throughout the year to ensure that the auditors remain informed of changes to the MCA's business and processes. Officers collaborate with the external auditors on the annual audit plan, conduct a self-assessment review and liaise on any external audit recommendations and the management actions taken to affect them.

External auditors are embedded within the MCA's oversight functions through their attendance at the Audit and Standards Committee. All audit reports include management mitigation plans with named responsible officers, and these are followed up by both internal and external audit. There are no outstanding recommendations from previous external audits.

### **2.19 Incorporating good governance in respect of partnerships and other joint working**

The Constitution determines how the MCA interacts with its subsidiary (SYPT) and the financial regulations determine the limitations of their autonomy in relation to expenditure. The MCA's operating subsidiaries have also adopted Articles of Association that limit their operational independence, this effectively imposes MCA governance on them.

More broadly, the scale of ambition of SCR's current Strategic Economic Plan (SEP) means that its delivery is co-dependent on the MCA and the LEP. This collaboration and, true partnership approach has been a cornerstone of SEP achievements to date. During the year this collaboration has underpinned the development of a new SEP and will continue to deliver better outcomes for the Sheffield City Region, particularly in the context of the economic challenges resulting from the Coronavirus pandemic and Brexit.

The MCA, along with the LEP, play a full role in the Northern Powerhouse through engagement with Transport for the North on their Strategic Transport Plan, the Department for International Trade on trade missions. Regular meetings have also been held with Department for Work and Pensions (DWP) on the Work and Health Unit trial 'Working Win', with the Department for Business Innovation and Skills (BEIS) on the Local Growth Fund Programme and with the Education and Skills Funding Agency (ESFA).

## **3. Monitoring and evaluating the effectiveness of the governance framework**

The MCA has responsibility for conducting a review of the effectiveness of its governance framework, including systems of internal control and risk management arrangements. The review of effectiveness is informed by the work of Statutory Officers who have responsibility for the development and maintenance of the governance environment, and are responsible for ensuring compliance with, as well as improvement against the governance, risk and internal control framework.

The MCA's review is also informed by the HoIA's annual report and also by comments made by external auditors and other regulators or inspectorates. The HoIA is responsible for providing assurances on the robustness of the MCA's internal control arrangements to the Audit & Standards Committee. The Head of Internal Audit's annual report on audit activity and the performance of the Internal Audit division was presented to the Audit and Standards Committee on 11<sup>th</sup> June 2020. Based on the systems reviewed and reported on by Internal Audit during the year, together with management's response to issues raised, the HoIA has provided an overall '**significant assurance with some improvement required**' assurance opinion for 2019/20.