

## **Audit and Standards Committee**

**15 July 2021**

### **Committee Engagement and Annual Report Proposal**

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<b>Is the paper exempt from the press and public?</b>	No
<b>Reason why exempt:</b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	Not a Key Decision

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**Director Approving Submission of the Report:**  
Dave Smith, Chief Executive/Head of Paid Service

**Report Author(s):**  
Ruth Adams, Deputy Chief Executive  
[Ruth.adams@sheffieldcityregion.org.uk](mailto:Ruth.adams@sheffieldcityregion.org.uk)

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#### **Executive Summary**

This report proposes to Members the opportunity to prepare an annual report and outlines a draft reporting structure.

#### **What does this mean for businesses, people and places in South Yorkshire?**

The inclusion of an Audit and Standards Annual Report, prepared for the Mayor and Combined Authority, should provide greater assurance of good governance and scrutiny of activity within scope of the Committee. Publication of the report will improve transparency.

#### **Recommendations**

That Members:

- Consider the opportunities for strengthening the relationship between the Audit and Standards Committee (ASC) and MCA, Mayor
- Agree the format and structure for the report and the plan for developing this

**Consideration by any other Board, Committee, Assurance or Advisory Panel**

## **1. Background**

- 1.1 The MCA board at its June 2021 meeting agreed a course of action to integrate the two Audit Committees of the MCA and PTE into a single committee with a supporting Advisory Panel, to look specifically at matters relating to integration and public transport. In addition, the MCA approved an approach to strengthening the relationship between the Audit and Standards Committee and the broader governance arrangements.
- 1.2 The MCA agreed that at least annually the Chair of the Committee is invited to report directly to the MCA on the work the committee is undertaking on their behalf, and meets with the Mayor on a six-monthly basis and also with the MCA Management Board. Specifically, on integration and transport, it is suggested a report is presented to the Transport and Environment Board from the ASC and its Advisory Panel.
- 1.3 This paper outlines a proposal for firstly implementing the above arrangements and secondly provides a basic draft outline of content that could be included in the Annual Report of the ASC.

## **2. Key Issues**

### **2.1 Outline of a draft engagement timetable 21/22 for ASC**

- October 2021 - Interim annual meeting with MCA Management Board
- November 2021 – Interim annual meeting with the Mayor
- April 2022 – 21/22 Review and 22/23 plan meeting with MCA Management Board
- June 2022 – Review and planning meeting with Mayor (note in 2022 this will be end of May due to the Mayoral election earlier in the month)

### **2.2 Outline of potential reports timetable 21/22 for ASC**

- ASC Annual Report presented to June MCA 2022. Chair / Vice Chair and Chair of sub-Board to attend MCA for this item
- ASC Advisory Panel Report presented to May / June Transport and Environment Board - Chair of sub-Board to attend TEB for this item

### **2.3 Draft structure for the annual report**

A structure based upon the current report of the PTE Audit and Risk Committee is included as an example of a potential report template, including the following sections:

1. Introduction (role of the committee in MCA governance)

2. Membership and Meetings of the Committee (to include frequency and Member attendance)
3. The Committee's Work (taken from the report assuring the committee is covering the full range of its roles and responsibilities in its annual work plan). As a minimum will cover
  - Financial Reporting and External Audit
  - Risk Management and Corporate Governance
  - Internal Control and Internal Audit
  - Governance and work of the sub-board
4. ASC Self-assessment of effectiveness
5. Forward Plan for following financial year

### **3. Options Considered and Recommended Proposal**

#### **3.1 Option 1**

Do nothing – Members continue to rely on Officer liaison between the ASC and the MCA Board. The lack of clear reporting lines between the MCA and its ASC has been flagged as an issue by some members of the committee. This was raised and has been accepted by the MCA and the Mayor. It is recommended the ASC Members discount an option that does not take up the proposal.

#### **3.2 Option 1 Risks and Mitigations**

Will require a greater time commitment from Chair, Vice Chair and Chair of the Sub-board, albeit meetings could be conducted utilising remote technology.

#### **3.3 Recommended Option**

Accept the opportunity as outlined in section 2

### **4. Consultation on Proposal**

- 4.1 Chair of the PTE Audit and Risk Committee has engaged in amendments to the PTE and its Audit function
- 4.2 MCA board Members, Chair of the Transport and Environment Board and the Mayor were consulted on the proposal

### **5. Timetable and Accountability for Implementing this Decision:**

- 5.1 First suggested engagement with MCA Management Board is proposed as October 2021

### **6. Financial and Procurement Implications and Advice**

- 6.1 No implications

### **7. Legal Implications and Advice**

- 7.1 No implications

**8. Human Resources Implications and Advice**

8.1 No implications

**9. Equality and Diversity Implications and Advice**

9.1 No implications

**10. Climate Change Implications and Advice**

10.1 No implications

**11. Information and Communication Technology Implications and Advice**

11.1 No implications

**12. Communications and Marketing Implications and Advice.**

12.1 The Annual Report will form part of a formal paper to the MCA Board and therefore will be published. This has the potential for other communications or press interest.

**List of Appendices Included**

No appendices

**Background Papers**

MCA Board Paper 7<sup>th</sup> June item 11