

SWANSEA BAY CITY REGION JOINT SCRUTINY COMMITTEE

DATE 20th July 2021

Report Title SBCD Internal Audit Report

RECOMMENDATIONS/KEY DECISIONS

To inform Joint Scrutiny Committee of the findings and actions of an internal audit review into the SBCD Programme

REASONS

1. Introduction

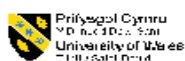
An audit review of the Swansea Bay City Deal (SBCD) has been carried out as agreed by the Swansea Bay City Deal Joint Committee.

2. Internal Audit

The audit aims to provide assurance that the Swansea Bay City Deal has adequate governance, internal control, risk management and financial management arrangements in place, which are operating effectively and assisting it to achieve its objectives.

Audit Scope

Area	Description
Governance:	<ul style="list-style-type: none"> Follow Up of Previous Recommendations Organisation Structure Monitoring & Reporting Arrangements Risk Management
Financial Management:	<ul style="list-style-type: none"> Budgetary Control Accounting Procedure
Project Management & Monitoring:	<ul style="list-style-type: none"> Business Plan Creation & Approval Project Management Performance Monitoring & Delivery of Outcomes



The internal audit report has determined an audit assurance rating of Substantial; There are no or few weaknesses in the adequacy and/or effectiveness of the governance, internal control, risk management and financial management arrangements, and they would either be unlikely to occur or their impact is not likely to affect the achievement of the SBCD objectives.

The Strategic and Annual Audit Plans are approved by Joint Committee annually and regular reports are made to the Joint Committee throughout the year on progress and any significant weaknesses identified.

In addition to the planned work, the Internal Audit Unit undertakes fraud investigation and proactive fraud detection work.

The internal audit review into the Swansea Bay City Deal concluded the following recommendations:

<u>Audit Element</u>	<u>Recommendation</u>	<u>Timescale for Action</u>
GOVERNANCE	Formal agreements should be signed with partners who have not signed up as part of the Joint Committee Agreement (i.e. Universities and Health Boards). The Anti-Fraud and Anti-Corruption Strategy should be finalised and formally approved as soon as possible, and the new process for recording declaration of interests should be fully embedded.	30 June 2021 (end of Q1 2021-22)
GOVERNANCE	The risk scoring methodology should be reviewed to clearly identify the inherent (prior to the implementation of controls) and residual (after the implementation of controls) risk scores.	30 Sept 2021 (end of Q2 2021-22)
FINANCIAL MANAGEMENT	The processes for capturing and reporting on the achievement of outputs, outcomes and impacts should continue to be developed and should be fully embedded to set out clear performance targets and help evidence the achievement of the original objectives and value added.	30 June 2021 (end of Q2 2021-22)
FINANCIAL MANAGEMENT	The level of Private Sector funding received/committed should be carefully monitored to ensure it remains on track and identify any potential issues at an early stage. Potential contingency plans if private sector funding does not materialise as expected should be considered.	Ongoing (31 Dec 2021 for update)

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