



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Swansea Bay City Region Joint Committee

At: Remotely via Microsoft Teams
On: Thursday, 15 April 2021
Time: 10.30 am
Chair: Councillor Rob Stewart (Swansea Council)

Watch Online: <http://bit.ly/3rSRmVO>

Membership:

Councillors:
Emlyn Dole Carmarthenshire Council
Ted Latham Neath Port Talbot Council
David Simpson Pembrokeshire Council

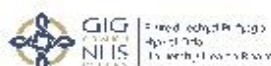
Co-opted Non-Voting Representatives:

Maria Battle Hywel Dda University Health Board
Chris Foxall Interim Chair of Swansea Economic Strategy Board
Professor Medwin Hughes/ University of Wales Trinity Saint David
Ray Selby University of Wales Trinity Saint David
Steve Wilks Swansea University
Emma Woollett Swansea Bay University Health Board

Agenda

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- 1 Apologies for Absence.**
- 2 Disclosures of Personal and Prejudicial Interests.**
www.swansea.gov.uk/disclosuresofinterests
- 3 Minutes.** 1 - 4
To approve & sign the Minutes of the previous meeting(s) as a correct record.
- 4 Announcement(s) of the Chair.**



5 Public Questions

Questions must be submitted in writing, no later than noon on the working day prior to the meeting. Questions must relate to items on the agenda. Questions will be dealt with in a 10 minute period.

6 Swansea Bay City Deal Highlight Report.

5 - 16

7 Audit Wales - External Audit 2020/2021.

17 - 30

8 Swansea Bay City Deal Procurement Event Feedback. (Verbal)

Next Meeting: Thursday, 13 May 2021 at 10.30 am



Huw Evans

Head of Democratic Services

Friday, 9 April 2021

Contact: Democratic Services - 01792 636923

Agenda Item 3



City and County of Swansea

Minutes of the Swansea Bay City Region Joint Committee

Remotely via Microsoft Teams

Thursday, 11 March 2021 at 10.30 am

Present: Councillor Rob Stewart (Swansea Council) Chair Presided

Councillors:

Emlyn Dole	Carmarthenshire Council
Ted Latham	Neath Port Talbot Council
David Simpson	Pembrokeshire County Council

Co-opted Non-Voting Representatives:

Maria Battle	Hywel Dda University Health Board
Medwin Hughes	University of Wales Trinity St Davids

Officers:

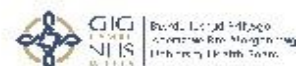
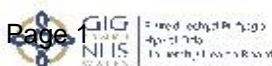
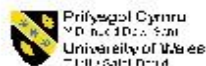
Richard Arnold	Finance Manager (Swansea Bay City Region)
Gareth Borsden	Democratic Services Officer (Swansea Council)
Jonathan Burnes	Director (Swansea Bay City Region)
Jon Haswell	S151 Officer (Pembrokeshire Council)
Greg Jones	Communications & Marketing Officer - City Deal (Carmarthenshire Council)
Karen Jones	Chief Executive (Neath Port Talbot Council)
Tracey Meredith	Joint Committee Monitoring Officer (Swansea Council)
Chris Moore	Joint S151 Officer (Carmarthenshire Council)
Phil Roberts	Chief Executive (Swansea Council)
Phil Ryder	Portfolio Management Office Manager (Swansea Bay City Region)
Wendy Walters	Chief Executive (Carmarthenshire Council)
Ian Williams	Portfolio Development Manager (Swansea Bay City Region)

Apologies for Absence:

Councillor(s) Rob Jones (Neath Port Talbot Council)
Ray Selby (Hywel Dda University Health Board), Steve Wilks (Swansea University) and Emma Woollett (Swansea Bay University Health Board)

37 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City & County of Swansea, no interest(s) were declared.



38 Minutes.

Resolved that the Minutes of the Joint Committee held on 11 February 2021 be signed and approved as a correct record.

39 Announcement(s) of the Chair.

The Chair welcomed the recent announcement from UK Government regarding the new accelerated funding arrangements for the City Deal. This will allow money to be received for schemes far more quickly than previously.

40 Public Questions

There were no public questions.

41 Financial Monitoring Report - Swansea Bay City Deal Forecast Outturn Position.

Chris Moore (Swansea Bay City Region Section 151 Officer) presented a report which informed the Joint Committee of the year end forecast outturn position in respect of the Joint Committee and the Portfolio Investment Fund.

Resolved that the annual accounts of the Joint Committee and the forecast outturn position of the Portfolio Investment Fund be received and approved.

42 Swansea Bay City Deal Highlight Report.

Jonathan Burnes (Swansea Bay City Region Programme Director) presented a “for information” report which updated the Joint Committee on the progress of the various programmes and projects that form part of the Swansea Bay City Deal Portfolio.

He outlined the current situation relating to the following areas:

- Digital Infrastructure
- Pembroke Dock Marine
- Homes as Power Stations
- Supporting Innovation and Low Carbon Growth
- Life Science & Well-being Campuses
- Pentre Awel
- Swansea City & Waterfront Digital District
- Skills & Talent
- Yr Egin

43 Recruitment at Risk.

Chris Moore (Swansea Bay City Region Section 151 Officer) presented a report which updated the Joint Committee in respect of the risks of recruiting staff for regional programmes, prior to the approval of business cases.

He outlined the options and proposals for the sharing of the risks amongst the four authorities.

Resolved that

1) contents of the report were reviewed and noted.

2) the proposed officer recommendations of option 2 and option B (to the report) in respect of the risks relating to the recruitment of regional programme management teams prior to the approval of business cases be approved.

44 Swansea Bay City Deal Annual Report.

Phil Ryder (Portfolio Management Office Manager) presented a verbal update to the Joint Committee which outlined that the narrative of the report had been circulated to Members, Officers and Partners for comments by the 18 March 2021.

Contained within the report are a review of the last twelve months activities, activities planned for the next twelve months, progress reports from each of the projects, a governance structure update, risk summary and monitoring and evaluation information.

Following comments and feedback the report can then be finalised and professionally designed before an anticipated release in May.

45 Swansea Bay City Deal Portfolio Business Case.

Jonathan Burnes (Swansea Bay City Region Programme Director) and Ian Williams (Portfolio Development Manager) presented a report which provided the Joint Committee with an updated City Deal Portfolio Business Case for consideration and approval.

The document is required to be submitted to both Welsh and UK Governments.

They outlined and referred to the following areas contained with the document:

- Purpose of report and 5 case model;
- Main changes;
- Economic viability;
- Investment & Impact Summary;
- Affordability;
- Deliverability;
- Project timeline and progress;
- Priorities moving forward:

They indicated the report should be considered in conjunction with agenda item 12 which provides the Joint Committee with additional commercially sensitive appendices to the updated City Deal Portfolio Business Case.

Resolved that the latest iteration of the SBCD Portfolio Business Case be approved and submitted to both Welsh and UK Governments.

46 Exclusion of the Public.

The Committee was requested to exclude the public from the meeting during the consideration of the item(s) of business identified in the recommendation to the report on the grounds that it involved the likely disclosure of exempt information as set out in the exemption paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007, relevant to the item(s) of business set out in the report.

The Committee considered the Public Interest Test in deciding whether to exclude the public from the meeting for the item(s) of business where the Public Interest Test was relevant as set out in the report.

Resolved that the public be excluded for the following items of business.

(Closed Session)

47 Swansea Bay City Deal Portfolio Business Case.

Ian Williams (Portfolio Development Manager) presented a “for information” report which was considered in conjunction with agenda item 10.

The report provided the Joint Committee with additional commercially sensitive appendices to the updated City Deal Portfolio Business Case which had been agreed.

The meeting ended at 11.05 am

Chair

Agenda Item 6



Swansea Bay City Region Joint Committee - 15 April 2021

Swansea Bay City Deal Highlight Report

Purpose:	To update Joint Committee on programmes / projects progress that form part of the Swansea Bay City Deal Portfolio
Policy Framework:	Swansea Bay City Deal
Report Author:	Amanda Burns, Senior Portfolio Support Officer
Finance Officer:	Chris Moore, Section 151 Officer, SBCD
Legal Officer:	Tracey Meredith, Monitoring Officer, SBCD
FOR INFORMATION	

1. Introduction

- 1.1 The SBCD Highlight Report details the monthly progress made and activities planned for the SBCD Portfolio's constituent programmes and projects.

2. Financial Implications

- 2.1 Financial implications are outlined within the Business Cases of each programme / project. Financial risks are recorded and managed through the portfolio risk register.

3. Legal implications

- 3.1 There are no legal implications.

4. Alignment to the Well-being of Future Generations (Wales) Act 2015

- 4.1 The SBCD Portfolio and its constituent programmes / projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual programme / project business cases

Background Papers: None

Appendices:

Appendix A - Swansea Bay City Deal Highlight Report



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BAE ABERTAWE
SWANSEA BAY
City Deal

Programmes / Projects Update

April 2021



Yr Egin - March 2021



Project Partner Lead: UWTSD



Activities Completed

The Phase 1 Lessons Learned Activity successfully completed, which brings the University's evaluation process to a close in advance of formal Gateway 5 Monitoring and Evaluation approval

Creative Sector Demand Study formally commissioned and underway (BOP)



Activities Planned

Following completion of the Egin Phase 1 project and Joint Committee approval of the Full Business Case, the University is now proceeding with the next stages of the Integrated Assurance Action Plan in accordance with the agreed timetable to deliver Egin Phase 2

Formal Welsh/UK Government business case approval still outstanding as of 11th November

Discussions between Carmarthenshire County Council and the University are proceeding at pace to complete the Phase 1 Funding Agreement

Creative Sector Demand Study to complete in May 2021 to inform the development of Egin Phase 2



Risks

Effect of Covid-19 on the Welsh/UK/global economies and the creative sector, and the implications for future level and nature of demand for Yr Egin

Issues

Implications of the recently announced Welsh Government strategy to achieve much increased levels of permanent remote working post Covid-19 and to develop a network of local, community-based working hubs



Pembroke Dock Marine – Mar 21



Tim James
Project Manager

Project Partner Lead: Pembroke Dock Marine Board



Wave Hub



Risks

Capital cost increase against PDI project budget set in 2017. (IP1)

MEECE's extension still outstanding but WEFO approved by WEFO subject to SBCD funding (IP6b)

Ongoing delays around funding agreements adding risk to deliverability.

Issues

Consideration of the changes in UK state aid and procurement policy on the SBCD procurement principles & how it applied to the PDM partners as non-contracting authorities.

Ensuring appropriate level of project governance and reporting is established to maintain the projects value to the SBCD whilst ensuring the project remains delivery and impact focused.

Activities Planned

MEW's State of the Sector Update is going to be live April 21. (IP3,OP1, OP2, OP6)

META conducting tidal resource assessment (IP5)

Partner collaboration agreement and formal governance post funding agreement execution

Consent management PDI (IP1)



Activities Completed

ORE catapult supported PD based Ledwood Mechanical Engineering to [secure £112k of funding to support](#) the diversification of their business into offshore wind (IP2, OP3, IP3, OP11-14)

META received planning approval for Warrior Way Tidal Test Site (IP5)

[First Minister virtually visited Bombora](#) at beginning of March. MEW and MHPA all provided content for this. Bombora shared their plans for growth and export from their Pembroke Dock base.

PR around [High Speed Transfer's tenancy for office and Warehouse space](#) went live 15.03.21

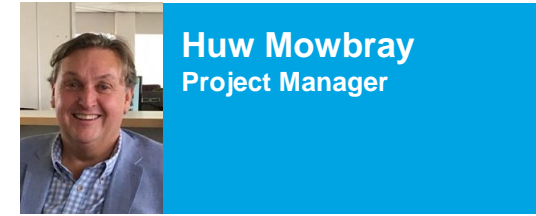
[DP Energy](#) have taken up office space in MEW's MarineHub. [QED Naval Limited](#) have also take up space in Pembroke Dock.(OP1,OP2).

ORE Catapult have fed back to Welsh Ports including Milford Haven, Port Talbot and Swansea on the potential role they could play for Floating Wind (OP11,OP13)

Direct employment across four elements upto 15 FTE (IP6)

SWIC's [£37m deployment project was announced today](#) (MHPA are a partner in this project)

Swansea City & Waterfront Digital District



Project Partner Lead: City & County of Swansea



Activities Completed

Arena

Arena external cladding commenced.

Bridge successfully in place – March 6th

71/72 Kingsway

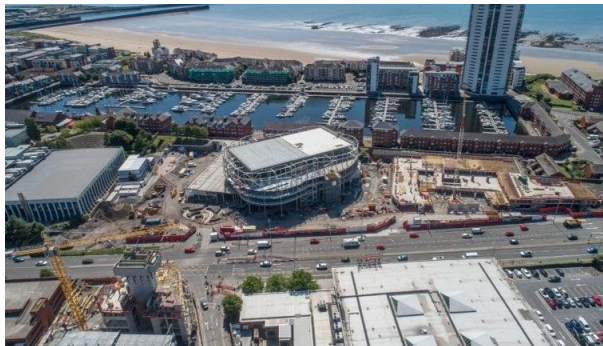
Construction tender clarifications received and being analysed

Cabinet report targeted for April 2021.

Letting discussions continue.

Box Village

Planning permission for Box Village progressing.



Activities Planned

Arena

Letting discussions on ancillary commercial space at arena.

Six months left to completion.

Hotel designs being progressed.

71/72 Kingsway

Cabinet decision on 71/72 The Kingsway Q1 2021

Construction tender for 71/72 The Kingsway awarded.

Further detailed lettings discussions continue for 71/72 The Kingsway

Box Village

Pre application discussions on planning.



Risks

Effect of Covid-19 on construction, including programme slowdown and impact on costs

Effect of Covid-19 upon level and type of commercial demand for 71/72 Kingsway, Box Village and Innovation Precinct

Issues

Delivery of outputs likely to be affected by Covid-19



Pentre Awel

Project Partner Lead: Carmarthenshire County Council



Dr Sharon Burford
Project Manager

Activities Completed

- Business Case approved by UK &WG.
- Pentre Awel has progressed through the first stage of the DIT – Invest in Great programme.
- External Gateway Review recommendations actioned.
- Memorandum of Understanding prepared and issued to Financial Markets – Expression of interest received.
- Procurement documents prepared for Zone 1 for lot 6 of SWWCF. Target issue date 24th March. Significant work incorporated to emphasise the quality aspects of the procurement including the Community Benefits.
- Submission underway to PNC bank to secure funding for the hydrotherapy pool included as part of the aquatics facilities.

Activities Planned

- Secure the main contractor for Zone 1 through procurement.
- Complete procurement for client-side support services for Zone 1.
- Continue DIT submission
- Confirm finance option for CCC from Institutional bids. Institutional investment not required for zone 1
- Complete Heads of Terms with Zone 1 tenants.

Risks

- Potential for loss of engagement by academic and health partners due to the delay in business case approval.
- Failure to maximise whole system benefits across all training providers on site due to individual confidentiality agreements.
- Infrastructure - public transport doesn't meet the needs of end users.



Digital Infrastructure



Gareth Jones
Programme Manager

Programme Partner Lead: Carmarthenshire County Council



Activities Completed

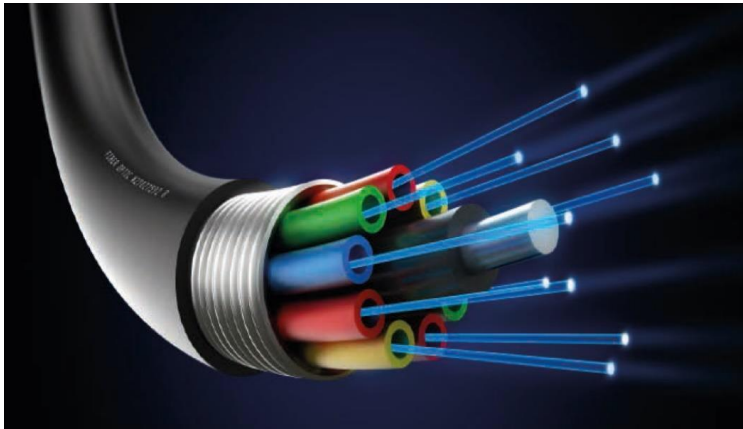
Recommendations implemented from external stage gate peer review.

Business Case Government approval letter received.

Preparation for Project Manager resource recruitment.

Regional funding bid submitted to Welsh Government Local Broadband fund to supplement existing plans and resources.

Ongoing engagement with partners at local, regional and national level.



Activities Planned

Project Manager resource recruitment.

Professional services resource recruitment.

Detailed scoping of specific individual Projects within the Digital Programme.

Further develop procurement and state aid strategy.

Financial budget set up.

Further engagement with partners at a local, regional and national level.



Risks

Ongoing policy alignment of Regional Digital Infrastructure strategy and Welsh Government (PSBA).

A lack of Telecoms suppliers with the necessary appetite and / or ability to deploy, particularly rurally.

Issues

Lack of human resource allocated to the Programme.

Insufficient financial resources allocated to address all the regions Digital Infrastructure aspirations.



Homes as Power Stations

Project Partner Lead: Neath Port Talbot Council



Lisa Willis
Project Manager

Activities Completed

HAPS regional Project Board met

Business case comments received from PoMO

Policy workshop with WG and UKG

First lessons learned meeting took place

Presentation on business case revisions to Programme Board and Joint Committee



Activities Planned

Third party funding agreements to be developed / agreed for the two HAPS funds

Workshop with key stakeholders to develop brand

Technical advisory group to meet

Project team to be recruited

Follow up business case discussion with WG and UKG



Risks

Unable to appoint project team until Business Case is approved – approval to recruit at risk has been granted.

Issues

Ensure alignment to other energy efficiency in housing programmes. This is in progress with on-going engagement.



Supporting Innovation & Low Carbon Growth



Lisa Willis
Project Manager

Project Partner Lead: Neath Port Talbot Council



Activities Completed

Swansea Bay Technology Centre - RIBA Stage 5 construction in progress

SWITCH – first meeting to develop specification for the specialist facility

Advanced Manufacturing Production Facility – developing specification with industry input

Programme Board met

On-going engagement with industry, academia and government

Update on business case revisions to Programme Board and Joint Committee



Activities Planned

Business Case due for formal submission to PoMO following response to review

Air Quality Sensors planned to be installed in April 2021

Technical Advisory Group to meet

Ongoing regular dialogue with UK and Welsh Government, Industry Wales and academia



Risks

Delay in approval of City Deal Business Case impact on already secured European Regional Development Fund match funding

Air quality monitoring sensors purchased at risk prior to business case approval

Issues

Need to ensure Low Emission Vehicle Charging Infrastructure sub-project aligns to current and pipeline regional activity



Skills and Talent

Project Partner Lead: Carmarthenshire County Council



Jane Lewis
Project Manager

Activities Completed

Economic Case for the Business plan nearing completion, focus meeting held with the RLSP Board. Strategic, Financial and Management case complete,

Programme Board established.

Presentation to the ESB and Programme Board to give an update on the progress.

Pilot initiative for Engineering and Digital in schools developed over 350 students engaged in level 2 and Level 3 through the medium of Welsh



Activities Planned

Complete Business Case and present to ESB, Programme Board, Joint Committee and the Local Authorities by end April.

Gateway review by mid April



Risks

Delay in implementing the Skills and Talent programme could impact on the delivery of the skills required by the approved projects

Issues

Impact of Covid-19 on the training landscape and the changing needs of businesses as a result of the pandemic



Life Science & Well-being Campuses

Keith Lloyd
Project Lead

Project Partner Lead: Swansea University



Activities Completed

Collaborative research and innovation activities continue

Internal resource identified to help address feedback

Further defined governance to maximise partner contribution

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Activities Planned

Address Business Case feedback in Q1 2021 from both PoMO and Grant Thornton Consultants for formal submission in Q2.

Continue to obtain letters of support to evidence partner commitment to support outline business case

Development of comms and engagement material and progress structured private sector engagement activities/plan

Confirm and finalise commercial arrangements between City & Council and the Health Board

Recruitment of dedicated Project Manager for 12 months.

Define skills development.

Risks

Impact of current pandemic and economic downturn on securing co-investment from the private sector

Impact on timescales as a result of the pandemic, impact on private sector and competing priorities particularly in health

Impact on delivery due to lack of resource.

Issues

Communication of the project's evolution



Agenda Item 7



Swansea Bay City Region Joint Committee – 15 April 2021

Audit Wales – External Audit 2020/2021

Purpose:	The purpose of this report is to inform Joint Committee of the plan and scope in respect of the external audit of the Swansea Bay City Deal Statement of Accounts.
Policy Framework:	Swansea Bay City Deal
Consultation:	Accountable Body
Recommendation(s):	It is recommended that: 1) Joint Committee review and agree the proposed plan and scope of the external audit to be undertaken by Audit Wales of the Swansea Bay City Deal Joint Committee's Statement of Accounts.
Report Author:	Chris Moore
Finance Officer:	Chris Moore, Section 151 Officer, SB CD
Legal Officer:	Tracey Meredith, Monitoring Officer, SB CD

1. Introduction

- 1.1 The Auditor General is the auditor for Carmarthenshire County Council and this plan summarises the work to be carried out to discharge his responsibilities under the Public Audit (Wales) Act 2004.
- 1.2 Carmarthenshire County Council hold responsibility of the **Accountable Body** function on behalf of the Swansea Bay City Deal Joint Committee.
- 1.3 This report outlines the proposed audit plan and scope of the external audit to be undertaken by Audit Wales of the Swansea Bay City Deal Joint Committees Statement of Accounts.

2. Audit Wales report

- 2.1 The attached report by the Audit Wales outlines the detailed plan and scope of the external audit assessment to be undertaken of the Joint Committee's Statement of accounts.

3. Financial Implications

3.1 The presented report is an Audit Wales Report and any implications are detailed within the report.

4. Legal Implications

4.1 There are no legal implications associated with this report.

Background Papers: None

Appendices:

Appendix A - Audit Wales – 2020/2021 Audit Plan – Swansea Bay City Deal Region Joint Committee.

2021 Audit Plan – Swansea Bay City Deal Region Joint Committee

Audit year: 2020-21

Date issued: March 2021

This document has been prepared as part of work performed in accordance with statutory functions.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

No responsibility is taken by the Auditor General or the staff of Audit Wales in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, Audit Wales and, where applicable, the auditor acting on behalf of the Auditor General are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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2021 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2021 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

My duties

- 2 I complete work each year to meet the following duties.

Audit of financial statements

- 3 Each year I audit the Joint Committee's financial statements to make sure that public money is being properly accounted for.

Value for money

- 4 The Joint Committee has to put in place arrangements to get value for money for the resources it uses, and I have to be satisfied that it has done this.

Impact of COVID-19

- 5 The COVID-19 pandemic continues to have a significant impact across the United Kingdom and on the work of public sector organisations. As in 2020, it is likely to significantly impact on the preparation of the 2020-21 accounts and my financial audit and performance audit work.
- 6 Recent developments in relation to a vaccine programme indicate that the Welsh Government's restrictions on movement and anticipated sickness absence levels are expected to ease through 2021. However, I recognise that there remains significant uncertainty and I understand that many local authorities may not be able to prepare accounts in line with the timetable set out in the Accounts and Audit (Wales) Regulations 2014. As well as the delivery of my statutory responsibilities as the Auditor General, my priority is to ensure the health, safety and well-being of Audit Wales staff, their families and those of our partners elsewhere in the public service at this incredibly challenging time.
- 7 Audit Wales staff will continue to work flexibly to deliver the audit work set out in this plan. In response to the government advice and subsequent restrictions, we will continue to work remotely, building on the arrangements made in 2020, until such time that it is safe to resume on-site activities. I remain committed to ensuring that the work of Audit Wales staff will not impede the vital activities that public bodies need to do to respond to ongoing challenges presented by the COVID-19 pandemic.

- 8 Consequently, while this audit plan sets out an initial timetable for the completion of my audit work, the ongoing uncertainties around the impact of COVID-19 on the sector mean that some timings may need to be revisited. My audit team will discuss any amendments required to the proposed timetable with the authority as the 2021 position becomes clearer.

Audit of financial statements

- 9 It is my responsibility to issue a certificate and report on the financial statements. This includes:
- an opinion on the on the 'truth and fairness' of the Joint Committee's financial statements for the financial year ended 31 March 2021; and
 - an assessment as to whether the Joint Committee's Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with the financial statements and with my knowledge of the Joint Committee.
- 10 In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary)
- 11 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.
- 12 Any misstatements below a trivial level (set at 5% of materiality I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 13 There have been no limitations imposed on me in planning the scope of this audit.
- 14 I will also report by exception on a number of matters which are set out in more detail in our Statement of Responsibilities, along with further information about my work.

Audit of financial statements risks

15 The following table sets out the significant risks I have identified for the audit of the Joint Committee.

Exhibit 1: financial statement audit risks

This table summarises the key financial statement audit risks identified at the planning stage of the audit.

Audit risk	Proposed audit response
Significant risks	
<p>Management Override</p> <p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; • evaluate the rationale for any significant transactions outside the normal course of business;
<p>Impact of COVID-19</p> <p>The COVID-19 national emergency continues and the pressures on staff resource and of remote working may impact on the preparation, audit and publication of accounts. There is a risk that the quality of the accounts and supporting working papers, eg around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>

Other area of audit attention

Governance Arrangements

The Joint Committee has been subject to a variety of governance reviews since inception including a gateway review by Welsh Government in 2020 which proposed recommendations to strengthen overall governance.

The joint committee has responded to these reviews making a number of governance changes. These changes are being embedded into operational processes with the aim of ensuring that robust procedures exist in the following areas:

- internal financial controls such as comprehensive financial regulations and strong budgetary control;
- identifying and reviewing related parties;
- standards of financial conduct; and
- arrangements to ensure that the Joint Committee only enters into transactions where there is specific legal provision for them to do so.

We will carry out detailed audit testing to ensure that transactions are accurately recorded, relate to the financial period and there is a specific legal provision to enter the transaction.

We will review the Annual Governance Statement to ensure it is consistent with our understanding of the Joint Committee's revised governance arrangements and prepared as required by CIPFA guidance.

Performance audit

- 16 In addition to our Audit of Financial Statements, we also carry out a programme of performance audit work to discharge the Auditor General's duties set out on page 4 in relation to value for money. For 2020-21 this work will focus on assessing if the Joint Committee is putting in place proper arrangements to secure value for money in the use of resources. We will do this through the ongoing monitoring of value for money and governance arrangements.
- 17 In response to the pandemic, I have adopted a flexible approach to my performance audit work both in terms of topic coverage and methodology. My work on recovery planning, COVID-19 learning and my assurance and risk assessment work are examples of this. This has enabled me to respond to the fast-moving external environment and provide more real-time feedback in a range of formats.

18 We also understand that the introduction of Corporate Joint Committees under the Local Government and Elections (Wales) Act 2021 may impact the future organisational structure and governance arrangements for the City Deal region. This may result in some additional audit work in relation to any newly introduced arrangements. Should this occur I will discuss any potential fee implications with the Chief Finance Officer.

Statutory audit functions

- 19 In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:
- Section 30 Inspection of documents and questions at audit; and
 - Section 31 Right to make objections at audit.
- 20 As this work is reactive, I have made no allowance in the fee table below. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee, audit team and timetable

- 21 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me;
 - Internal Audit's planned programme of work is complete and management has responded to issues that may have affected the financial statements.
- 22 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee

23 Your estimated fee for 2021 is set out in **Exhibit 2**. This is consistent when compared to your actual 2020 fee.

Exhibit 2: audit fee

This table sets out the proposed audit fee for 2021, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Audit of accounts ²	10,925	10,925
Performance audit work ³	6,860	6,860
Total fee	17,785	17,785

24 Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with Chief Financial Officer.

25 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

26 The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Director	07789 397018	Richard.Harries@audit.wales

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2020 to October 2021.

Name	Role	Contact number	E-mail address
Huw Rees	Engagement Lead – Performance Audit	02920 320599	Huw.Rees@audit.wales
Jason Garcia	Audit Manager (Financial Audit)	07792 015416	Jason.garcia@audit.wales
Non Jenkins	Audit Manager (Performance Audit)	07879 848671	Non.Jenkins@audit.wales
Lucy Herman	Audit Lead- Senior Auditor (Financial Audit)	02920 320680	Lucy.Herman@audit.wales

Timetable

- 27 The key milestones for the work set out in this plan are shown in **Exhibit 4**. As highlighted earlier, there may be a need to revise the timetable in light of developments with COVID-19.
- 28 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Joint Committee’s accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors’ rights to inspect the accounts that are also set out in the 2004 Act. The current COVID restrictions may impose restrictions on the Joint Committee’s ability to facilitate the inspection of accounts. Therefore, we have not yet set a date for the exercise of electors’ rights and will continue to monitor the situation before confirming a date with you. We anticipate that we will be in a position to agree a date with you in late May 2021.

Exhibit 4: Audit timetable

Planned output	Work undertaken	Report finalised
2021 Audit Plan	March 2021	March 2021
Audit of Financial statements work: <ul style="list-style-type: none"> • Audit of Financial Statements Report • Opinion on Financial Statements 	March - July 2021	September 2021 September 2021
Performance audit work	Timescales for our work will be discussed with you and detailed within the specific project briefings.	

29 I can confirm that my team members are all independent of the Joint Committee and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.