

Internal Review Team Recommendations

	Internal Audit Recommendations	Amendment to Joint Committee Agreement
1	Redistribution of roles and functions to ensure an equitable balance across the SBCD Partnership, each acting as a check and balance for the other	<p>This balance of functions and responsibilities recommendation is incorporated into the new JCA</p> <p><b>Para 6.2</b> – sets out roles/functions of key posts and where they are held. Key to redistributing responsibility the JCA sets out that:                      MO + Dem Services – Swansea                      Accountable Body + S 151 - Carmarthenshire                      Joint Scrutiny – Neath Port Talbot                      Audit – Pembrokeshire</p> <p><b>Para 7</b> – bolsters the responsibilities of the AB by the insertion of:</p> <ul style="list-style-type: none"> <li>• <b>Para 7.1 (g)</b> which provides that the AB will report quarterly on amount of grant monies received, how those monies have been allocated to specific projects and details of any internal recharges made; and</li> <li>• <b>Para 7.1(k)</b> which provides that the AB will cooperate with any reasonable request from a council hosting a specific function ie scrutiny.</li> </ul>
2	Appointment of an independent Programme Director, securing the independence of the Lead Officer responsible for the Regional Office with a direct reporting line to the Joint Committee. Reconsideration of the funding arrangement for the RO could enable the associated costs to be contained within existing commitments	<p>The JC has agreed to create an independent role of Programme Director with a direct report to the JC                      The Interpretation section of the JCA sets out the role</p> <p><b>Para 6.7</b> provides for the AB employing a Programme Director (following an appointment process by a Joint Appointment Committee)</p> <p><b>Para 9.1</b> reflects the Programme Director reporting to and being directly accountable to the JC and having responsibility for the day to day management of the SBCD</p> <p><b>Para 9.3</b> is an indemnity clause addition to the JCA reflecting the direct report/accountability to the JC whilst being employed by CCC.</p>
3	Contingency plans if Government funding is withdrawn at a later date	<p>This is not reflected in any amendment to the JCA. This is a responsibility of the JC and Programme Director/Portfolio Management Office (PMO) who should consider and document the contingency plans in place.</p>
4	The Local approach to delivery of SBCD needs to take account of the interdependencies across the Programme	<p>See <b>para 6.2</b> redistribution of responsibilities across the authorities</p>

5	Implementation plan revised so that delivery is prioritised and approved by the Joint Committee.	<p><b>Para 12</b> of the JCA sets out the process for funding projects. The audit report reflects that the process is not being followed.</p> <p>The JCA has been amended at Para 12 to allow both the Programme Director and the PMO responsibility for compliance.</p> <p><b>Para 12.3</b> provides that if the Programme Director is not satisfied with the quality of the business case it can be returned to the Project Authority Lead</p> <p><b>Para 12.9</b> sets out that the approval process should take no longer than 6 months.</p>
6	<p>Consideration of:</p> <ul style="list-style-type: none"> <li>• Agreed risk appetite of the Partnership and risk management methodology;</li> <li>• Establishing the ethical values and framework;</li> <li>• Counter fraud, corruption &amp; bribery procedures;</li> <li>• Due diligence and anti-money laundering arrangements;</li> <li>• Programme/project management methodology; and</li> <li>• Overarching record of declarations of interest and offers of gifts and hospitality by all Officers and Members. (refer to 3.1, 3.6 and 3.11)</li> </ul>	<p>This is an operational matter for the PMO and is reflected in <b>para 9</b> of the JCA and will be added to <b>Schedule 15</b> and will be included in the Programme Directors responsibilities.</p>
7	<p>Approach to UK &amp; WG to reconsider the process to eliminate disproportionate effort by all parties and to ensure that focus is on the deliverability of outcomes and not only on the standard of written documents.</p>	<p>This sits outside the JCA but will be a focus for the Programme Director and PMO.</p>
8	<p>Programme Board, Economic Strategy Board (ESB) and Joint Committee should receive written assurance (in a format to be agreed) that each business case submitted for approval has been subject to the required checks and process as defined within the JCA, including approval by the Lead Local Authority.</p>	<p>This is not reflected in the JCA but will be a focus for the Programme Director and PMO.</p>
9	<p>Regional Office, in its capacity as the SBCD Delivery Team should undertake detailed checks prior to entering into the iterative process or submitting to Programme Board and ESB, to ensure compliance with standard operating principles/values and provide an overview of the outcome of these checks, in order to provide independent assurance to the Programme Board and Joint Committee.</p>	<p>The RO is now the PMO. See changes to para 12 as set out above. See also changes to <b>Schedule 2</b> Programme Board <b>para 2.1 (e)</b> which supplements the responsibility of Programme Board to ensuring that the Programme Director and PMO have undertaken a detailed analysis of the viability of business cases prior to submission to JC.</p>

10	<p>Programme Board needs to undertake detailed analysis of the financial viability, deliverability and risks to the project. The Programme Board should have detailed knowledge of the business cases and the feedback from UK &amp; Welsh Government to ensure that business cases are of the standard and quality to be submitted for approval to Joint Committee. Current membership includes the Chief Executives of the four Local Authorities: this may be too onerous a commitment for the Chief Executives. Consideration should be given to the most suitable level of Management to commit to Programme Board (possibly Director or appropriate Head of Service ), consideration should be given to including a Section 151 Officer to provide financial scrutiny and challenge and appearance of lead project officers to present the case.</p>	<p><b>Para 10.1</b> already provides for attendance by Chief Executive or their representatives.</p> <p><b>Schedule 2 Para 2.1 (e)</b> places responsibility on the Programme Board to ensure that the Programme Director and PMO have undertaken a detailed analysis of the business cases prior to submission to the JC.</p> <p>There is an addition to the JCA at <b>Schedule 2 Para 5.2</b> which provides that the s 151 officer, the MO and Project Director may attend the Programme Board for the purposes of provision of advice in relation to their role above.</p>
11	<p>The ESB membership needs to be streamlined to enable a well functioning commercially minded appraisal function that is focused on identifying further opportunities for the Region and attracting inward investment. Current membership includes the Leaders of the four Local Authorities, which seems impractical given the ESB report to the Joint Committee. Consideration should be given to limiting membership of the ESB to the Private Sector, supported by Life Science &amp; Wellbeing and Further/Higher Education representatives, and the Regional Office Lead. There is an opportunity for the ESB to provide UK &amp; WG with the confidence that is currently lacking around the commercial case; consideration could be given to including a summary report from the ESB with the Full Business Case submission.</p>	<p>The purpose of the ESB has been amended at <b>Schedule 6 para 1.1</b> of the JCA to include oversight of business case production, consideration of regional added value and investment opportunities. The JCA also includes a covering brief of issues considered by the ESB to be attached to the Business case.</p> <p><b>Para 3</b> – membership has been amended to remove the Leaders as the audit review felt that this did not add value.</p> <p><b>Para 3</b> has also removed the higher education/life science/well-being reps to allow the ESB to focus on provision of private sector insight and advice.</p>

## Actica Recommendations

	Actica Recommendations	Commentary
1	Pre-Scrutiny should be encouraged but direct and regular face to face contact between those writing the Business' Cases and those providing comment upon them and advising those who will grant approval is essential	This recommendation does not relate to any Joint scrutiny function. It relates to the lack of good practice around incomplete business case approval and the need for an authoritative tier of assurance and support by a Portfolio Management Office. Save that the Portfolio Management Office is reflected in the JCA and the role and function will form schedule 15 to be drafted by the PD.
2	Regional Office should be designated as a Portfolio Management Office, leavening their skills with experience specialists	The creation of the Portfolio Management Office is reflected in <b>Para 9</b> of the JCA. The composition of the PMO is a matter for the PD and JC.
3	City Team should put in place a best practice Integrated Assurance and Approval Plan for the Portfolio.	This falls outside the remit of the JCA.
4	Each SBCD board should consider the terms of reference and ways of working to ensure they are working as intended.	The JCA reflects amendments to the terms of reference for JC, PB and ESB.
5	Portfolio director should be appointed before May 2019 to ensure continuity of the SBCD	This is being progressed by the creation of a Joint Appointment Committee with a view to all Leaders being involved in the appointment process.
6	SBCD should be managed as a Portfolio not as a set of predetermined and immutable projects	The JCA reflects the creation of the Portfolio Management Office.
7	Yr Egin and Swansea Waterfront – reach a swift conclusion to ensure that funding flow is met	This falls outside of the JCA