

AUDIT TERMS OF REFERENCE

Swansea Bay City Deal

1. Introduction

As part of the annual internal audit plan, a review of the Swansea Bay City Deal will be undertaken.

2. Objectives

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.

3. Scope

The review will cover the following key areas:

Governance

- Follow Up of Swansea Bay City Deal Internal Review of Governance Arrangements
- Follow Up of Swansea Bay City Deal Independent Review (Actica)
- Legal Agreement & Policy Framework
- Organisation Structure (including service provision arrangements with Local Authorities and the role of the Programme Management Office)

Financial Management

- Core Funding (including partner contributions, budgetary control, and compliance with financial procedures)
- Grant Funding (including funding agreements, distribution of funds, and compliance with grant terms & conditions)

Risk Management

- Risk Appetite & Risk Management Methodology

Internal Control

- Project Management, Monitoring & Deliverability

4. Audit Approach

The auditor undertaking this review will be Justin Blewitt, Senior Internal Auditor and will involve:

- Interviews with the relevant officers
- Examining relevant documents
- Recording the system in operation
- Evaluation of the adequacy of internal controls
- Compliance and substantive testing
- Reporting to management and making recommendations where appropriate

5. Reporting Arrangements

The draft report will be issued to the Swansea Bay City Deal Section 151 Officer and the Finance Manager. Discussions will then take place to approve the report and agree action in respect of any recommendations for improvement that may be made. Upon approval of the draft report, the final report will be issued to the Swansea Bay City Deal Section 151 Officer and the Finance Manager (and will be reported to Programme Board and the Joint Committee).

J Hendy

Head of Internal Audit

Date: 9th January 2020