

## **ANGUS COUNCIL**

### **INFORMATION REPORT FOR THE PERIOD TO DECEMBER 2023**

#### **REPORT BY ALISON SMITH, DIRECTOR OF VIBRANT COMMUNITIES & SUSTAINABLE GROWTH**

#### **ABSTRACT**

This report provides information to members with regard to services in the Vibrant Communities & Sustainable Growth Directorate, albeit that a decision is not required in terms of the current Scheme of Delegation to Officers and the Order of Reference of Committees.

#### **1. SIGNIFICANT INFORMATION - SCHEDULES**

There is one schedule which contains key background information related to services delivered in the Vibrant Communities & Sustainable Growth Directorate for the period to 31 December 2023.

Where there are references to other documents (eg: consultation documents/audit reports) that are associated with the relevant schedule a link to that document has also been included.

#### **2. REPORT AUTHOR**

This report and associated schedule has been compiled by Mark Davidson, Manager – Economic Development.

List of Appendices:

Schedule 1 - Tay Cities Region Deal – Audit

## TAY CITIES REGION DEAL – AUDIT

### REPORT BY ALISON SMITH DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH

#### ABSTRACT

This report seeks to inform the Committee of the recent Audit carried out that sought to review the governance arrangements in place for the Tay Cities Region Deal, following updates to the Tay Cities Management Group and Joint Committee respectively.

#### 1. BACKGROUND

- 1.1 There is a commitment within the Grant Offer Letter for the Tay Cities Region Deal to conduct an internal audit every two years as a minimum;

*“In addition to compliance with normal internal and external audit controls, the Tay Cities Region Deal should be subject to an audit, the focus of which will be determined by the Accountable Body’s Internal Audit Team. We would expect Tay Cities Region Deal to form part of the Accountable Body’s Risk Based Internal Audit Plan every second year as a minimum.”*

- 1.2 The first internal audit conducted on behalf of the Accountable Body for the Tay Cities Region Deal was carried out in March 2021. As the Deal had not long been signed, the audit recognised that the delivery of the Deal was still in its infancy. The audit therefore made recommendations to assist Partnership with the developing Governance, noting that some of these were already being addressed and developed by the time of publication of the audit report.

- 1.3 The Programme Management Office (PMO) informed Tay Cities Deal Management Group at the August 2021 meeting that the Partnership was on target to complete addressing these recommendations by 31<sup>st</sup> August 2021. All the actions with a specific deadline were addressed.

- 1.4 In late December 2023, the PMO were approached by the Dundee City Council Internal Auditors to carry out an audit consisting of ‘a high level review of progress of the Tay Cities Region Deal Programme compliance with grant offer guidance.’

- 1.5 Following a comprehensive review of the Deal documentation, including Management Group and Joint Committee papers, the Deal Document, quarterly reporting, the risk register approach, and conversations with the S95 Officer and PMO, an internal audit report was produced outlining recommendations for the Partnership to take forward.

- 1.6 A copy of the report was presented to the Management Group on 31 August 2023 and a summary to the Joint Committee on 22 September 2023.

#### 2. OUTCOME OF AUDIT

- 2.1 The Internal Audit Report sets out two high priority and two low priority recommendations for improvement to support the Partnership’s governance. Table 1 outlines the recommendations made and the proposed action to take them forward. Full details of the recommendations are contained at 4.3 below.

- 2.2 The audit identified a number of areas of good practice, which are listed below;

- *There is a clearly articulated and well-established approval pathway for Tay Cities Region Deal Business Cases, supported by a coordinated forward plan for committee work.*
- *Grant Conditions require that funded projects establish, monitor, and communicate their progress, in terms of adherence to financial plans and achievement of planned milestones.*
- *Drawdown requests are submitted to the Scottish Government through a well documented process which includes multiple levels of approval, assessment of eligibility of claimed spend, and appropriate segregation of duties.*

- *A structured approach to Benefits Realisation management is in development, with good progress on developing reporting on project benefits and commitments. A Benefits Realisation Plan is in place, and a reporting cycle has been agreed with both Governments.*
- *The Project Management Office (PMO) has successfully advertised and filled two of its three vacant posts during the completion of fieldwork. Fully staffing the PMO will take pressure off the current team, maintaining its existing high level of delivery and reducing overall delivery risk to the Deal programme.*

**2.3 Table 1: Tay Cities Audit Recommendations and Actions**

Priority	Recommendation	Evidence	Management Comment	Due Date	Responsible Officer
High	<p><b>1. Securing Business Case Approval</b></p> <p>Each Local Authority (LA) Partnership Sponsor should review and provide reassurance to the Partnership that the Fund, Programme or Project has the resources and experience to be able to complete their business case ahead of the profiled year of drawdown, and that any dates are robust and realistic.</p> <p>Where Projects are unable to demonstrate this, the LA Partnership Sponsor and Management Group should consider the risks and identify any mitigating actions.</p> <p>The Partnership should consider what it is going to put in place where Projects fail to develop their business case ahead of the year it is due to drawdown.</p>	<p>Review of year 5 – 10 profile agreed by Management Group and both Governments.</p>	<p>As part of the Partnership’s review of the Deal Profile for years 5 – 10, the Management Group and Finance Directors will seek to review and obtain assurances for all the business cases.</p>	<p>For years 5&amp;6 - 31/12/2023</p> <p>Remainder of Programme - 31/03/2024</p>	<p>LA Management Group Sponsors and Finance Directors</p>

Priority	Recommendation	Evidence	Management Comment	Due Date	Responsible Officer
High	<p><b>2. New and Emerging Risks</b> The Programme Risk register should be updated to clearly distinguish between mitigations that consist of programme management processes applied on an ongoing basis, and specific actions with time-bound dates of completion. Where a mitigation is an action, its ownership and timescale should be clear.</p> <p>The PMO may wish to consider splitting some risks where they include a significant element relating to factors outside the Partnership's control, and separately scoring those elements. This could provide greater clarity as to the impact of risk mitigation measures as compared to reporting a single risk with a score that is impossible to reduce.</p>	Example of updated risk register or risk reporting.	<p>The PMO will conduct a scoping exercise of best practice among other Deals and present back to Management Group</p> <p>An early warning process has been developed and presented at the July Management Group.</p>	31/10/2023	PMO Project Manager
Low	<p><b>3. Governance Reporting</b> The PMO should implement a formal means of monitoring the effectiveness of its reporting, through a mechanism such as a periodic survey, discussion with outgoing members, or a review of the meeting papers at the end of each meeting.</p>	Example of meeting agenda	An annual review to check on satisfaction with information for decision making.	31/12/2023	PMO Project Manager
Low	<p><b>4. Monitoring Reports</b> The PMO should compile and report summary information on compliance with monitoring requirements. This could include volumes of monitoring reports expected, received, received late, and not received.</p>	Quarterly report	A table will be added to include cumulative information in the quarterly report to the Management Group	31/10/2023	PMO Project Manager

### **3. NEXT STEPS**

- 3.1 The PMO will take reasonable steps to progress the action points within the agreed timescales and thereby minimise the risk to which the Council is exposed. The recommendations within the report will be added to Pentana and progress towards implementation will require to be recorded, managed and monitored within the system. The support of the Tay Cities Partnership is requested to ensure that the action points are successfully taken forward.

**REPORT AUTHOR: Mark Davidson – Manager – Economic Development**

**EMAIL DETAILS: [DavidsonMA@angus.gov.uk](mailto:DavidsonMA@angus.gov.uk)**

#### **List of Appendices :**

1. INTERNAL AUDIT REPORT– Dundee City Council