

**Glasgow City Region****Cabinet****Report by Head of Audit and Inspection, Glasgow City Council****Contact: William Hart, Chief Auditor****Extension: 74303****INTERNAL AUDIT REVIEW****Purpose of Report:**

To advise members of the main findings of the following audit report issued recently, together with a summary of action taken:

- Review of Governance Compliance

Note:

In most cases one of four opinions is expressed:

- The control environment is satisfactory i.e. audit testing found no concerns with the control environment.
- A reasonable level of assurance can be placed upon the control environment i.e. audit testing found no major weaknesses in the control environment but some improvements could be made.
- A limited level of assurance can be placed upon the control environment i.e. improvements are necessary to ensure the control environment is fit for purpose.
- The control environment is unsatisfactory i.e. significant improvements are required before any reliance can be placed upon the control environment.

Recommendations :

The Cabinet is asked to:

- (1) note the content of the report, and
- (2) instruct the Head of Audit & Inspection to provide follow up reports showing progress towards achievement of the Action Plan arising from the audit undertaken.

GLASGOW CITY COUNCIL INTERNAL AUDIT SECTION

GLASGOW CITY REGION CABINET REPORT

Title of the Audit: Glasgow City Region City Deal – Review of Governance Compliance

1. Introduction

- 1.1 As part of the agreed Internal Audit Plan, we have undertaken a review of compliance with the Glasgow City Region City Deal governance arrangements, such as frequency, attendance and agendas of meetings, the arrangements for which are outlined within the Assurance Framework and expanded upon in group roles and remits and meeting plans and maps.
- 1.2 The governance structure within the Glasgow City Region City Deal includes a number of groups which manage and support the delivery of the City Deal programme and wider regional economic growth. This includes the Cabinet which is comprised of Council leaders, senior officer groups and subject specific support groups. Additionally, external stakeholders and partners are involved in other groups. Effective governance is critical to the smooth and efficient running of the programme and wider strategy.
- 1.3 Separately, but complementary to the audit, the City Region Project Management Office (the PMO) has undertaken an exercise to review the governance structures for both the City Region and the City Deal programme to identify opportunities for improvement.
- 1.4 The purpose of the audit was to gain assurance that key

groups which form the governance structure of the Glasgow City Region City Deal are complying with the agreed roles and remits. The scope of the audit included a review of:

- Documented roles and remits for the various groups in the governance structure;
- Meeting plans and maps;
- Training and support available for group members;
- Members' attendance at meetings.

A sample of six groups' meetings were selected for review. These were:

- Skills and Employment Portfolio group;
- Lead Officers Group;
- Chief Executive Group;
- Glasgow City Region Cabinet;
- Programme Liaison Group;
- Financial Strategy Group.

2. Audit Opinion

- 2.1 Based on the work carried out a reasonable level of assurance can be placed upon the control environment. The audit has identified scope for improvement in existing arrangements and two recommendations which management should address.

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3. Main Findings

3.1 We are pleased to report that key controls are in place and generally operating effectively, including:

- Roles, responsibilities and remits of the various key groups that form the governance structure of the City Deal have been adequately recorded in the Assurance Framework and approved by Cabinet.
- Meeting schedules are held which document the order and frequency of all group meetings.
- Through sample testing we identified that meetings usually took place as per the schedule, where there were exceptions to this adequate explanations were supplied.
- Decisions and approvals were only made by those groups with authority to do so, namely the Cabinet and Chief Executive Group.
- The quorum was met to allow decision making to take place at both the Cabinet and Chief Executive Group as agreed in the supporting procedural documentation.
- Training and guidance for officers has been addressed, with consideration currently being given by the PMO on how to improve this going forward, particularly for new group members or deputising officers.

3.2 Our audit testing found that there are some areas where

improvements could be made. We identified that agendas and papers are prepared and issued to relevant officers for all group meetings in our sample. However, we found occasions where papers were not being distributed until a day or two prior to the date of the meeting, therefore limiting the time available to officers to consider all matters outlined.

3.3 There is currently no process in place to discuss recurring instances of non-attendance of officers to group meetings with the member authorities. From a review of meeting minutes, we identified that there were occasions where named officers were unable to attend and recorded in the “apologies” section. However, it was also unclear from some of the minutes as to whether or not a substitute from the member authority had attended in their behalf.

3.4 An action plan is provided at section four outlining our observations, risks and recommendations. We have made two recommendations for improvement. The priority of each recommendation is:

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Priority	Definition	Total
High	Key controls absent, not being operated as designed or could be improved. Urgent attention required.	0
Medium	Less critically important controls absent, not being operated as designed or could be improved.	1
Low	Lower level controls absent, not being operated as designed or could be improved.	1
Service Improvement	Opportunities for business improvement and/or efficiencies have been identified.	0

- 3.5 The audit has been undertaken in accordance with the Public Sector Internal Audit Standards.
- 3.6 We would like to thank officers involved in this audit for their cooperation and assistance.
- 3.7 It is recommended that the Head of Audit and Inspection submits a further report to Cabinet on the implementation of the actions contained in the attached Action Plan.

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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Papers are issued in advance to group members to allow them sufficient time to review these prior to meeting				
1	<p>We identified that agendas and papers were prepared and issued to relevant officers for all group meetings in our sample.</p> <p>We are aware that for some meetings, i.e. Financial Strategy Group, Lead Officers' Group and Chief Executives' Group, the order of their meeting schedule and the requirement for other group papers to be submitted, there can be a short turnaround for individual papers to be distributed.</p> <p>However, we found occasions where papers were not distributed until one or two working days prior to the date of the meeting, or even on the day of the meeting. This included papers for the Skills and Employability Group, Lead Officers' Group, and Financial Strategy Group in 2020, and older examples from the Chief Executives' Group and Programme Liaison Group in 2019.</p>	The PMO should aim to ensure that for all meetings, agendas and papers are issued within a reasonable number of days prior to the meeting date to allow sufficient time for consideration and scrutiny by the group attendees.	Medium	<p>Response:</p> <p>The PMO will liaise with Group Chairs to agree timescales for the issuing of papers (taking account of dependencies on submission dates of progress reports from Member Authorities etc.) with these being included within the updated Assurance Framework 2020. Compliance with timescales will be monitored and reviewed on an ongoing basis.</p> <p>Officer Responsible for Implementation:</p> <p>Assistant Head of Programme Management Office</p> <p>Timescale for Implementation:</p> <p>31st December 2020</p>

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	Failure to issue the papers within an adequate timeframe in advance of meetings, increases the risk that officers will not have sufficient time to consider matters outlined.			
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No.	Observation and Risk	Recommendation	Priority	Management Response
Key Control: Group members regularly attend meetings, and where they are unable, a representative from their organisation at an appropriate level of seniority attends on their behalf.				
2	<p>We were advised that there is currently no process in place to address recurring instances of non-attendance of officers to group meetings.</p> <p>From review of meeting minutes, we identified occasions where named officers were unable to attend and this was recorded in the “apologies” section. However, it was unclear from the documents as to whether a substitute from the member authority had attended on their behalf, and if so, whether or not they were the appropriate person to attend.</p> <p>This increases the risk that papers are not</p>	<p>The PMO should liaise with Committee Services and support group chairs to consider updating the meeting minutes to record where substitute officers have attended on behalf of a group member, including their job title.</p> <p>The PMO should also monitor recurring non-attendance by the nominated officers, and discuss this with the member authority.</p>	Low	<p>Response:</p> <p>Recommendation to be adopted and implemented in full.</p> <p>Officer Responsible for Implementation:</p> <p>Assistant Head of Programme Management Office</p> <p>Timescale for Implementation:</p> <p>14th October 2020</p>

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	subject to appropriate scrutiny or discussion.			
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