



AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No: 4
16 DECEMBER 2019	PUBLIC REPORT

ASSURANCE FRAMEWORK

1.0 PURPOSE

- 1.1. At their meetings on 25 November 2019 and 27 November 2019 the Business Board and the Combined Authority Board agreed a revised single Assurance Framework. This followed discussions with the Ministry of Housing, Communities & Local Government after the adoption of the previous version of the Assurance Framework by the Business Board and Combined Authority Board in May 2019. This report draws to the Committee's attention the revised Assurance Framework and the changes made to the previous version.
- 1.2. The Committee's terms of reference include the review and assessment of the Combined Authority's internal controls and the Assurance Framework is one of the key internal controls.

<u>DECISION REQUIRED</u>
Lead Officer: Dermot Pearson, Interim Legal Counsel and Monitoring Officer
The Audit and Governance Committee are recommended to: (a) Note the revised Assurance Framework

2.0 BACKGROUND

- 2.1. By adopting a single Assurance Framework the Combined Authority has a robust, singular framework that brings cohesion to the work of the Combined Authority, ensuring clarity, transparency and openness for Government, partners and members of the public around governance and compliance processes, and a singular approach to the decision-making processes of both the Business Board and Combined Authority Board.
- 2.2. In January 2019 the Ministry of Housing, Communities & Local Government [MHCLG] issued revised guidance on the National Local Growth Assurance Framework. This provided guidance to Local Enterprise Partnerships [LEPs]

and Mayoral Combined Authorities on the development of their own local Assurance Frameworks. The guidance seeks to provide a common framework of understanding of the assurance required for local growth funding and to offer guidance on what should be built into local Assurance Frameworks. In particular it explains how schemes should be appraised, monitored and evaluated to achieve value for money.

- 2.3. The guidance required LEPs and Mayoral Combined Authorities to update their local Assurance Frameworks. An updated Assurance Framework covering both the Business Board and the Combined Authority was adopted by both the Business Board and the Combined Authority Board in May 2019.
- 2.4. The revised Assurance Framework was submitted to MHCLG. After consultation with the Department for Transport [DfT], MHCLG required further amendments to the Assurance Framework and the revised Assurance Framework was adopted by the Business Board and the Combined Authority Board at their meetings on 25 November 2019 and 27 November 2019. This report brings the revised Assurance Framework to the attention of the Committee because it forms a key element of the internal controls which apply to the Business Board and to the Combined Authority Board.
- 2.5 The Assurance Framework, as amended to meet the requirements of MHCLG, forms the Appendix to this report. The amendments are in bold and relate to the following issues:
 - a) Clarification that where potential changes result in significant divergence from approved local assurance frameworks, adjustments must be agreed by MHCLG as set out in the National Local Growth Assurance Framework guidance. (1.1.6)
 - b) Clarification that the Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate (3.2.1)
 - c) Inclusion of paragraph on the role of the Mayor in allocating funding, especially the additional Investment Fund allocations. (3.2.10-11)
 - d) Paragraph expanded to explicitly explain how the Combined Authority will ensure rigour and data quality and projects are identified on need/opportunity and clear application of best practice. (3.4.9)
 - e) Inclusion of additional information on achieving best practice, (5.1) and section on ensuring value for money for transport projects (5.8)
 - f) Increased flexibility on Benefit Cost Ratios for transport schemes (5.1.1)
 - g) Further detail on value for money for transport schemes (5.8.2)
 - h) Additional detail regards the monitoring and evaluation agreed at inception of projects appropriate to the value and complexity (7.3.3)

3.0 FINANCIAL IMPLICATIONS

- 3.1. All of the work has been carried out in-house, therefore there are no significant financial implications to this activity.

4.0 LEGAL IMPLICATIONS

- 4.1. The adoption of the Assurance Framework ensures that the Business Board and Combined Authority are compliant with the requirements of Government.

5.0 APPENDICES

- 5.1. Appendix – Revised Assurance Framework [November 2019]

<u>Source Documents</u>	<u>Location</u>
Report to Combined Authority Board on 27 November 2019	CA Board Report Nov 2019
Revised National Local Growth Assurance Framework - Guidelines for Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnerships	NLGAF Jan 2019