

## Annex B: Section 151/73 Assurance Statement

The Section 151/73 Officer should here provide a report to the Annual Conversation on their work for the LEP over the last twelve months and their opinion with a specific requirement to identify any issues of concern on governance and transparency. In particular, you should focus on any particular issued raised in Annex A. **(max 500 words)**

- The Section 151 has worked closely with the SSLEP over the last twelve months and is constantly engaged with the financial aspects of its key activities, primarily through the attendance at the various SSLEP Boards / Groups. A representative of the S151 Officer produces the financial information which is reported to the Executive (via the Finance Dashboard), and also produces the formal year end accounts of the SSLEP which are included in the SSLEP Annual report.
- An independent annual audit of the financial arrangements relating to CD/GD is undertaken as part of the grant verification process, to confirm all spend incurred has been made in accordance with the relevant grant conditions. The latest audit report dated 20th June 2017 provided positive assurance and identified only two minor areas where partial controls were deemed to be in place and where the process could therefore be improved. The agreed recommendations from the audit have been implemented.
- Due diligence is undertaken by the Accountable body, for example ensuring, appropriate grant conditions are complied with; robust approval processes are in place; funds are used appropriately and agreements are in place which include adequate provisions for the protection of public funds; and decisions and activities of the SSLEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.
- The key area of concern relates to the profile of actual spend compared to the profile provided by DCLG. It is recognised that the annual profile provided by DCLG was not in line with the profile submitted by the SSLEP which has resulted in undue pressure to continually re-fine profiles and achieve spend in advance of what was planned. In addition there needs to be a recognition that where a significant proportion of the overall programme relates to major highways schemes, where it is difficult to be accurate in terms of timing due to issues such as CPO's, the management of the cashflow is made even more difficult. This consequently has the impact of the SSLEP focussing on achieving spend targets, rather than the delivery of outputs / outcomes.
- A further issue which exasperates the spend profile problem is the speed / timeliness of business cases being presented to the SSLEP for approval. The SSLEP could set more robust timeframes for business cases to be developed following initial approval of the scheme, and put in place formal guidelines, which includes withdrawing an initial offer if the timeframe is not met. In addition where it has been identified through work by Officers of the SSLEP that a scheme is unlikely to progress there is a tendency to provide continual extensions of time rather than re-direct funding to other schemes.
- No issues of concern in respect of the governance and assurance process have been identified from a financial point of view during the year.
- An audit of the governance arrangements and how the SSLEP complies with the national Assurance framework was undertaken in June 2017 and the SSLEP has implemented all of the recommendations.
- No payments are made on behalf of the SSLEP until they have gone through the all of the SSLEP governance processes and without formal approval being made and recorded e.g. minutes of the Executive formally approving business cases. No payments are also made until appropriate documentation is in place e.g. signed grant agreements.
- All key decisions relating to finance are transparent with a clear audit trail of how decisions were agreed and approved.

**Section 151/73 Sign-off:**

Signed:



Name:

SIMON ABILEWHITE

Position:

STRATEGIC FINANCE BUSINESS PARTNER (SISI OFFICER)

Date

27/4/2017