

Edinburgh and South East Scotland City Region Deal Joint Committee

10am, Friday 2 December 2022

Draft Terms of Reference – City Region Deal Integrated Employer Engagement internal audit

Item number 5.5

Executive Summary

The City of Edinburgh Council (CEC) as Lead Authority acts as the Accountable Body for Edinburgh and South East Scotland City Region Deal.

The City Region Deal's Grant Offer Letter for 2022/23 introduced a requirement that, in addition to compliance with normal internal and external audit controls, the Deal should be subject to an audit, every second year at a minimum, the focus of which will be determined by the Accountable Body's Internal Audit Team.

At its meeting on 2 September 2022, Joint Committee agreed that it would be appropriate to conduct an audit of the Integrated Employer Engagement project within the Integrated Regional Employability and Skills Programme

This report asks Joint Committee to note and approve the scope and terms of reference for the audit of the Integrated Employer Engagement (IEE) Project, which is planned to take place between January and March 2023.

The findings of the audit will be reported to Joint Committee on 2 June 2023, as well as a forward Audit Plan.

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Draft Terms of Reference – City Region Deal Integrated Employer Engagement internal audit

1. Recommendations

- 1.1 To note and approve the Terms of Reference for the audit of the Integrated Employer Engagement (IEE) Project, which is planned to take place between January and March 2023, by the City Region Deal Accountable Body's internal auditors.

2. Background

- 2.1 The City Region Deal's Grant Offer Letter for 2022/23 introduced a requirement "*In addition to compliance with normal internal and external audit controls*" that "*the Edinburgh and South East Scotland City 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 the Edinburgh and South East Scotland City Region Deal to form part of the Accountable Body's Risk Based Internal Audit Plan every second year as a minimum.*"
- 2.2 At its meeting on 2 September 2022, Joint Committee agreed that it would be appropriate to conduct an audit of the Integrated Employer Engagement project within the Integrated Regional Employability and Skills Programme by the end of the 2022/23 financial year, and that a proposed scope and terms of reference for the audit would be considered by Joint Committee at its next meeting on 2 December 2022.

3. Main report

- 3.1 The IEE project is part of the Integrated Regional Employability and Skills (IRES) programme. The IRES programme represents a £25m investment as part of the larger City Region Deal. The IEE project seeks to bring together training providers and local employers, including small to medium enterprises (SMEs), to develop ways to assist the population of the region (Fife, Scottish Borders, the Lothians, and City of Edinburgh) to receive the training and support they need to enter employment.

- 3.2 The City of Edinburgh Council is the lead constituent council for the project. IEE is being delivered by the Capital City Partnership, an Arm's Length External Organisation (ALEO) of the City of Edinburgh Council.
- 3.3 The auditors will identify and evaluate the design and operating effectiveness of the key controls in place to address the key risks in relation to the IEE project through review of processes and completion of sample testing across the period March 2019 to December 2022. The full draft terms of reference are appended to this report.
- 3.4 The findings of the audit will be reported to Joint Committee on 2 June 2023, as well as a forward Audit Plan.

4. Financial impact

- 4.1 There are no direct financial impacts to the City Region Deal partners as a result of this report. The IEE Project Team, and the City Region Deal Programme Management Office will take cognisance of the feedback and will ensure that the necessary changes are made, and adequately resourced.

5. Alignment with Sustainable, Inclusive Growth Ambitions

- 5.1 The audit will fully explore the effectiveness of the IEE project's processes towards achieving its ambitions, which are strongly aimed at achieving sustainable, inclusive growth.
- 5.2 In its project proposition, approved by Joint Committee in June 2019, it stated: *The IEE project proposal is an integral part of this wider IRES Programme and it is anticipated that it will generate significant inclusive growth benefits, including: increased number of disadvantaged participants engaged in job searching, education/training, gain a qualification, or are in employment (including self-employment) upon leaving; and increased number of disadvantaged participants in workless, lone parent or low income households with improved skills.*

6. Background reading/external references

- 6.1 [Integrated Employer Engagement Project Proposition](#) (approved by the Edinburgh and South East Scotland City Region Deal Joint Committee in June 2019)

7. Appendices

- 7.1 Draft Terms of Reference – City Region Deal Integrated Employer Engagement