



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

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**National Review of LEP Assurance Frameworks
(Appendix 'A' refers)**

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Executive Summary

This report provides the Board with information on the separate national reviews of LEP Assurance Frameworks undertaken by the National Audit Office and Government's Internal Audit Office.

The report identifies any gaps found in the Lancashire Enterprise Partnership's Assurance Framework. It also proposes that the LEP Board receives a report at its June meeting which will provide an annual review of the LEP's Assurance Framework, to highlight possible gaps or additions in the document and any proposed action to be taken.

The report also proposes that a formal annual review of the LEP's Assurance Framework is undertaken by the Board in June of each year

Recommendations

The Board is asked to:

- (i) Note the findings of the National Audit Office Report into Local Enterprise Partnerships;
- (ii) Note the findings of the Government's Internal Audit and those of the North West Office of the Department for Business, Innovation and Skills in respect of the Lancashire Enterprise Partnership's Assurance Framework and the actions taken by the LEP to address any gaps identified; and
- (iii) Agree that a formal annual review of the LEP's Assurance Framework is undertaken by the Board in June of each year.

Background and Advice

1. National Review of LEP Assurance Frameworks

1.1 In 2015, the National Audit Office (NAO) undertook a review to examine whether the Department for Communities and Local Government (DCLG), as the lead Department for the Government's Cities and Local Growth Unit, had



funded and implemented Growth Deals in a way that was likely to deliver value for money.

- 1.2 The NAO was also asked to examine Local Enterprise Partnerships' (LEPs) progress in implementing their Assurance Frameworks, while assessing how transparent LEPs are to the public. A copy of the final NAO report is attached at Appendix 1.
- 1.3 Whilst all 39 LEPs were considered by the NAO in respect of assessing value for money in relation to the delivery and implementation of their Growth Deals, only a small number were selected to undergo a full review of their Assurance Frameworks by the NAO.
- 1.4 A number of other LEPs, including our LEP, were randomly selected to undergo a review of their respective Assurance Framework by Government's Internal Audit Office (GIA).
- 1.5 The GIA's review of the LEP's Assurance Framework identified one minor administrative gap. Whilst the LEP has always collected LEP Board Directors' Conflicts of Interests and has compiled a Register of Directors' Interests, these were not available on the LEP's web site. These are now available on the LEP's web site.
- 1.6 The NAO Report highlighted a high degree of non-compliance amongst LEPs in respect of their Assurance Frameworks. The GIA also identified an element of non-compliance.
- 1.7 Those LEPs whose Assurance Frameworks were not audited by NAO, or were incompletely audited by GIA, have been asked to self-assess their Assurance Frameworks against the checklist used by the NAO to ascertain whether their LEP is complying with its own Assurance Framework. Any areas of non-compliance need to be addressed by the LEP.
- 1.8 Colleagues at the North West Office of the Department for Business, Innovation and Skills (BIS) undertook a review of our LEP's Assurance Framework and identified two minor administrative points. The first being that the LEP's accounts are not published on its web site; the second being that the Assurance Framework does not identify a specific date for its review by the LEP.
- 1.9 To remedy these two points, it is proposed that a link is included from the LEP's web site to the relevant Companies House webpage to ensure the LEP's statement of accounts can be viewed by the public and also that the LEP receives a report at its June meeting which will provide a review of the LEP's Assurance Framework and identify any gaps or additions and proposed action to be taken.
- 1.10 All 39 LEPS have been asked to confirm in writing by 31 March to the Director for Cities and Local Growth at DCLG, that a review of the LEP's Assurance Framework has taken place and actions have been taken to address any



issues. Lancashire County Council's Section 151 Monitoring Officer has written to the Director on behalf of the LEP confirming this is the case.

- 1.11 It is proposed that a formal annual review of the LEP's Assurance Framework is undertaken by the Board in June of each year.