**Birmingham Organising Committee for the 2022 Commonwealth Games Limited**

**Audit and Risk Assurance Committee Meeting**

**15.30pm, Thursday 6th May 2021**

**Held at: Teams Meeting Online**

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| **Members:**  (SB) Commonwealth Games England Nominee  GB) Ex Officio Member  (HD) Department for Digital, Culture, Media and Sport Nominee  (CH) Ex Officio Member  (RH) Chief Financial Officer, BCC  **In Attendance:**  (AB) Internal Audit Partner, PwC  (GC) Internal Audit, Senior Manager, PwC  (EF) Head of Financial Planning, B2022  (DG) Chief Financial Officer, B2022  (AH) Director of Programme Management & Integrated Planning, B2022  (SH) Head of Financial Management, B2022  (CM) Chief Legal Officer/Company Secretary, B2022  (PR) Sponsorship Specialist, Sport Five (for item 4 only)  (GW) External Audit Director, National Audit Office  (EB) Executive Assistant, B2022 (Secretariat)  **Apologies:**  (NT) Independent Board Member | | |
|  | **Item** | **Action Owner** |
|  | **Welcome and Introductions**  SB opened the meeting and confirmed that it was quorate. Due to current COVID-19 restrictions the meeting was held via Microsoft Teams.  NT sent apologies in advance of the meeting |  |
|  | **Covid 19 Scenario Update Planning**  AH shared the latest Covid-19 Update slides with ARAC. The presentation included reference to that presented to OC Board in April 2021 and the review point has now passed. The OC recognises there will not be a “Covid-19 Free Games” and is adopting a flexible planning approach involving procurement and contingency planning so that it can deliver the Games safely across the widest range of Covid-19 scenarios. Covid-19 planning is now being integrated into the programme with ongoing partner engagement, public health advice and lessons from other major events, including the DCMS Event Research Programme.  Based on the original proposed scenario framework, the OC is planning for 4 potential sub-scenarios for Games time; “New Norm (B1-3) and Prolonged Crisis (C1)”.  In each scenario the OC is looking at the client journeys to determine client and organisational measures required. The OC has also considered significant areas of risk, including, Transport, Village and Venues, to look at areas of particular concern. “Core Covid-19 measures” will be incorporated into planning now as they will apply to all scenarios, these are:-   1. Personal Hygiene 2. PPE 3. Information provision 4. Cleaning 5. Test/Track/Isolate/Quarantine 6. Ventilation 7. Distancing   Additional Covid-19 measures will also be considered as part of contingency planning for more extreme scanrios:-   1. Time 2. Bubbles 3. Spot checks 4. Equipment/Venues 5. Organisation 6. Legal 7. Vaccine   The recent client journey mapping and contracts review undertaken by PwC has provided a better understanding and validation of the financial impact assessment against the timing of decisions.  The OC is now implementing the recommendations from the work, with ongoing guidance from PHE (Public Health England) & WHO (World Health Organisation). The OC will continue to monitor the situation with work carried out by PwC with a dedicated Ops Team to implement the changes. The OC is moving through detailed planning up to September 2021 and will then have more information to share in terms of validating the financial model so far.  CH praised the work undertaken to date and highlighted the importance of implementing the changes into the operating model.  GB asked how the OC is managing stakeholder’s views, engagement and advice regarding the planning. AH advised the OC is working closely with regional and public health teams and is looking at getting a public health representative embedded into the OC, to work alongside the Communications team and functional areas to ensure consistent messaging. GB praised the plan and was reassured that the plan has installed a lot of confidence in delivery. GB queried how the OC is managing suppliers Covid-19 compliance. AH advised that contractual terms would reflect expectations with contract management procedures put in place.  SB highlighted to the Committee that there is a weekly Strategic Communication Group meeting as we think about finding of reviews, to ensure transparency is ongoing ahead of draft accounts review on 22nd.  **Action: It was agreed that the slides would be circulated to the ARAC after the meeting.** | **AH** |
|  | **Internal Audit**   1. **Audit Progress Report**   AB presented the paper previously distributed and this was tabled as read.  AB updated the ARAC on progress in the reporting period. Work is now concluded for the 20/21 audits and the team have started piloting an embedded approach. AB updated on previous actions with the vast majority now implemented and for any outstanding actions, the team have followed up with the relevant FA’s on what action has been taken to close out the changes. AB advised the OC is in a positive position.   1. **Commercial Income/Sponsorship**   AB presented the paper previously distributed and this was tabled as read.  HD recognises the points made in the audit report and praised the transparency from the Sponsorship Working Group.   1. **HR & Workforce**   AB presented the paper previously distributed and this was tabled as read.  AB advised that when the audit was first implemented, the processes were predominantly manual based; some automated reporting has now been implemented. The team have now implemented automated controls.   1. **Programme & Risk Management in Workforce**   AB presented the paper previously distributed and this was tabled as read.  AB advised that the report was similar to Security and Transport report, the reports and outcomes were shared internally as the processes were very similar. There are clear internal processes in place however there is a lot of responsibility sitting with the Programme Leads, the FA’s recognised that more project management support was needed to ensure FA’s time was being spent on the operational work required. |  |
|  | **Commercial Income**  PR shared slides on screen which were previously distributed and tabled as read.  SB highlighted there were 2 angles of focus, both the efficacy of the process i.e. are the right efforts being made in the right places and commercial. HD advised that PR has captured the work that has been done. There are restrictions, as there is only so much the Government can do to increase engagement in 2021/22 due to current Covid-19 circumstances. The Minister for the Games has written to key sponsorship targets to engage in the Games and there is a Government warm up happening before Sportfive introductions are made. The efficacy of the programme of actions over the past year is high and it is now down to the execution of the Games.  SB asked CH if there was anything she was expecting to hear from the presentation, taking into account previous Games experience, from an efficacy point of view. CH asked if the balancing number which Sportfive need to find, given current blockers and opportunities vs. risk, is realistic. With the engagement of the new CMO there are more marketing led opportunities with 2 or 3 “good” Tier 1 sponsorships which would secure a higher level of confidence. CH also asked at what point would PR expect to see more engagement; PR advised the next 3 months are crucial.  **Action: PR to return to ARAC to provide an update in 3 months’ time.** | **PR/DG** |
|  | **Lifetime Budget Update (v2.2)**  The paper was previously distributed and this was tabled as read. Since distribution to the ARAC, the OC EMT had endorsed the paper.  DG presented v2.2 of the OC budget to the ARAC and noted that the total budget is unchanged, with adjustments representing reallocations between departments and risk provision.  DG summarised the remaining risk provision and specific risks.  DG advised the OC is working on a “Good to Great” analysis which would look to identify the costs of potential Games enhancement but noted that none of these costs were included in v2.2 budget.  **The ARAC endorsed the lifetime budget, including the adjustments proposed in section 5 to the paper, for submission to the OC Board for approval and noted the OC’s plans to manage the financial risks associated with the budget.** |  |
|  | **AOB**  SB will be reaching out to Members regarding frequency and duration of the meetings. Following a review of the forward plan agenda for the year, SB is proposing meeting every 2 months for full meetings. All Members were in support of this and raised no objection. |  |