



Audit Committee Report

Report of: Simon Green

Date: 4 December 2012

Subject: Creative Sheffield (Marketing Sheffield)

Author of Report: Brendan Moffett 0114 2232373

Summary:

This report updates Audit Committee on the transition of Creative Sheffield into SCC with particular reference to the newly created Marketing Sheffield function.

Recommendations:

Audit Committee is recommended to note the steps being taken

Background Papers: None

Category of Report: OPEN

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
No – not of this specific report
Legal Implications
NO – not of this specific report
Equality of Opportunity Implications
No
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
YES
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
All
Relevant Cabinet Portfolio Leader
Cabinet Member for Leisure Sport and Tourism
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

1.0 INTRODUCTION

- 1.1 An Internal Audit review of Creative Sheffield carried out in 2010 identified control weakness in the company's business planning and financial administration arrangements.

The resulting Audit Report (dated 2 November 2010) concluded that the forthcoming integration in to the Council should provide the infrastructure and the necessary control framework to address those issues.

In line with Internal Audit protocol, a follow up audit was carried out in 2011. However, due to changes in personnel and key senior management leaving (Director of Strategy and Performance and Chief Executive), documentation requested regarding Marketing activities was not forthcoming by the close of the 2011 review. As a consequence Internal Audit was unable to provide any assurance that the previously reported control issues had been addressed.

The 2012 Audit Report of the newly created Marketing Sheffield function reported on progress made to adopt Council policies and procedures.

Some issues were highlighted regarding extension of previous procurement arrangements and the adoption of SCC financial management processes.

2.0 BACKGROUND

- 2.1 Up until 31st March 2011, Creative Sheffield was a limited company. During 2011/12 Financial year Creative Sheffield was taken back into Sheffield City Council and split into two functions, Creative Sheffield and Marketing Sheffield.

Marketing Sheffield was created as a singular marketing body that could engage with key partners and positively impact on the image and reputation of Sheffield ('place marketing'), drive an increase in the visitor economy (worth over £700 million to the economy) and positioning of the city to UK and overseas target audiences built around Trade, Talent and Tourism.

A Director of Marketing Sheffield was appointed in April 2011 and the newly created function began its integration into the Place portfolio.

- 2.2 2011/12 was a transitional year in which the Director of Marketing Sheffield became part of the PLT team, and SCC procedures were implemented.

- 2.3 Marketing Sheffield is an externally facing service and has extensive engagement with the private sector, Marketing Sheffield acknowledges however, that as part of SCC Place Portfolio, it must follow all relevant procedures, and work closely with Commercial Services and other relevant SCC functions, where appropriate. The 2010 Audit of Creative Sheffield made recommendations on tendering and financial management which have been implemented within the new Marketing Sheffield.
- 2.4 In addition Marketing Sheffield was subject to an operational audit review in 2012. From this review 26 items were identified of which 20 have been resolved / implemented and the remaining will be so by the end of the financial year.
- 3.0 Other options (n/a)**
- 4.0 Financial Implications**
All items relating to financial issues have / are being addressed within the allocated budget of Marketing Sheffield and hence no undue impact on Sheffield City Council's budget as a whole.
- 5.0 RECOMMENDATIONS**
- 5.1 Agree that all of the recommendations carried forward from the original Audit have been actioned and implemented.
- 5.2 To accept progress with regard to the audit review of 2012.
- 5.3 Delegate subsequent sign-off of satisfactory completion of outstanding items to the Executive Director of Place and Executive Director of Resources.