Public Document

GMCA GREATER MANCHESTER COMBINED AUTHORITY

GREATER MANCHESTER AUDIT COMMITTEE

DATE: **Tuesday, 8th September, 2020**

TIME: **10.00 am**

VENUE: **MS Teams**

AGENDA

For copies of papers and further information on this meeting please refer to the website
www.greatermanchester-ca.gov.uk. Alternatively, contact the following
Governance & Scrutiny Officer: Governance & Scrutiny
Stev.annette@greatermanchester-ca.gov.uk

This supplementary agenda was issued on 4 September, 2020 on behalf of Julie Connor, Secretary
to the
Greater Manchester Combined Authority, Churchgate House, 56 Oxford Street,
Manchester M1 6EU

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

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GMCA Audit Committee

Date: 8 September 2020

Subject: Audit Action Follow up

Report of: Sarah Horseman, Head of Audit and Assurance

PURPOSE OF REPORT

This report advises Audit Committee of the progress to date in implementing the agreed actions from internal audit assignments.

RECOMMENDATIONS:

Members are asked to review the progress of the implementation of Internal Audit recommended actions.

CONTACT OFFICERS:

Sarah Horseman, Head of Audit and Assurance - GMCA,
sarah.horseman@greatermanchester-ca.gov.uk

Risk Management – N/A

Legal Considerations – N/A

Financial Consequences - Capital – N/A

Financial Consequences - Revenue – N/A

Number of attachments included in the report: One

BACKGROUND PAPERS: N/A

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No

EXEMPTION FROM CALL IN			
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?	No		
TfGMC	Overview & Scrutiny Committee		
N/A	N/A		

1   Introduction

1.1   The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Management Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and a number of agreed actions for implementation. Each action has a named responsible person and an agreed implementation date.

1.2   Previously, the responsibility for tracking implementation of agreed audit actions was held by Management, with quarterly reports on the implementation status provided to Audit Committee. In June, we reported that Internal Audit had taken responsibility for this process and providing assurance that progress is being made on actions to address identified risks.

1.3   This report provides an overview on the latest position of Internal Audit actions which were outstanding prior to this meeting.

2   Latest Position

2.1   It is the responsibility of management to implement audit actions on time and update the tracker.   To aid facilitation of this, Internal Audit has introduced a revised action tracker which is shared with Management to allow direct input of updates on progress of outstanding recommendations.

2.2   A summary of the position based on the most recent updates received from management at the time of reporting is shown in the table below, with detailed status on individual actions shown at appendix 1

2.3   We have reviewed the actions which were previously reported as outstanding and the previous management responses given. There are several longstanding actions which have been considered outstanding for more than 12 months and some actions which we consider to be obsolete or superseded and where the risk exposure to the organisation is deemed low. Our review showed that;

- There are several actions where we are awaiting an update on implementation status from management and we will seek urgent response to these.

- In some cases, the responsible officer has changed, and we have sought to reassign responsibility. In these cases and where necessary, we will work to establish a revised implementation date.

- For some actions, we consider that additional follow up testing is required to verify management view of implementation. These are captured in the detailed table and will be carried out during Quarter 3.

- We have removed some actions which we consider are obsolete or do not present a continued risk to the organisation.

Row Labels	Assurance Opinion	Action Risk Rating	Not Yet Due	Outstanding	Partially implemented	Implemented	Superseded/ Obsolete	Grand Total
Growth Deal Certification 2016/17	Positive (moderate)	Significant					1	1
Finance BWO – Application Audit (May-18)	Limited	Significant				3		3
		Moderate				1		1
Finance – Payment Controls Assurance (Jun 18)	Moderate	Significant				2		2
		Moderate				1		1
Information Security (Jun 18)	Limited	Significant				4		4
Payroll i-Trent – Application Audit (Jun 18)	Limited	Significant				2		2
		Moderate				1		1
Local Growth Fund 2017/18 (Nov 18)	Positive (moderate)	Significant				1		1
Culture and Social Impact Fund - Governance Audit (Jan 19)	Substantial	**Significant**		**1**				1
		Moderate		2				2
		Minor		2				2
Purchase Cards (Jan 19)	Limited	**Significant**		**1**	**2**			3
		Moderate			2			2
Waste and Recycling – Reprocurement (Jan 19)	Substantial	Moderate					2	2
Single Pot Assurance Framework - Compliance Review (Apr-19)	Moderate	Major				1		1
		Significant		**2**	**1**	1		4
		Moderate		4				4
Employee Expenses - Probity and Compliance (Jul 19)	Moderate	**Major**		**1**				1
		Significant		**1**				1
		Moderate		2				2
		Minor		1				1
Procurement Waiver Exemptions (Jul 19)	Moderate	Major				1		1
		Significant				1		1
		Moderate				1		1
ICT Strategy, Governance and Programme Management (Sep 19)	Moderate	**Significant**		**1**	**1**	2		4
		Moderate				2		2
Cycle City Ambition Grant 2017/18 (Nov 19)	Positive (Moderate)	Significant					1	1

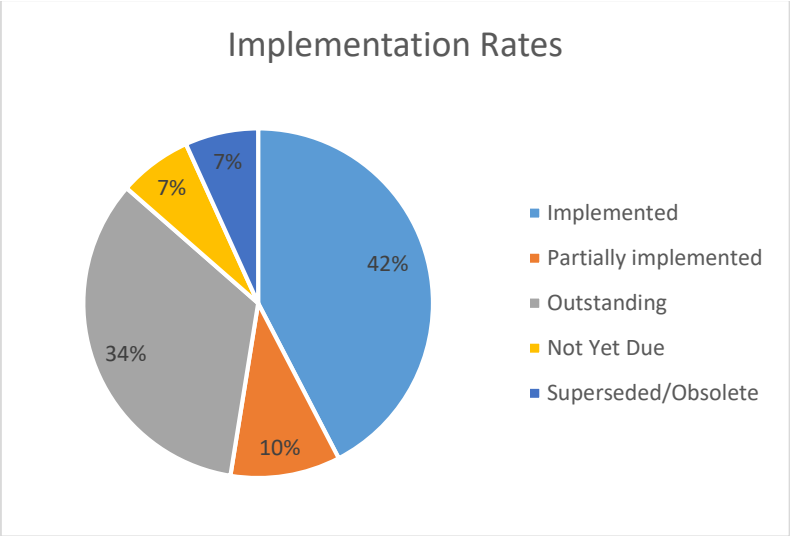| Row Labels	Assurance Opinion	Action Risk Rating	Not Yet Due	Outstanding	Partially implemented	Implemented	Superseded/ Obsolete	Grand Total
Adult Education Budget - Payment Controls (Apr 20)	Substantial	Medium				1		1
Car User and Mileage (Jun 20)	Moderate	**Major**		1				1
		Significant	2					2
		Moderate	2	1				3
Total			4	20	6	25	4	59

3   Analysis of Audit Actions

3.1   As at August 2020, there were 20 outstanding audit actions and 6 which were partially implemented. Of these 12 were considered major or significant.   There are 4 recommended actions that are not yet due.

3.2   We have summarised below the current status of all Internal Audit actions.
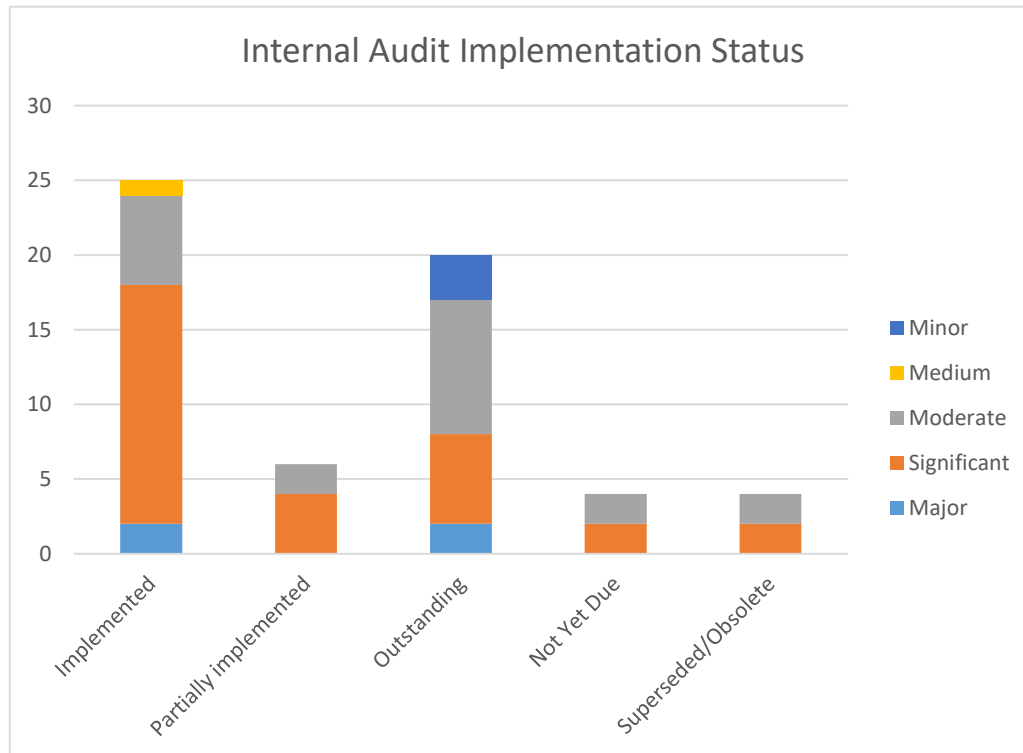
3.3   The overall Implementation rate is 42% measured against a KPI target implementation rate of 85% in the Internal Audit QAIP. This figure is significantly below expectations and whilst the impact of COVID19 may have contributed to the delays, further work will

be undertaken with responsible officers during Q3 to understand the reason for delays and to agree revised target dates.

Implementation Rates

- Implemented — 42%
- Partially implemented — 10%
- Outstanding — 34%
- Not Yet Due — 7%
- Superseded/Obsolete — 7%

Audit Title	Risk Rating	Audit Finding (taken from Audit Report)	Agreed Management Action	Target Date	Responsible Officer	Status	Management Update on Progress
Cycle City Ambition Grant 2017/18 (Nov 2018)	Significant	To note the major underspend being reported on the CCAG programme to date and to seek assurances from TfGM and DfT over the associated risks and impact arising from the delays in delivery of the CCAG programme beyond its 31 March 2018 deadline. Including; • Confirming with DfT the current funding and spend position for CCAG2 and acknowledgement that this funding can continue to be spent beyond 31 March 2018 deadline without clawback. • Agreement with DfT of forecasted delivery completion dates and spending profiles for programme work streams. • Assess any impact on future funding requirements and Government confidence as part of the annual conversation with DfT. • To seek additional assurances from TfGM PMO in relation to the management and oversight of scheme delivery and reasons for significant programme delays; in particular the Manchester Works package, • Disparity over scheme completion and costs claimed; to ensure that any	A general email to all CCAG delivering bodies has been issued by DfT confirming that due to the pioneering nature of this programme they understood that all schemes would not be delivered by the 31st March 2018 and asked for bodies to send through a progress monitoring survey which has been completed. There is no confirmation of new deadlines and DfT have also stated that they would not be looking to claw back any monies, however there was an expectation that all schemes would complete at a point in time. Progress has been made with both GMCA and TfGM legal teams to agree a more streamlined process for grant confirmation and agreeing any variations to the programme for specific schemes. The final process is still to be agreed but it is hoped this will be finalised by January 2019. In addition GMCA finance will work with TfGM finance to agree more robust monitoring arrangements including information regarding scheme delays and deliverability assurances. This will be for all schemes including districts and C&RT by March 2019	March 2019	Rachel Rosewell Deputy Treasurer	Superseded	**Jan 20:** The audit recommendations have been completed. We have obtained DfT assurance that we can continue to spend, DfT have advised that they are not minded to claw anything back, but not confirmed in writing. A meeting is planned to go through each project in detail and assess progress and estimated completion dates [Fox, Amanda] on the 22nd January, and an update will be brought back to the Audit Committee [in due course (80% complete) **Aug20**: Actual spend against budget to end of March 2020 was £14.9m, against grant of £22.1m. The remaining three schemes in Tameside and Manchester are now aligned to the Mayor's Challenge Fund for Walking and Cycling and are expected to spend and claim against the fully CCAG during 2020/21. **Internal Audit Opinion: This agreed action is covered under the requirements of SPAF** There is a significant amount of work required to improve the grants process. Underspend on CCAG is still significant with Manchester package outstanding.

		undue delays over cost claims are avoided, • Any necessity to build capacity within Districts and TfGM to avoid excessive delays in getting schemes underway. • GMCA Finance to seek assurances from C&RT over their expenditure profile and scheme delivery progress.	As per the above action, GMCA finance will agree with TfGM finance more robust monitoring arrangements which will include C&RT.				
Culture and Social Impact Fund - Governance Audit (Jan 2019)	Moderate	Performance and outcome monitoring and reporting arrangements should be formally documented and agreed by the appropriate oversight function (GMCA Culture and Social Impact Steering Group).	Performance and outcome monitoring and reporting arrangements will be formally documented and agreed by the GMCA Culture and Social Impact Steering Group.	Feb 2019	Marie Clare Daly	Outstanding	**Apr 19** - Documents to be developed and signed off at the next Culture and Heritage Steering Group in May, 2019 **Jan 20** - Documents to be developed and signed off as part of the contracting process of the new Culture Fund, 2020-2022. to be completed by April 2020 **Aug 20: Awaiting Management update.** **Internal Audit Opinion:** Outstanding
Culture and Social Impact Fund - Governance Audit (Jan 2019)	Moderate	Guidance should be developed for Members/Officers that represent GMCA on Boards.	Guidance to be developed for Members/Officers that represent GMCA on Boards. An introduction document outlining responsibilities to be shared with all board representatives and organisations.	Feb 2019	Marie Clare Daly	Outstanding	**Apr 19** - Documents to be developed and signed off at the next culture and social impact monitoring committee in May, 2019. **Aug 20: Awaiting Management update.** **Internal Audit Opinion:** Outstanding
Culture and Social Impact Fund - Governance Audit (Jan 2019)	Significant	Management ensure that all payment conditions are fully met before payments are released.	Year Development of monitoring guidelines (as referenced above) to be clear on times when condition waiving is appropriate and when payment should be withheld until information in the correct format is submitted.	Feb 2019	Marie Clare Daly	Outstanding	**Apr 19** - Next payment due April 4th. Management accounts and board papers required to release payment. **Aug 20: Awaiting Management update.** **Internal Audit Opinion:** Outstanding

Culture and Social Impact Fund - Governance Audit (Jan 2019)	Minor	All key procedures and processes for administration of the Culture and Social Impact fund be formally documented.	Key procedures and processes will be formally documented and made available to staff.	Feb 2019	Marie Clare Daly	Outstanding	**Apr 19** - Documents to be developed and signed off at the next Culture and Heritage Steering Group in May, 2019. **Aug 20: Awaiting Management update.** **Internal Audit Opinion:** Outstanding
Culture and Social Impact Fund - Governance Audit (Jan 2019)	Minor	A formal quality assurance process should be developed and implemented to ensure consistency in assessments for future funding programmes.	Appropriate evaluation and moderation processes will be agreed in line with GMCA procurement and contracting rules.	Feb 2019	Marie Clare Daly	Outstanding	**Aug 20: Awaiting Management update.** **Internal Audit Opinion:** Outstanding
Purchase Cards (Jan 2019)	Significant	An updated and refreshed Purchase Card policy and user guidance to be shared across GMCA. As a minimum the guidance should contain; a) Clear instructions about what is acceptable and not acceptable usage. b) Clearly set out cardholder, Line Manager and Cost Centre Manager expectations and key areas of responsibility. c) Provide a timetable for monthly reconciliation processes and month end procedures including timelines for when transactions should be agreed and approved by. d) Incorporate documented system and process workflows e) All cardholders sent an updated policy and online training links. f) Copy of the policy uploaded to the intranet for easy access and reference g) Management oversight and reporting requirements.	A revised purchase card policy will be produced, linked to the GMCA Expenses policy, providing clearer instruction and guidance on acceptable usage, approval requirements and management expectations.	April 2019	Sam Pickles	Partially implemented	**June19**: Purchase card guidance/policy has been updated and shared with FRS senior management for review and approval prior to implementation. This will now be shared with GMCA SMT for approval. **Aug20:** The policy is completed and awaiting approval, this has been delayed due to the interdependencies with the new expenses policy with an aim for both policies to be implemented together. **Internal Audit Opinion: Partially Implemented** Revised Policy drafted but not yet fully implemented.

| Purchase Cards (Jan 2019) | Moderate | The Purchasing Administrator should undertake a formal review of all cardholders and limits on an annual or six monthly basis to ensure access remains appropriate.
As a minimum, reviews should consider:
• Dormant cards or cards with limited activity.
• Merchant spending categories and transaction limits.
• Types of vendors being used.
• Removing cardholder access for repeated non-compliance with usage guidelines and month end procedures. | A number of p-cards have been identified for removal based on inactivity and/or low usage and will be actioned in line with revised policy. | March 2019 | Sam Pickles | Partially implemented | **April19**: In March 2018 GMFRS had approximately 205 p-cards in operation. Through tighter monitoring and controls, this has been reduced to 152 cards in circulation in March 2019, with an approximate additional 10 cards in use across the wider CA. This represents a reduction of 50 cards within GMFRS over the last twelve-month period, with further reviews planned to reduce this number even further. 20.06.19: Number of cardholders has been reduced; reviews are in place for merchant spending categories and transaction limits and types of vendors being used. Remaining outstanding work relates to removing cardholder access for repeated non-compliance with usage guideline. This is linked to rollout of new policy guidelines referred to above

Aug20: Number of cardholders reduced due to inactivity / low usage, ongoing reviews undertaken these will be extended to include additional criteria following approval of the new policy.

Internal Audit Opinion: Partially implemented, but further evidence is required and linked to the roll out of the new policy. |
| Purchase Cards (Jan 2019) | Significant | The process requires a clear distinction between the role and responsibilities of the 'line manager' and 'cost centre manager' for independent checking and approval of cardholder spend.

• These responsibilities should be clearly referenced in the | Approval process to be amended as part of revised policy to ensure that line managers have responsibility for approval of cardholder spend. | March 2019 | Sam Pickles | Partially implemented | **April19**: Plan to amend existing approvals from cost centre manager to line manager as part of revised guidance and policy. On initial investigation, this appears to be a more complex piece of work than originally envisaged and will require technical consultancy. Quotation obtained and now awaiting update to Live environment and consultant availability. |

		policy and procedural guidance. • All Cardholders should be mapped to a relevant line manager with responsibility for independent approval. • The workflow rules within Agresso BWO should be reviewed to prevent instances of self-approval.					**June19**: Technical consultants have created the cardholder to Line manager approval and are currently testing and working on the escalation process from unapproved Line manager tasks to a group. **Internal Audit Opinion: Partially Implemented.** Progress is being made but further work is required.
Purchase Cards (Jan 2019)	Significant	This must be dealt with as part of the monthly reconciliation process and month end procedures.	Process to be agreed and introduced to ensure all expenditure is posted to the financial ledger.	Feb 2019	Sam Pickles	Partially implemented	Aug 20: Awaiting Management update. **Internal Audit Opinion: Partially Implemented**
Purchase Cards (Jan 2019)	Moderate	The review and update of purchase card guidance should include examples of acceptable and non-acceptable usage. In particular; • Setting expectations over the use of existing corporate purchasing contracts e.g. Business travel or other agreed policy and claim procedures e.g. GMCA Officer Expenses Policy. • On-line purchasing and setting up of on-line accounts.	Revised p-card policy to provide clear guidance on acceptable and non-acceptable use of cards. Trade/business accounts to be explored and set up for relevant spend areas.	April 2019	Sam Pickles	Partially implemented	**June19**: Purchase card guidance/policy has been updated and shared with FRS senior management for review and approval prior to implementation. This will now be shared with GMCA SMT for approval. Alternative online business travel/accommodation solution now procured with Click Travel via AGMA. Anticipated implementation, training and go live date likely to take approximately three months. Effective usage, uptake and contract management should reduce p-card expenditure in this area. **Aug20**: As above policy is drafted and is awaiting approval alongside the new expenses policy. **Internal Audit Opinion: Partially Implemented**. Revised Policy drafted but not yet implemented.
Waste and Recycling – Reprocurement Jan 2019	Moderate	The Executive Director for Waste and Resources should seek assurance from the project team to ensure that documentation and records held to support the key stages, discussions with bidders and decisions taken are	All relevant documentation to be uploaded to SharePoint by Programme Manager. Audit to provide details of what documents they have requested that have not yet been provided.	April 2019	David Taylor	Obsolete	**Internal Audit Opinion: Obsolete** - This procurement exercise was completed in early 2019 and Contractor Suez was appointed and contract operational from 1 June 2019.

		fully populated and well-structured within SharePoint.					
Waste and Recycling - Reprocurement	Moderate	It is good practice to formally consider lessons learned as part of a post completion review. Justification for decisions taken at the early stages of the project should be assessed and understanding from this should be clearly articulated in reports. Any lessons learned from this exercise and from the previous contract governance arrangements should be fully reflected in the development of the new contract monitoring and performance framework.	Lessons learner session with procurement team and advisors to be set up	April 2019	David Taylor	Obsolete	**Internal Audit Opinion: Obsolete** - This procurement exercise was completed and Contractor Suez was appointed and contract operational from 1 June 2019. The contract performance framework is in place with the new contractor.
Growth Deal Certification (2017/18) Nov 2018	Significant	To note the significant underspend being reported to date. Any impact on future funding restrictions should be established as part of the annual conversation with DfT. GMCA Treasurer and GMCA Group Finance Lead to seek additional assurances from TfGM Finance and PMO in relation to the following; • Reconciliation of figures between GMCA, TfGM and Districts in terms of funding allocations, expenditure profiles and forecasted spend for LGF funding programme. • Any significant disparity between percentage scheme completion and costs claimed should be reviewed	a) Quarterly reports will be presented to Chief Executives Investment Group with details of both annual and cumulative actuals vs forecasts. Also as part of the BEIS quarterly monitoring each project will be RAG rated in terms of Deliverables, Finance and Reputation. Regular reconciliations with TfGM have already started to occur with further development particularly on district schemes planned before March 2019. Resource has also been factored in to provide monitoring support of the next phase of Skills Capital which has a forecast budget of £70m over the lifetime of the scheme.	March 2019	Rachel Roswell in conjunction with TfGM	Superseded	**Aug 20: Awaiting Management update.** **Internal Audit Opinion: Superseded**. **This agreed action is covered under the requirements of SPAF.** A significant amount of work has been undertaken recently to tidy up on LGF scheme funding and spend position. Still further work required to have a clear process for managing grants. Further compliance testing is required in this area to support implementation on transport and non - transport areas.

		to ensure that any undue delays over cost claims are avoided, • To assess the risk associated with delays in scheme delivery timetables and any adverse impact on existing staffing capacity across GMCA and partner organisations.					
Single Pot Assurance Framework (April 2019)	Significant	**Delivery Boards**: There needs to be greater clarity over the structure and role of the various boards, decision making and their overlapping responsibilities. The SPAF should clearly map out the delivery boards and appraisal panels with responsibility for decision making and overseeing scheme delivery. The membership, terms of reference, delegated authority and relationships between the boards should be clearly articulated. This should be made clear for each thematic area e.g. Transport, Housing, Skills and Employment, Digital etc.	A process flow chart is being developed to show how funding decisions in relation to LGF are made, how funding is then managed/monitored, the process for ratifying/authorising claims and how outputs/outcomes will be captured/monitored. All LGF schemes are approved by the LEP and CA. In addition, information on the progress of all LGF scheme progress will be reported quarterly to CXIG in the short term – pending further consideration about the need for delivery boards as part of the process of reviewing CA Governance arrangements.	May 2019	Kate Gaskell	Outstanding	**Jan20**: Non transport - A process flow chart has now been created to capture the decision process for LGF approvals, an update on the programme is taken to the LEP board every 6 months. An internal "LGF joint delivery group" has been set up which meets every quarter, senior representatives from TfGM and GMCA sit on this group and review the expenditure and programme delivery every quarter before a return is sent to CLGU. The devolution evaluation framework explains how the projects will be monitored and evaluated. Each project has a schedule within the grant funding agreement describing the outputs and when/how they will be monitored. **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding.** Further testing required to evidence compliance.
Single Pot Assurance Framework (April 2019)	Moderate	**SPAF Schemes**: There wasn't a consolidated list of all schemes being administered and tracked through the SPAF. As such, assurances over scheme funding and progress wasn't being widely reported and there was a lack of information over the progress of	A new officer has been appointed to collate and manage all non-transport LGF schemes. This will ensure they are all managed in a consistent way and that information on them is all held in one place, with claims being signed off before payment, and	July 2019	Kate Gaskell	Outstanding	**Jan20**: There has now been a full reconciliation of the quarterly returns we send in to CLGU and we have worked with their compliance team to ensure the quality of our reporting using the quarterly returns has improved. Feedback we have received from CLGU is positive and our indicative annual performance

Page 14		individual schemes. In particular, major and minor LGF transport schemes managed by GM Districts and TfGM, funding allocations, budget forecast, spend to date and scheme completion.	output evidence being monitored/collated. This will enable programme level information/performance to be produced and a high level of assurance about performance given to MHCLG. All LGF schemes are now recorded on the single MHCLG spreadsheet and have a RAG rating. A list of non LGF schemes which are still part of the SPAF will be collated too, to give a single comprehensive list. Clarification is being sought from MHCLG about which schemes should be recorded on their spreadsheet – the schemes against which the capital is allocated annually or the original schemes in the Growth Deal. Further work will be undertaken to ensure co-ordination / consistency of reporting between TfGM and CA.				review scores are an improvement from last year. There is a full list of projects taken to the joint delivery group mentioned above which includes financial performance and risk detail. **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding.** A significant amount of work has been undertaken recently to tidy up on LGF scheme funding and spend position. Still further work required to have a clear process for managing grants. No returns to gov't completed since Q1 2019 until recently. Further compliance testing is required in this area to support implementation on transport and non - transport areas.
Single Pot Assurance Framework (April 2019)	Significant	**Scheme Assurance**: As the accountable body, there should be greater coordination of assurances across each thematic area and organisational boundaries. The lack of a GMCA programme board to coordinate and oversee delivery across all areas was an issue.	As above a single post has now been introduced to co-ordinate assurance across all non-transport schemes. This provides a dedicated resource and, working with Core Investment Team, will provide assurance that funds are being used in accordance with the conditions placed on the grant funding. Further work will be undertaken to ensure co-ordination / consistency of reporting between TfGM and GMCA, and information on the progress of all LGF scheme progress will be	May 2019	Kate Gaskell	Outstanding	**Jan20**: Post has now been in place for a year and a coordinated approach and view of all projects is now taking place. A reconciliation of historic information reported to CLGU has also taken place. Regular monitoring and feedback on all projects via the joint delivery group mentioned above. A quarterly update is not being taken to CXIG, instead the Joint Delivery group meets every quarter and a 6 monthly update on LGF is taken to the LEP board. In addition to the above the LGF non transport Programme Manager also produces a quarterly dashboard for Executive Director where further detail on project delivery is discussed and investigated.

			reported quarterly to CXIG in the short term – pending further consideration about the need for delivery boards as part of the process of reviewing GMCA Governance arrangements.				**Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding** – Still reliant on TfGM because they are delivering on behalf of GMCA. Some resource duplication from a financial viewpoint in how we are accounting for schemes and not easy to summarise the financial position for all schemes to produce up to date management information.
Single Pot Assurance Framework (April 2019)	Moderate	**SPAF Compliance**: There should be responsibility assigned for monitoring and annual reporting on compliance against the requirements of the SPAF framework to assure that the key requirements are being adhered to and that TfGM and other delivery partners meet these responsibilities via their own governance and assurance frameworks.	As above this monitoring and annual reporting of non-transport project compliance against the SPAF framework will be undertaken by the newly appointed post. In addition an annual review of GMCA's compliance against the whole SPAF will be undertaken by the LEP Support Officer. GMCA will rely on an annual assurance from TfGM that their own governance and assurance frameworks continue to meet the SPAF.	April 2020	David Rogerson, Policy and Strategy	Outstanding	**Jan20**: The Assurance Framework will be reviewed on an annual basis by the GM Executive Team in consultation with the LEP. The purpose of the review will be to examine whether there is any evidence that existing processes could be improved, and to take into account any legal, funding, or other contextual changes that might require a change of assurance process. Where potential changes result in significant divergence from the approved local assurance framework, adjustments will be agreed by the Ministry of Housing, Communities and Local Government. **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding**
Single Pot Assurance Framework (April 2019)	Significant	**Reporting**: There needs to be greater transparency over scheme delivery, progress and slippage. Reports currently produced by the Policy team provided very little information and insight on scheme completion and finance. Responsibility for collating details on the performance of the component elements of the	The new post mentioned above will be responsible for doing this for all non-transport schemes. This will include establishing an expenditure and output profile for each project and ensuring these are monitored. Scheme level information (transport and non-transport) will be collated and reported to CXIG in the short	July 2019	Kate Gaskell	Outstanding	**Jan20**: Post has now been in place for a year and a coordinated approach and view of all projects is now taking place. A reconciliation of historic information reported to CLGU has also taken place. Regular monitoring and feedback on all projects via the joint delivery group mentioned above. A quarterly update is not being taken to CXIG, instead the Joint Delivery group meets every quarter and a 6 monthly update on LGF is taken to the

		single pot, and reporting on this to delivery boards, WLT, CXIG and GMCA/LEP Board should be clarified.	term depending decisions on governance outlined above.				LEP board. In addition to the above the LGF non transport Programme Manager also produces a quarterly dashboard for Executive Director where further detail on project delivery is discussed and investigated. **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding**
Single Pot Assurance Framework (April 2019)	Moderate	**Risk Management**: The GMCA Corporate Risk register did identify several high level risks relating to the capital programme and project governance. This was consistent with our opinion over SPAF arrangements and the action plan for updating the SPAF needs to address these risks. Whilst we did not assess the risk management arrangements in place at programme and project level, we understood that there was now an expectation that all projects must be RAG rated on the basis of delivery, finance and reputation.	All projects are RAG rated in the new returns required by MHCLG. Performance of non-transport schemes will be monitored within the Policy/Strategy directorate and appropriate risks fed into the directorate risk register and, where appropriate onto the Corporate Risk Register. Where appropriate / relevant high risk transport schemes will also be added to the Corporate Risk Register. In addition a new system of 'grant management' will be introduced to ensure consistency of management across the CA following the procurement/contracts/grants Service Integration Programme review.	Oct 2019	Simon Nokes with support from Kate Gaskell and Richard Paver	Outstanding	**Jan20**: Post has now been in place for a year and a coordinated approach and view of all projects is now taking place. A reconciliation of historic information reported to CLGU has also taken place. Regular monitoring and feedback on all projects via the joint delivery group mentioned above. A quarterly update is not being taken to CXIG, instead the Joint Delivery group meets every quarter and a 6 monthly update on LGF is taken to the LEP board. In addition to the above the LGF non transport Programme Manager also produces a quarterly dashboard for Executive Director where further detail on project delivery is discussed and investigated. **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding** and further testing required.
Single Pot Assurance Framework (April 2019)	Moderate	**Other Section 31 Funding**: Consideration of the governance and assurance framework for other section 31 funding which remained outside of the SPAF should also be taken into account.	As above a new system of 'grant management' will be introduced to ensure consistency of management across the CA following the procurement/contracts/grants Service Integration Programme review.	Oct 2019	Deputy Treasurer	Outstanding	**Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding**
Employee Expenses -	Major	**Policy and Procedures**: The priority should be the	Agreed - Actions will be the responsibility of the new Payroll	March 2020	Penny Wright	Outstanding	**Aug 20:** A new Employee Travel, Mileage & Expenses Policy has been drafted and is

Probity and Compliance (July 2019)		establishment and roll out the HR policy framework for employee expenses, car user mileage and other related policies including purchase cards. This will require consultation and clearance with the Trades Unions.	and Pensions Manager (Recruitment process is ongoing)		Payroll and Pension Manager		due to be submitted to the Joint Trade Unions meeting in September 2020. **Internal Audit Opinion: Outstanding**
Employee Expenses - Probity and Compliance (July 2019)	Significant	**Systems and Processes**: Following agreement of the new policy and procedural framework, the controlled implementation of the MiPlace on-line claims process should progressed to provide a greater degree of control over expense claims.	Agreed	March 2020	Penny Wright Payroll and Pension Manager	Outstanding	**Aug 20:** Upon agreement and approval of the policy stated above, immediate implementation of online expenses will be introduced. **Internal Audit Opinion: Outstanding**
Employee Expenses - Probity and Compliance (July 2019)	Moderate	**Monitoring and Reporting**: There should be at least 6 monthly reporting to SMT/CLT of spend across various expense types to ensure this remained consistent with policy expectations.	Agreed	Arch 2020	Penny Wright Payroll and Pension Manager	Outstanding	**Aug 20:** Once policy agreed we can then submit the relevant reports to SMT/CLT for discussion. **Internal Audit Opinion: Outstanding**
Employee Expenses - Probity and Compliance (July 2019)	Minor	**VAT:** Consideration should be given to the process for reclaiming VAT on relevant VAT expense claim transactions.	Agreed	March 2020	Penny Wright Payroll and Pension Manager	Outstanding	**Aug 20:** No process in place for this at the moment but will investigate and check our systems will pick up this data for future claims. **Internal Audit Opinion: Outstanding**
Employee Expenses - Probity and Compliance (July 2019)	Moderate	**Eligibility and Policy Compliance**: The draft policy guidance provides greater clarity over acceptable usage and claim rates in respect of travel, meals and hospitality. However, Management should consider the appropriateness of some existing expense claims in line with revised policy expectations and behaviours. Any known entitlement exceptions to	Agreed	March 2020	Penny Wright Payroll and Pension Manager	Outstanding	**Aug 20:** Once the policy has been approved, we will liaise with Finance about compliance checks and whether claims are appropriate. At present any claims which are not deemed appropriate are challenged by the Payroll Team and relevant advice is given. **Internal Audit Opinion: Outstanding**

		standard policy conditions should be clearly stated.					
ICT Strategy, Governance and Programme Management (Sept 2019)	Significant	**ICT PMO**: Management should seek to implement a centralised and consistent approach to ICT projects across each of the services. This should align and integrate with existing business led project management processes. This will enable governance, resources, cost, risk, communication, prioritisation, and reporting and benefits realisation of ICT project activities to be managed effectively, efficiently and consistently.	Implement a Digital PMO function for Digital Services as agreed through the Strategic Integration review Board.	Dec 2019	Mike Zammit Deputy CIO	Partially implemented	**Dec19** - Funding approved through Programme for Change. Initial post secured. Programme Management arrangements in place. Further Project Management posts to be secured by Feb 2020. **Mar 20** - Programme and 2 project managers recruited and in place **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Partially Implemented**
ICT Strategy, Governance and Programme Management (Sept 2019)	Significant	Management should seek to implement a centralised and consistent approach to ICT projects across each of the services. This should be done through a strategic approach to centralise ICT spend via approved routes only and the introduction of an ICT service catalogue that details the solutions and options available to the business areas.	Invest in an IT Service Management Tool to track and record the service catalogue as part of an ITIL approach. Secure agreement from GMCA SMT/ ELT and GMFRS CLT/LT that no expenditure on ICT solutions should be approved without prior consideration by technical expertise in Digital ICT Services. Ensure through the Finance and Procurement Teams that potential ICT spend is flagged for attention.	March 2020	Mike Zammit Deputy CIO	Outstanding	**Dec19** All owners of key system invited to monthly Systems Group. Procurement Team notify of any spend on ICT systems. Service catalogue drafted and being updated as part of the implementation of ITSM tool. Funding currently being approved through Programme for Change. **June 2020** - Completion of this recommendation has been delayed due to the focus on BCP during the COVID pandemic. **Aug 20: Awaiting Management update.** **Internal Audit Opinion: Outstanding**
Car User and Mileage (June 2020)	Major	Policies and Procedures	An Employee Travel, Mileage & Expenses Policy which details claims which can be made through Payroll, to be drafted for consultation.	June 2020	Penny Wright	Outstanding	**Aug20**: A new Employee Travel, Mileage & Expenses Policy has been drafted and is due to be submitted to the Joint Trade Unions meeting in September 2020 for discussion

							Internal Audit Opinion: Outstanding
Car User and Mileage (June 2020)	Moderate	Eligibility and Policy Compliance	The claim forms will be reviewed prior to the launch on MiPlace to ensure they support HMRC and GMCA policy expectations.	July 2020	Penny Wright	Outstanding	**Aug20**: Once the policy has been approved the forms will be reviewed prior to the online launch. **Internal Audit Opinion: Outstanding**

Internal Audit action tracking process overview

Internal Audit maintain a central tracker of all actions agreed as part of each audit. This records the action, risk rating, implementation date and action owner.

On a quarterly basis, Internal Audit will identify all actions that have fallen due in the quarter.

Internal Audit facilitate an update for all the actions falling due, requesting the action owners detail the actions taken and the current status of each action (implemented, in progress, not yet implemented or superseded).

Internal Audit will select a sample of actions to validate the implementation status. All critical and high risk actions will be validated alongside a sample of medium/low risk rated actions.

On a quarterly basis internal Audit will request and review evidence to support implementation of audit actions to validate the implementation status provided by management.

Internal Audit report on the implementation of audit actions on a quarterly basis to management and Audit Committee.