

**GREATER MANCHESTER COMBINED AUTHORITY AUDIT
COMMITTEE**

DATE: Friday, 22nd April, 2022

TIME: 10.30am

VENUE: Boardroom, GMCA Offices, Tootal Buildings, 56 Oxford Street, Manchester

AGENDA

7. Internal Audit Action Tracking 1 - 16

Report of Sarah Horseman, Head of Audit and Assurance GMCA

8. Risk Management Update Report 17 - 32

Report of Sarah Horseman, Head of Audit and Assurance GMCA

Name	Organisation	Political Party
Grenville Page		
Susan Webster		
Councillor Colin McLaren	Oldham Council	Labour
Councillor Sarah Russell	Manchester City Council	Labour
Councillor Mary Whitby	Bury Council	Labour
Councillor Chris Boyes	Trafford Council	Conservative

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

Please note that this meeting will be livestreamed via www.greatermanchester-ca.gov.uk, please speak to a Governance Officer before the meeting should you not wish to consent to being included in this recording.

Gwyn Griffiths		
Catherine Scivier		

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: Nicola Ward

✉ nicola.ward@greatermanchester-ca.gov.uk

This agenda was issued on 13th April 2022 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street, Manchester M1 6EU

GMCA AUDIT COMMITTEE

Date: 22 April 2022

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 made to date in implementing the agreed actions from internal audit assignments.

This report was prepared for the April 2022 Audit Committee. A further quarterly update will be provided at the next Audit Committee meeting.

RECOMMENDATIONS:

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

CONTACT OFFICERS:

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

Equalities Impact, Carbon and Sustainability Assessment:

N/A

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:

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 Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation date.
- 1.2 Internal Audit has responsibility for the follow up of all audit actions and reporting to Audit Committee on progress made.
- 1.3 This report provides an overview on the latest position of Internal Audit actions which were outstanding prior to this meeting.

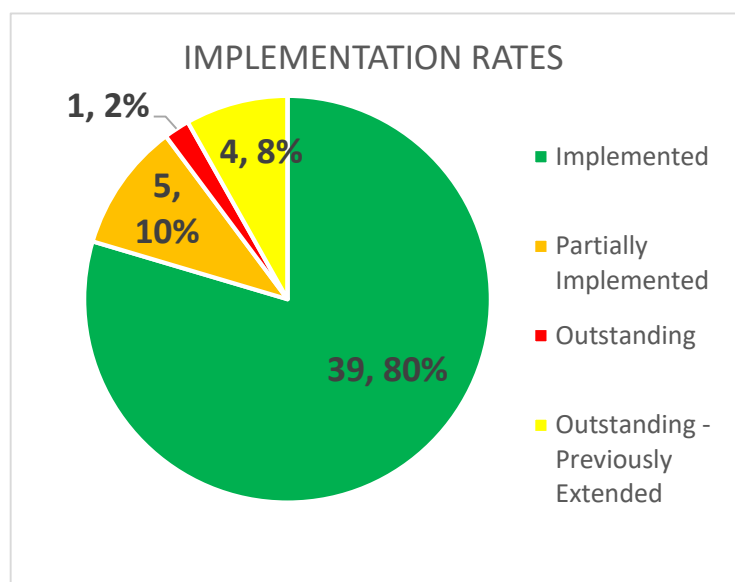
2 Agreed Process

- 2.1 It is the responsibility of management to implement audit actions on time and provide updates for the tracker. To aid facilitation of this, Internal Audit maintains the action tracker which is shared with risk owners to capture updates on progress of outstanding actions.
- 2.2 GMCA Senior Leadership Team retains responsibility for overseeing the timely implementation of all audit actions and assessing the impact on risk.

3 Current Status

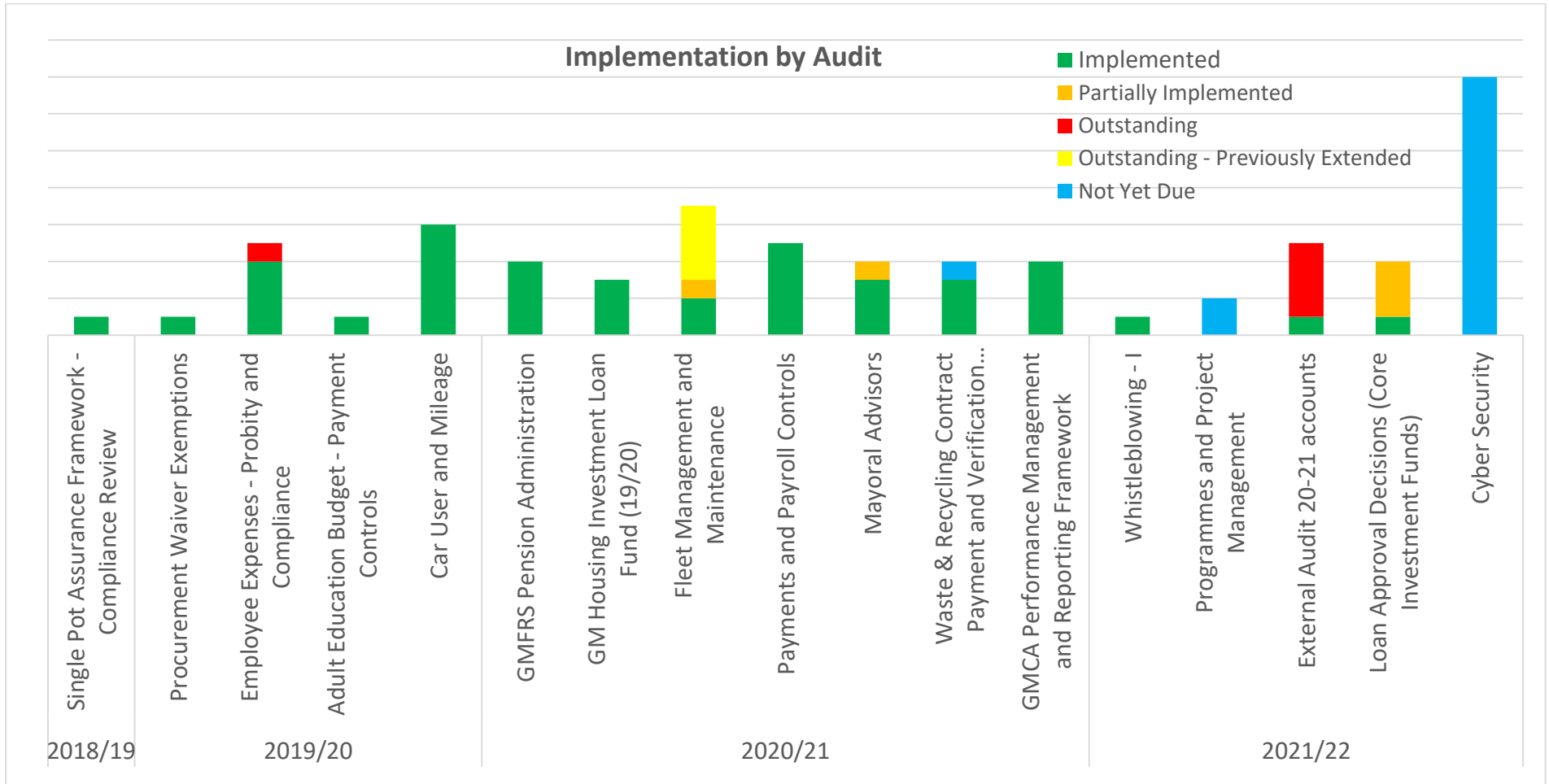
- 3.1 As at April 2022, 80% of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.

This is this is a rise on the Q3 position of 70%.



4 Analysis of Audit Actions – by Audit

4.1 The chart below shows the status of implementation of audit actions by audit.



- 4.2 The longstanding action in relation to the Employee Expenses report relates to the ability to reclaim VAT on expense claims. The recent policy implementation and roll out means that supporting evidence for claims should be uploaded to the system, the Payroll Team are working with the software supplier on how to capture the relevant VAT information at individual claim level.
- 4.3 Five actions from the LTSC Fleet Management and Maintenance Audit have previously been extended and were last reported to Committee in September 2021. These are now outstanding against the revised target date. Management have indicated that these actions will be considered alongside agreed actions relating to LTSC Central Stores as there are mutual issues particularly around systems, processes, performance, and value for money. LTSC Management plan to carry out a full review of both functions by the end of June 2022, with the intention of addressing key areas of concern. We will seek an update on progress prior the next Audit Committee.
- 4.4 Where due dates have been extended these actions are shown in the table and we will continue to monitor progress on these and report to audit committee when these become due.
- 4.5 Details of outstanding and partially implemented actions and responses on progress have been included at **Appendix A** to allow Members opportunity to consider these.
- 4.6 External Audit recommendations are excluded from the calculation of implementation rates but they are now included in the action tracking process to streamline the process and provide External Audit with a view of the status of their recommendations when the next external audit takes place. See **Appendix B**.

5 Analysis of Audit Actions – by Risk Rating

- 5.1 The table below shows the status of audit actions by the risk rating of the associated audit finding.

Action Status	Total	Critical (Major)	High (Significant)	Medium (Moderate)	Low (Minor)
Implemented	40	2	6	24	8
Partially Implemented	5	0	0	3	2
Outstanding	5	0	0	1	4
Not Yet Due	17	0	5	9	3
Extended - Not Yet Due	0	0	0	0	0
Outstanding - Previously Extended	4	0	1	2	1
Total	71	2	12	39	18

- 5.2 The number of actions being tracked this quarter has decreased, this is due to 22 implemented actions being removed as these are over 2 years old. Our policy is to remove any implemented actions over 2 years old from the tracker each quarter.
- 5.3 Any actions that are over 2 years old but have not been fully implemented will not be removed from the tracker until the actions have been completed and reported as implemented at least once in this tracker report.

Status of Overdue Actions at April 2022

Audit Title.	Risk Rating	Audit Finding and Agreed Management Action (Summarised version from Audit Report)	Target Date	Responsible Officer	Internal Audit Status	Audit Committee Update (Apr 2022)
Employee Expenses - Probity and Compliance (July 2019)	Minor	<p>Audit Finding VAT: Consideration should be given to the process for reclaiming VAT on relevant VAT expense claim transactions.</p> <p>Management Action Agreed</p>	March 2020	Payroll and Pensions Manager	Outstanding	<p>In the expenses audit it was identified that GMCA do not routinely claim VAT back on expenses because historically there was insufficient supporting evidence from expense claims to do so.</p> <p>Now that the new process is in place and requires the uploading of documents to support the claim the team are considering how VAT reclaims can be incorporated into the claim process. A meeting with the payroll software provider has been scheduled for the April 2022.</p>

<p>Mayoral Advisors (June21)</p>	<p>High</p>	<p>Audit Finding The governance arrangements over Mayoral Advisors is informal and inconsistent</p> <p>Management Action In line with the recommendations of the Strategy and Policy Team’s discussion paper, a set of principles and protocols for the operation of Mayoral Advisors will be established, including at a minimum: a role description, clearly defined expectations, declarations of interest, gifts and hospitality recording, terms of office, and progress / activity reporting requirements.</p> <p>How the Advisor works within the governance structure of GMCA will also be clearly defined.</p>	<p>30 Sept 2021</p>	<p>Andrew Lightfoot, Deputy Chief Executive</p>	<p>Implemented (subject to verification)</p>	<p>Process agreed with Leaders for approval on Advisors via Resources Committee. Two transport appointments approved by March Committee.</p> <p>Paper to go to next Resources Committee to formalise future appointments.</p>
<p>Mayoral Advisors (June21)</p>	<p>Medium</p>	<p>Audit Finding There is a lack of transparency over the work of the Mayoral Advisors and advisory panels</p> <p>Management Action The GMCA website will include a page for each Mayoral Advisor and advisory panel/group/task force, which is kept up to date with basic information such as: terms of reference, members lists, informal records of meetings, recent and planned activities, progress reports, and formal annual reports. Where an Advisor steps down or a panel is discontinued, this should be made clear on the website.</p>	<p>30 Sept 2021</p>	<p>Andrew Lightfoot, Deputy Chief Executive</p>	<p>Partially Implemented (subject to verification)</p>	<p>Annual progress reports will be submitted the full GMCA going forward. The first reports from the Advisory Panels was considered at the meeting on 10th September 2021.</p> <p>To be covered as part of the next paper to Resources Committee.</p>

<p>Fleet Management and Maintenance 20/4/2021</p>	<p>Medium</p>	<p>Audit Finding: B-fleet Vehicle Usage Policy: There is no policy in place to manage and monitor the usage of B-fleet vehicles across the service.</p> <p>Management Action: a) The 'Driving at Work' policy will initially focus on grey book uniformed staff and be approved by SLT and FBU. b) The next stage will take into consideration fleet usage across the wider GMFRS/GMCA estate including operational (support vehicles) and non-operational (pool cars) vehicles. The published policy guidance will establish the key requirements of managers and vehicle users and this will include, but not be restricted to, the following areas: <ul style="list-style-type: none"> · B-fleet vehicle location updates, to ensure vehicles are available to support service operations at all times · Daily recording of vehicle journeys · Daily vehicle roadworthiness inspection and defect checks · Driver validation checks · Consistency with other related policies (car user and mileage; and employee expenses) · Use of non-operational Pool cars and booking system including for non-Grey Book staff c) The use of vehicle tracking devices on all new vehicles is an essential part of developing an effective vehicle usage and monitoring process and a separate policy will be put in place to support this area.</p>	<p>30 September 2021 Extended to June 2022</p>	<p>Fleet Services Manager</p>	<p>Outstanding</p>	<p>LTSC Management to carry out a full review of both Fleet and Stores functions by the end of June 2022, with the intention of addressing key areas of concern. IA to assess progress and timescales, prior to next Audit Committee meeting.</p>
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<p>Fleet Management and Maintenance 20/4/2021</p>	<p>Medium</p>	<p>Audit Finding: Disposal of obsolete vehicles and equipment: There are delays and backlogs in the disposal of obsolete and decommissioned assets.</p> <p>Management Action: The Fleet disposal policy will be updated to explicitly set out the procedures for the identification of end of useful life assets, and the decommissioning, disposal or scrapping of these assets (vehicles and equipment). a) The policy update will encompass the following key areas: <ul style="list-style-type: none"> · Method for identifying assets at the end of their useful life and determining the appropriate method of disposal. · Methods of disposal available, including the expected use of quotes and tenders and selection of approved providers. · Authorisation and approval limits for items over specified values. · How asset valuations will be sought prior to disposal (where necessary). · Procedures for the decommissioning of vehicles prior to disposal. · BWO asset register and expected process for review of 'parked' items. · Quarterly Reporting to SLT of asset disposals including income receipts. b) There will be a regular review of all 'parked' items and a plan put in place for the safe disposal/scrapping of all obsolete vehicles and equipment, including a process for dealing with items listed as 'missing' equipment.</p>	<p>September 2021 Extended to June 2022</p>	<p>Fleet Services Manager</p>	<p>Partially Implemented</p>	<p>As above.</p> <p>The backlog of end of life vehicles and obsolete equipment that was identified at the time of the audit has now been dealt with via selling, scrapping, or donating.</p> <p>As part of the review of all audit actions within LTSC, the Fleet Manager will review all disposal methods to ensure that all aspects of the audit recommendation are incorporated fully into the disposal policy.</p>
<p>Fleet Management and Maintenance 20/4/2021</p>	<p>High</p>	<p>Audit Finding: Performance Management Framework: There isn't a fully robust framework in place against which the value and efficiency of fleet services can be measured and monitored.</p>	<p>July 2021 Extended to June 22</p>	<p>Area Manager, Head of Service Support &</p>	<p>Outstanding</p>	<p>As above.</p>

		<p>Management Action: We will establish a performance framework which includes a suite of indicators against which the efficiency of fleet service activities can be measured and monitored in relation to cost, quality, and timeliness of workshop repairs.</p> <p>Working with Corporate Support functions we will determine requirements of the service and availability and access to regular BWO Management Information (MI). The opportunity to automate the regular extraction of this information through the development of a suite of bespoke reports will be explored.</p> <p>The BWO Asset Management Module which is currently being adapted for use in the GMCA Estates Team will also be considered for its applicability and usefulness to the fleet team as a mechanism to record and report relevant information.</p>		Head of Finance (Management Accountancy)		
Fleet Management and Maintenance 20/4/2021	Low	<p>Audit Finding: System data quality: There are some inconsistencies in data quality which should be checked.</p> <p>Management Action: This is linked to finding 4 and the actions from that will assist the monitoring of performance which could highlight anomalies in data.</p> <ul style="list-style-type: none"> · We will implement a consistent process for the capture and input of all work order information. · We will carry out a review of the data extracts provided by the Internal Audit team and Finance to understand potential anomalies and any immediate action required to improve data quality. <p>We will review the Grey Fleet vehicles in the system and closedown any which do not require annual reviews by LTSC.</p>	July 2021 Extended to June 2022	Fleet Services Manager & Head of Finance (Management Accountancy)	Outstanding	As above. The LTSC Fleet Manager considers that the introduction of a new bespoke system will allow better quality data to be extracted and monitored in the future.

<p>Fleet Management and Maintenance 20/4/2021</p>	<p>Medium</p>	<p>Audit Finding: Contract Management: There is a lack of evidence over how value for money is achieved through revenue contract spend.</p> <p>Management Action: In conjunction with Procurement colleagues, there will be a full review of all high priority contract spend areas to understand the full requirements of these and a forward plan to address where contracts need to be re-procured or market tested.</p> <p>Ensuring appropriate senior level oversight is in place with adequate reporting on contract spend areas.</p>	<p>September 2021 Extended to June 2022</p>	<p>Head of Commercial and Fleet Services Manager</p>	<p>Outstanding</p>	<p>As Above. Work has begun with the Commercial Team to identify the pipeline of commissioning work that is needed across LTSC. Initial benchmarking exercises are also being looked at for key Fleet contracts to ensure that value for money is obtained while maintaining quality standards.</p>
<p>Loan Approval Decisions (Core Investment Funds) 7/12/2021</p>	<p>Low</p>	<p>Audit Finding: Any declarations of interests by CEX ASG members and CIT staff are made as and when they arise. There is no formal register of personal or business interests maintained.</p> <p>Management Action: A declaration of interests register will be put in place for CIT and CEX ASG to record any personal, pecuniary, or business-related conflicts of interest. This will include annual declarations being made by Officers and External Members of the group to ensure identified interests can be managed.</p>	<p>January 2022</p>	<p>Investment Director</p>	<p>Partially Implemented</p>	<p>A template for this has now been drafted and is being reviewed. Once approved, the proposal will allow for individual declaration forms to be completed on an annual basis and updated throughout the year if changes are needed.</p> <p>This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.</p>

<p>Loan Approval Decisions (Core Investment Funds) 7/12/2021</p>	<p>Medium</p>	<p>Audit Finding: The terms of Reference for CEX Appraisal Sub-Group require review and update.</p> <p>Management Action: The terms of reference of the CEX ASG will be updated to reflect the activities and responsibilities of the group and presented to the GMCA Board for approval. This will include as a minimum: - Purpose of the group - Membership and attendees - Objectives and scope of funds to be considered for approval - How decisions are taken, and - Reporting arrangements.</p>	<p>January 2022</p>	<p>Investment Director</p>	<p>Partially Implemented</p>	<p>The updated terms of reference have been drafted and are subject to review and approval.</p>
<p>Loan Approval Decisions (Core Investment Funds) 7/12/2021</p>	<p>Low</p>	<p>Audit Finding: There is no formal methodology in place for the setting of loan interest rate calculations</p> <p>Management Action: Loan proposal forms submitted for approval will record the basis and rationale for interest rate calculation and setting by Transaction Managers. This will allow for greater transparency in the process and comparability of the methods used.</p>	<p>January 2022</p>	<p>Investment Director</p>	<p>Partially Implemented</p>	<p>The new process has been put in place and all Transaction Managers are aware of the process. As yet, no new loan deals have been approved since the new process was put in place but the first is expected to be drafted shortly to confirm how the process will work.</p>

External Audit Action Tracking

To streamline the process for audit action tracking, internal audit have included external audit actions in the tracking spreadsheet and process. The status of external audit actions with Internal Audits view of the current status is provided below. External Audit will provide their own assessment of the completion of those recommendations.

Audit Title.	Risk Rating	Audit Finding and Agreed Management Action (Summarised version from Audit Report)	Target Date	Responsible Officer	Internal Audit Status	Audit Committee Update (Apr 2022)
External Audit 20-21 accounts 24/11/2021	Medium	<p>Audit Finding: Segregation of Duties in Accounts Receivable weak as individuals can both raise and approve sales invoices on the system</p> <p>Management Action: We will review roles following the recent restructure and ensure this is in place, this will be assessed as part of an upcoming internal audit review of accounts receivable</p>	March 2022	Head of Finance Corporate and Technical	Implemented (subject to verification)	<p>IA View: New role profiles have been set up within the Accounts Receivable system and were launched at the beginning of March. This ensures that there is both segregation and approval of invoices within the system.</p> <p>IA will conduct walkthrough testing of the system and review user permissions to verify changes.</p>
External Audit 20-21 accounts 24/11/2021	Medium	<p>Audit Finding: No disaster recovery test had been performed by the organisation within the period.</p> <p>Management Action: We will consider the GMCA approach to disaster recovery testing alongside the creation of a back up policy and EBS.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: The disaster recovery procedures were also picked up as part of the recent Cyber Security audit, as part of this management provided a detailed plan of action with a target date of Mar 2023</p>

External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: Testing of journals identified a write off processed to clear an imbalance between petty cash records and the financial systems, this could not be matched to supporting documents. Amount written off was of low value (£311)</p> <p>Management Action: We will ensure petty cash policies and procedures reflect this as well as commencing a review of the requirement for petty cash to be held by the CA.</p>	March 2022	Head of Finance Capital and Treasury Management	Outstanding	
External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: No formal back up policy in effect at the Authority</p> <p>Management Action: GMCA will produce a formal back-up policy and is currently developing proposals for an Enterprise Back Up Solution (EBS) to be implemented in early 2022 if agreed.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: This was also picked up as part of the recent Cyber Security audit. Management confirmed that a proposal around this was being presented to Senior Management and provided a target date for implementation of September 2022</p>
External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: No formal change management policy in effect at the organisation.</p> <p>Management Action: Whilst there is no formal change management policy in place the external auditor acknowledged that the GMCA change management controls are very strong. We will consolidate the process into a formal policy.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: The recent Cyber Security audit identified the need to update several corporate policies in this area. Management had also recognised the need to do this and had set a target date of March 2023 for completion of all required policy updates.</p>

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GMCA AUDIT COMMITTEE

Date: 22 April 2022

Subject: Risk Management Update Report

Report of: Sarah Horseman, Head of Audit and Assurance

PURPOSE OF REPORT:

The purpose of this report is to inform Members of the Audit Committee of the risk management activities undertaken since the last Meeting.

RECOMMENDATIONS:

Audit Committee is requested to note the report.

CONTACT OFFICERS:

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

1.1 Equalities Impact, Carbon and Sustainability Assessment:

N/A

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:

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

This report provides an update on progress with the implementation of the GMCA Risk Management Framework since the last update to the Committee in January 2022 when a full review of risk registers took place.

2 Risk Management Activity Q4 2021/22

Since the last meeting of the Audit Committee, the Head of Audit and Assurance has completed the 2021/22 Risk Management Maturity assessment (see Section 4).

In addition, further risk workshops and conversations have been undertaken with Directorate colleagues in order to support them in,

- Completing risk registers for Waste Management, Legal/ Governance and Police, Crime, Criminal Justice and Fire;
- Reviewing risk registers on a regular basis to ensure they reflect the current risk exposure with, for example, the Real Living Wage and the Sustainability of Business Support Programmes being added by the ESR team, and
- Challenging scoring of risks by encouraging better measurement of the effectiveness of risk controls.

A summary of the current 'collective risk profile' is presented in section 3. Future support will focus on encouraging an 'active management' approach by teams and individual risk owners to tracking the progress of risk actions from their introduction through to the measurement of a successful outcome. This will significantly enhance quarterly review by senior leaders.

A new Microsoft Teams site has been introduced to,

- Facilitate the update of a single, shared version of the risk registers;
- Provide easy access to the GMCA Risk Framework and guidance; and
- To share summary reporting and good practice.

3 Movements in risks Q4 2021/22

This section provides a summary of the movements in the Strategic and Escalated risks in the last quarter

Strategic Risks

- SR1 – Levelling up/devolution – decreased risk score due to the Levelling Up White Paper setting a positive direction for devolution and the “trailblazer” process reducing the risk of reductions in resources or powers whilst it is underway
- SR2 – Brexit – Impact reduced from 3 to 2. Ongoing work and engagement allows better understanding of the risk, therefore able to reduce the impact

- SR6 – GMS Outcomes – Inherent risk score reduced from 20 to 15 now that the GMS has been refreshed and reflects learning from Covid

Escalated Risks

- There have been no new Organisational level risks identified in the period since the last update. Scores for the escalated organisational risks remain stable
- DIR-PLA-03 – Places for Everyone resource capacity – residual score reduced from 16 to 12
- DIR-FIN-01 – Treasury Management – This inherent risk score has been reduced from 16 to 12 therefore dropping it off the escalated risks list. This is because the Treasury Management Function has been insourced from April 2022 therefore providing the appropriate skills and capacity to maximise the effectiveness of the Treasury Management Strategy
- There are 22 new escalated risks since the last update. This is a reflection of the evolving risk management maturity of GMCA that now provides visibility of Directorate risks to Audit Committee. New risks are indicated with “**New” after the risk reference in the table below.

Directorate Risks

As at 12th April 2022, there are **137** risks (including GMFRS) being managed at the Directorate level, an increase of **28** over the quarter. Good practice is for Directorates to actively focus attention on implementing those actions that will reduce areas of significant residual risk exposure.

28 new or significantly revised risks have been added to the directorate risk registers over the period increasing to range of risk exposure now being subject to additional review and challenge. Examples include:

- **PCCJF** (Up from 7 to 14 risks)
Major revisions with some deletions and new risks covering serious violence, commissioning victim services, SARC, RASSO, strategic resourcing and confidence in GMP. Most new risks feature a high-risk score.
- **Waste management** (5 new risks)
National Waste and Resources Strategy, carbon generation from GMCA waste facilities and the Social Value Plan.
- **ESR** (4 new risks)
Foundational economy, Real Living Wage and refresh of the Industrial Strategy.
- **Digital** (5 new risks)
Cyber security, Digital Services capacity and funding for digital inclusion.
- **EWS** (3 new risks)

Uncertainty around devolution/ levelling up and insufficient funding for EWS priorities once current GM programmes finish.

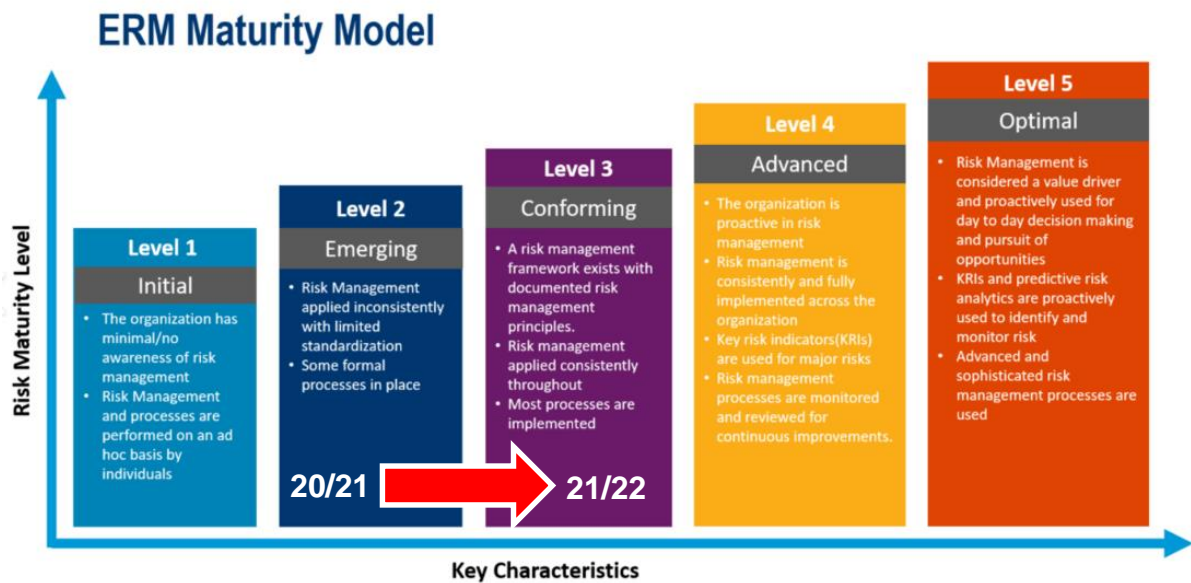
By the very nature that there have been so many changes to the risks during this last quarter of 2021/22 demonstrates that risks are now being more actively identified, recorded and measured. The focus for 2022/23 will be to further challenge the Senior Leadership Team and directorates to actively manage organisational and directorate risks to acceptable levels, which will mean understanding and defining risk appetite/tolerances.

4 Risk Management Maturity Assessment

In 2020/21 a Risk Management Maturity assessment was undertaken to provide the baseline maturity assessment of maturity across GMCA Directorates which was then used to prioritise risk management activity in 2021/22. This was achieved through asking Directorates to complete self-assessment questionnaires which asked participants to score a number of risk management related activities based on their arrangements at the time.

As has previously been reported to Audit Committee, a lot of work has been undertaken in 2021/22 to develop Directorate risk registers and enhance awareness and understanding of the GMCA Risk Management Framework. In order to assess progress in improving the maturity of GMCA's risk management activities the maturity assessment was repeated in early 2022. Directorates were sent the same maturity self-assessment and were asked to provide their current scoring.

The results showed that overall, GMCA improved its maturity assessment from 2.64 in 2020/21 which is classed as "Emerging" to 3.57 in 2021/22. This would be categorised as "Conforming" within the risk maturity model and was the level that we aimed to achieve this year. GMFRS continues to be rated the most mature part of the organisation in respect of risk management, with a score of 4.69 (4.44 in 2020/21).



The greatest increases in maturity were in the following activities:

- *Risks have been assessed in line with a defined scoring mechanism (previously 2.38, now 3.91)*
- *Appropriate support for directorates is in place (previously 2.23, now 3.55)*
- *All risks have been collected into a risk register. Risk owners have been defined (previously 2.77, now 4.00)*
- *Risks are regularly reviewed by the organisation (previously 2.62, now 3.82)*

The following areas, scored the lowest and will therefore form areas for activity in 2022/23:

- *Responsibility for the management of risks is included in job descriptions (2.73)*
- *Managers have been trained to understand what risks are and their responsibility for managing them (2.82)*
- *Managers are assessed on their risk management performance (3.18)*
- *The risk appetite for the organisation has been defined in terms of the scoring system (3.2)*

5 Risk Management Action Plan 2022/23

Based on the results of the risk management maturity assessment and the experience of the Corporate Risk Manager, the following will be activities/areas of focus for 22/23.

- Identify and roll out appropriate risk management awareness training to all relevant staff

- Identify and roll out appropriate risk managers training to those within GMCA to risk owners
- Work with the People team to determine how risk management expectation can be built into role profiles
- Develop and communicate GMCA's risk appetite.
- Work with any Directorates that do not currently fall within the "Conforming" range to develop their risk management arrangements
- Support all directorates in the ongoing maintenance and development of risk registers and associated risk management activities.

Summary of Strategic Risks (April 2022)

Type	Ref	Risk Title	Description	Inherent			Residual		
				Likelihood	Impact	Score	Likelihood	Impact	Score
National political and economic environment	SR1	Levelling up/ devolution	National politics significantly impact the devolution agenda, funding and powers of GMCA.	3	5	15	2	5	10
	SR3	Brexit	The implications of Britain's future trading relationship with the EU will take time to emerge - with both threats and potential opportunities	5	2	10	5	2	10
	SR8	Climate Change and Carbon Reduction	Failure to deliver on GM climate change initiatives within the required timescales with consequent impacts on achieving GM's long term carbon reduction targets.	4	4	16	3	3	9
GM Operating Environment	SR2	GM operating environment	Failure to develop trust, cohesion and credibility with and between local GM system and partners	4	5	20	3	3	9
	SR5	Wider Impact on GMCA and GM District Finances of Covid-19	Covid 19 has had a major impact on the GM economy, population, and public services. Lack of certainty over the future of business rates growth retention scheme.	4	5	20	4	3	12

Type	Ref	Risk Title	Description	Inherent			Residual		
				Likelihood	Impact	Score	Likelihood	Impact	Score
	SR6	GMS does not deliver desired outcomes for GM	Outcomes defined within GMS are less achievable given COVID	3	5	15	2	4	8
	SR7	Transport - Metrolink	Significant loss of transport revenue due to Covid-19 and reduced patronage levels. Funding received for first six months of 22/23 but post-pandemic patronage may not recover to pre-pandemic levels, impacting the farebox revenue on which previous planning had taken place.	4	5	20	4	4	16
	SR9	Greater Manchester Police - governance, leadership and performance	Failure of leadership and/or governance to ensure that the force provides the desired level of service to GM residents and communities	4	5	20	4	5	20

Escalated Risks (April 2022)

Organisational Risks

Type	Ref	Risk Title	Description	Owner	Inherent			Residual		
					Likelihood	Impact	Score	Likelihood	Impact	Score
Operational	OR1	Covid-19 reduces staff availability through absence, sickness, self-isolation.	Increased risk of staff absence in GMCA/GMFRS due to Covid-19	(T)ACFO Meakin (GMFRS) SLT (GMCA)	4	5	20	2	4	8
People	OR4	Staff Mental and Physical Wellbeing	Altered working arrangements may affect staff health, wellbeing and morale.	SLT, GMFRS ET	4	4	16	2	3	6
Financial	OR9	Funding and grants not spent in line with timescales / conditions	Capital programme: Regeneration, infrastructure and investment funding (Growth Deal, Transport Grant etc.) awarded to GMCA is not spent in line with spending profile and this impacts future year financial awards. Grant Funding: Funding not spent in time/ in line with grant conditions	SLT	4	5	20	3	3	9
Governance, policy, leadership	OR10	Data Protection Act 2018 compliance	Failure to comply with the requirements of the Data Protection Act 2018 (Inc. GDPR).	Phillipa Nazari, Data Protection Officer	4	5	20	3	4	12
Operational	OR11	Unexpected, major or catastrophic events	Events that cannot be predicted that have a wide ranging impact on core services (eg Power Failures, natural disasters_	SLT	3	5	15	3	2	6
Operational	OR12	Information Security	Organisational arrangements are insufficient to deter, detect and prevent unauthorised access to ICT systems and to respond effectively as and when breaches do occur.	Phil Swan, Director of Digital	4	5	20	3	5	15

Directorate Risks

Directorate	Ref	Risk Title	Description	Owner	Inherent			Residual		
					Likelihood	Impact	Score	Likelihood	Impact	Score
Digital	DIR-DIG-04 **New	Cyber security	GMCA is subject to a Cyber Attack	Phil Swan	5	5	25	4	5	20
Digital	DIR-GMD-03 **New	Covid Impact on Finances	COVID related impacts on local finances impacting deliverability of key initiatives.	Phil Swan	5	5	25	4	4	16
Digital	DIR-GMD-02 **New	Digital Inclusion Funding	Digital inclusion ambition is unfunded and fails to deliver on Manifesto ambitions due to resource limitations	Phil Swan	5	5	25	4	5	20
Environment	DIR-ENV-20	Green Homes Grant	Unable to deliver in timescales	GMCA	5	4	20	5	4	20
Environment	DIR-ENV-28	Consequences of waste Feasibility Study	Cost implications to districts to deliver England's waste strategy	GMCA	5	5	25	5	3	15
Place	DIR-PLA-02	Achievement of net zero.	Failure to achieve publicly stated strategic environmental targets.	Steven Fyfe	4	5	20	3	5	15
Place	DIR-PLA-03	Places for everyone resource capacity	Inability to efficiently process and deliver major actions for Places for Everyone.	Anne Morgan	4	4	16	3	4	12
ESR	DIR-ESR-02 **New	The Innovation Greater Manchester accelerator programme fails to submit a compelling bid to Govt for share of £100m funds/ bid rejected due to poor quality and wider strategic fit with national priorities	By early summer a bid needs to be submitted to Govt for a share of £100m funds (ring-fenced for GM, West Mids & Glasgow) Lack of capacity, capability, and SRO oversight could lead to a poor quality bid submitted that fails to secure a fair share of these funds.	Steven Heales	4	4	16	4	4	16
ESR	DIR-ESR-04 **New	LEP Review (and Levelling Up White Paper)	Resources for the LEP are withdrawn alongside Government expectation of integration with Mayoral Combined Authorities, leaving the GMCA with responsibilities and business expectations but without matching resource. LEP Review has concluded with a number of	Simon Nokes and David Rogerson	4	4	16	2	4	8

			pathways to integrate LEPs within Combined Authorities, and with a significantly reduced offer of LEP Capacity Funding for areas (in GM this has fallen from c.£500k to £375k) with no indication of funding beyond 22/23.							
PCCJF	DIR-PCCJF-01 **New	Lack of bidding capacity	Limited resource available to submit quality funding bids for all opportunities available.	Senior leads	4	4	16	3	4	12
PCCJF	DIR-PCCJF-06 **New	Commissioning Victim Services	Commissioning a 'hybrid' victim care services integrated with GMP by October 2022	AC/ ACC Sykes	4	4	16	3	3	9
PCCJF	DIR-PCCJF-07 **New	SARC contracting, funding and therapeutic support	SARC is jointly commissioned with the CA and GMHSCP. There is no contract in place and the financial allocation has been disputed. There are circa 1k on the waiting list for therapeutic support and waiting up to 1 year. ISVA caseloads are circa 100 per ISVA which is unsustainable but which is also as a result of court delays.	AC/ GMHSCP	4	4	16	3	4	12
PCCJF	DIR-PCCJF-08 **New	Reporting, Investigation and Prosecution of RASSO	End-to-End RASSO Review commissioned in responses to low levels of prosecution and the quality of response to victims	AC/ CS Kerr/ H Gough	5	5	25	4	5	20
PCCJF	DIR-PCCJF-09 **New	Confidence in GMP (Functionality)	Sub-optimal functionality of the police records management system'	Clare Monaghan	4	4	16	3	2	6
PCCJF	DIR-PCCJF-10 **New	Confidence in GMP (Procurement)	Procurement of a replacement records management system	Clare Monaghan	4	4	16	3	3	9
PCCJF	DIR-PCCJF-11 **New	Resourcing of Strategic priorities	Lack of alignment of funding to sufficiently resource strategic priorities	Steve Wilson & Clare Monaghan	4	5	20	3	3	9
PCCJF	DIR-PCCJF-12 **New	Police Complaints	Reputational impact on GMP and GMCA	Clare Monaghan	4	5	20	4	5	20

PCCJF	DIR-PCCJF-13 **New	CSE Reviews	CSE Assurance Reviews - reporting of the findings will impact on local authority and GMP confidence	Clare Monaghan	5	5	25	4	5	20
Waste	DIR-WR-01 **New	GM Waste & Recycling Contract	(a) Contractor(s) fails to perform core devolved services as required by the Contract. (b) Construction of new facilities are delayed. (c) Recyclable materials value reduce as a result of global commodity trends or the quality of the material collected is not high enough (d) A no-delay Brexit affects services (e.g. fuel shortages, supplies import delays, loss of drivers etc.)	David Taylor, Executive Director Waste	4	4	16	3	3	9
Governance	GOV-8 **New	Legal challenge	Successful legal challenge threatens delivery of a major programme (and outcomes).	Liz Treacy	5	5	25	3	5	15
Governance	GOV-9 **New	Major Inquiry	Inquiry / Inquest into GMCA (or related) activity requires major change within GMCA	Gwynne Williams	4	5	20	3	5	15
HROD	DIR-HR-05	Talent management	Ability to ensure the potential and capability withing existing staff is nurtured and helps to address internal skills needs.	AD HROD	4	4	16	3	4	12
HROD	DIR-HR-03 **New	Embedding new Employment Framework	Employment framework not fit for contemporary / post pandemic circumstances.	AD HROD	4	4	16	3	3	9

EWS	DIR-EWS-01	Continued impact of Covid 19 on the delivery of EWS' Externally Funded Programmes supporting GM Residents	<p>Work & Skills Directorate currently manage in excess of £200m of external funding that support GM Residents to improve their skills and progress into employment, which include AEB and Working Well programmes.</p> <p>The continued impact of COVID-19 have a major impact on how EWS contracts continue to be delivered in GM.</p> <p>Potential financial instability of the providers base in GM. Significant risk exposure from providers struggling a) to deliver against their contract terms, and / or b) to deal with the impact of the pandemic</p> <p>Potential underspend in grant/contract for services funding and lower than expected performance against targets set by of funders.</p>	EWS Director, Mat Ainsworth	4	5	20	3	5	15
EWS	DIR-EWS-02	National legislative changes linked to Skills for Jobs White Paper will impact on GM's ability to deliver its devolved skills functions via programmes such as the Adult Education Budget (AEB)	<p>The Skills for Jobs further education reform White Paper introduced new employer-led local skills planning functions which will be placed on a statutory footing, meaning that colleges and training providers will be legally obliged to respond to these new Local Skills Improvement Plans (LSIPs) which has potential to disrupt/undermine the exercise of the CA's devolved skills functions.</p> <p>Whilst amendments to the draft legislation have mitigated some of the strategic risks, operational risks (and some opportunities) remain, linked to aspects of the Bill and to proposed reforms of the funding and</p>	Mat Ainsworth	4	4	16	3	4	12

			accountability regime (currently subject of government consultation).							
EWS	DIR-EWS-03 **New	Continued uncertainty around future devolution/levelling up of Education, Work and Skills responsibilities at the national level may negatively impact on GM's ambitions and delivery priorities.	As reported under Strategic Risks (SR1), ongoing delays to the publication of the Devolution White Paper, means GMCA and EWS cannot effectively plan for additional delegated responsibility, funding and local implementation.	Mat Ainsworth	4	4	16	4	4	16
EWS	DIR-EWS-04 **New	Lack of sufficient GMCA / LA capacity to support EWS' commissioning, procurement and implementation requirements (Link to DIR-EWS-03)	EWS works closely with its LA partners and GMCA's Corporate Services to develop, commission and contract manage its funded programmes/services. EWS always seeks to ensure GM level provision is shaped by latest evidence/ data and key locality inputs at the outset, needs LA support to ensure activity 'lands' well during early implementation and welcomes critiqued feedback from LAs to ensure continued improvement.	Mat Ainsworth	4	4	16	4	4	16
EWS	DIR-EWS-05 **New	No or insufficient funding in place to deliver EWS priorities once current GM programmes finish	EWS delivers a range of devolved services to support GM residents. Apart from the devolved Adult Education Budget (AEB), most current services have contracts which will start to expire from later 2022/23. As identified in Risk DIR-EWS-02, uncertainty around future Devolution / Levelling Up agendas translates to uncertainty to whether current provision will be sufficiently supported into and beyond 2023.	Mat Ainsworth	3	5	15	3	5	15
PSR	DIR-PSR-01 **New	Delivery of outcomes	Failure to achieve outcomes targeted across a range of strategies including Homelessness Prevention, Children & Young People, Ageing and other cross-cutting programmes.	Each responsible senior policy lead, PSR	4	4	16	3	4	12

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