

**GMCA Audit Committee**

Date: 13 March 2024

Subject: Internal Audit Plan 2024/25

Report of: Sarah Horseman, Deputy Director, Audit and Assurance

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**PURPOSE OF REPORT**

The purpose of this report is to share with Members of the Audit Committee the proposed Internal Audit plan for 2024/25.

**RECOMMENDATIONS:**

Members are requested to approve the Internal Audit Plan.

**CONTACT OFFICERS:**

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**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

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
<b>EXEMPTION FROM CALL IN</b>		
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. This document sets out the proposed internal audit plan for GMCA for 2024/25. The planning process is based on Internal Audit's understanding of GMCA's current strategic and operational risks and as such is designed to provide assurance over key risk areas.

## 2. Planning principles

2.1. The Audit plan has been developed using the following principles.

The Internal Audit Plan will be:

- **Aligned** to business objectives and priorities;
- **Risk-based**, with all audit activity mapped to the Corporate Risk Register;
- sufficient to **support the annual Head of Internal Audit Opinion** on the effectiveness of the arrangements in place for governance, risk management and internal control;
- **proportionate** to the risk, value and complexity;
- designed to **consider outputs of previous activity**, to avoid duplication with other assurance work;
- undertaken by **people** with the relevant skills, experience and expertise;
- appropriately **independent** and **objective**;
- guided by established **best practice and Internal Audit Standards**; and
- **planned early and reviewed regularly** to ensure the plan is agile and responsive to the changing risk environment.

2.2. Internal Audit services will be provided in line with the Internal Audit Charter.

## 3. Approach

3.1. To arrive at the plan, we have undertaken the following activities

- Identification of the **audit "universe"** and **risk assessment**. This is a view of the organisation and is used to help prioritise audit and assurance work. The universe and results of the risk assessment is shown in **Appendix 1**;
- Consideration of the **priorities for the forthcoming period**, that have been identified and articulated in the GMCA Business Plan;

- Consideration of **the Corporate Risk Register** and associated risk mitigation actions and activities. See Appendix 2;
- **Engagement sessions** with the Senior Leadership Team and Chief Executive's Management Team
- Intelligence gathered through our **previous work** across GMCA and GMFRS; and
- Alignment to available Internal Audit **resources**.

#### 4. Components of the Internal Audit Plan

4.1. We have identified several categories of internal audit work that together form the Internal Audit Plan. These are:

<b>Core controls</b>	These audits are over systems and processes of governance, risk management and internal control. These are determined using our risk assessment and tend to be undertaken on a cyclical basis with the frequency determined by the level of risk associated with the activity. These audits are critical to inform the Head of Internal Audit annual opinion.
<b>GMFRS audits</b>	These are audits specific to GMFRS as an entity within GMCA. Audits in this element of the plan will cover governance, risk management and control arrangements within GMFRS.
<b>Follow up audits</b>	Where we have issued limited assurance opinions in the last 1-2 years, we will undertake follow up audits to ensure that processes and controls have improved and actions/controls implemented as a result of the original audit remain in place and are effective.
<b>Corporate Risk Register driven audits</b>	These audits are designed to assess the effectiveness of mitigating actions in place against key risks within the Corporate

	Risk Register. Programming of these will be kept under review and refreshed at least twice a year as it needs to reflect the current environment and risks that GMCA faces.
<b>Grant certifications</b>	For many grants received, Internal Audit are required to certify that expenditure has been spent in line with grant conditions so a section of our plan will be required to undertake certification work.
<b>Audit Action Tracking</b>	Internal Audit will track and report on progress with the implementation of audit actions.
<b>Whistleblowing and Fraud</b>	Internal Audit are responsible for the policies and frameworks supporting Whistleblowing and counter fraud activities. We must also respond to any whistleblowing or fraud reports. The response element is an unpredictable element of the plan that may require reallocation of resources. Audit Committee will be kept informed of any changes to the plan as a result of requirements to respond to reports and undertake investigations.

4.2. In addition, for 2024/25 there are some additional areas which will require focus, these are:

<b>GMCA Next Phase Programme</b>	There is a programme underway within GMCA to evolve the organisation in readiness (but not limited to) the Trailblazer Devolution Deal and specifically the Single Settlement. Within the Programme there is an Assurance workstream, led by Deputy Director, Audit and Assurance. The programme will require support and resource from the Internal Audit team to advise on the assurance framework and to ensure that the audit and assurance service is fit for the future. The output of this will include an assurance mapping framework.
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<b>New Internal Audit Standards</b>	<p>The Global Institute of Internal Auditors have issued revised internal audit standards which need to be implemented in January 2025. We are awaiting CIPFA's Public Sector Internal Audit Standards (PSIAS) and application guidance which are expected in the Summer of 2024. Our Internal Audit methodology will need reviewing and updating in light of the new standards to ensure we are operating in line with our professional standards.</p>
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## 5. 2023-24 Internal Audit Plan

- 5.1. The proposed Internal Audit Plan for 2024/25 is detailed below. The plan will be kept under review and significant changes will be reported to the Audit Committee for their approval.
- 5.2. The plan is based on the assumption that the resource levels in Internal Audit are as per establishment of 2.8FTE. There is currently a 1.0 FTE vacancy in the team, an offer has been made to a candidate but if that is not accepted there will be a continuing vacancy that will affect the ability to deliver the plan whilst recruitment takes place.

Activity	Description
<b>Core Controls Audits</b>	
Core Financial Systems	Cyclical audits of core financial systems. Scope to be determined in year.
Compliance	A series of compliance audits on core processes to assess compliance with GMCA standing orders, financial regulations, and contract procedure rules. Proposed for 2024/25 to include: <ul style="list-style-type: none"> <li>• Leavers processes</li> <li>• Expenses</li> <li>• Purchase cards</li> <li>• Subsidy Control Act</li> </ul>
ICT Systems (External)	<b>IT Asset Management</b> – An audit of the processes in place around the management of assets (issue, tracking, return, disposal)
ICT Supplier Management (External)	<b>Third Party Supplier Assurance - Supplier Management and Assurance</b> – To provide assurance on the effectiveness of the control framework exercised by management in relation to the supplier due diligence and management
Programme Management	<b>Supporting Families Programme (SFP):</b> annual audit against the Programme as part of the handover process of the Families Team to DfE.
HR Systems	<b>Grey Book Recruitment (Promotions Pathway)</b> – an audit of the Promotions Pathway and recruitment to Crew, Watch,

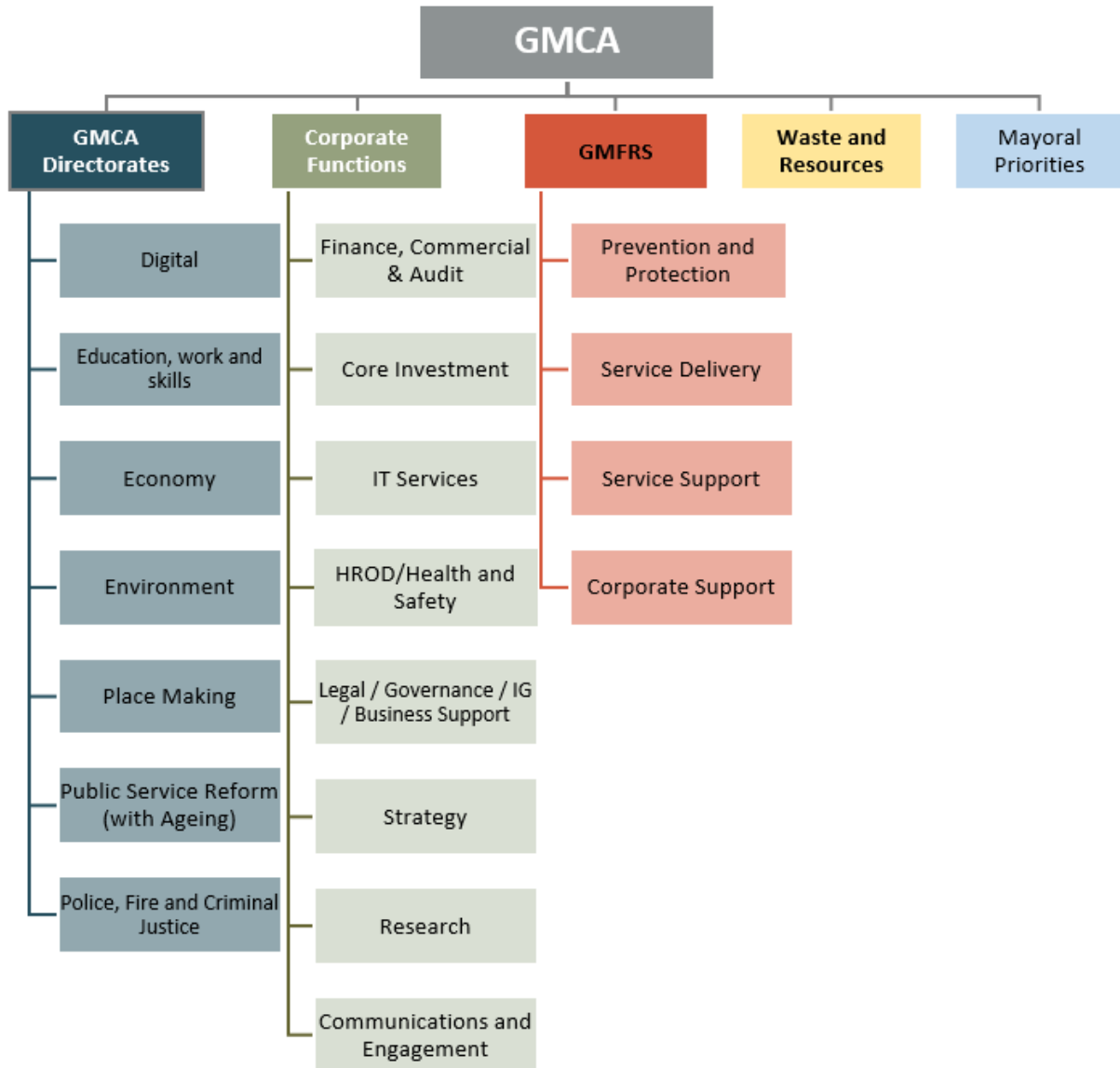
	Group Manager roles - Links to the recruitment & selection audit from 2023/24.
<b>GMFRS – Prevention, Detection and Service Delivery</b>	
Governance	<b>GMFRS Governance Framework</b> - an audit of the governance and decision-making processes.
Programme Monitoring and Evaluation	<b>GMFRS PMO Function:</b> an audit of the programme and project management arrangements.
Partnerships	<b>North West Fire Control (NWFC)</b> – scope to be determined
Front Line Service Delivery	<b>NFCC Fire Standards:</b> Maturity and compliance assessment
People Services	<b>Equality Impact Assessments</b>
<b>Follow Up Audits</b>	
Project Governance	<b>GM One Network</b> – Review of ‘delivery’ phase and key project risks.
Cyber Security (External)	<b>ICT Threat &amp; Vulnerability Review</b> – provide independent assurance over the implemented actions and risk exposure
Land & Property	<b>Estates Asset Compliance</b> – Building maintenance and compliance with statutory regulations.
<b>Corporate Risk Register driven audits</b>	
Disaster Recovery	<b>Business Continuity Planning</b> - An audit of the revised BCP arrangements implemented across GMCA, with a focus on disruption to ICT and Digital services.
Procurement	<b>Public Procurement Act 2023</b> – readiness assessment over implementation of key changes due to come into force in October 2024.
Information Governance	<b>Critical Data Assets</b> – An audit of processes and controls in place over our critical data assets to ensure that sensitive and personal data is appropriately protected from data breach/loss.
<b>Grant Certifications</b>	
Grants	<b>Grant Certification</b> - Ongoing certification of grants as required by grant conditions.



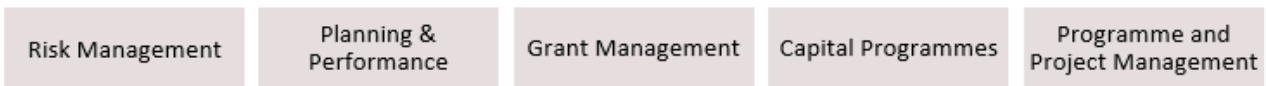
<b>Whistleblowing and Counter Fraud</b>	
Governance	Fraud Prosecution Policy review and response to reports of fraud
Whistleblowing	Review and maintenance of Whistleblowing Policy and response to whistleblowing reports.
<b>Other Focus Areas</b>	
GMCA Next Phase Programme	Leading the Assurance Workstream and input into other programme workstreams as GMCA sets out its future ways of working in readiness for the new trailblazer devolution deal from April 2025.
New Internal Audit Standards	Implementation of the 2024 IIA standards to ensure PSIAS compliance

## Appendix 1 - Audit Universe and Risk Assessment results

For planning purposes, the Audit Universe has been defined as follows



### Cross Cutting activities



## Risk Assessment Results

The Internal Audit risk assessment has been reviewed for 24/25 taking into consideration any changes in activities undertaken and risks as well as any assurance over the control environment obtained from the results of our recent internal audit work.

This informs the frequency of audit activity around core controls. The table has been ordered in descending order of risk and shows the frequency audits should be undertaken for each Directorate/activity.

Directorate / Activity	Audit frequency	2024/25	2025/26	2026/27
Digital: ICT Services*	Annual	✓	✓	✓
GMFRS	Annual	✓	✓	✓
Corp Services: Finance	Annual	✓	✓	✓
Corp Services: Information Governance	Annual	✓	✓	✓
Corp Services: HROD / H&S	Annual	✓	✓	✓
Corp Services: Legal/Governance	Annual	✓	✓	✓
Police, Crime, Fire & Criminal Justice**	Every 2 years		✓	
Cross cutting: Capital Programmes	Every 2 years	✓		✓
EWS: Education	Every 2 years	✓		✓
Waste and Resources	Every 2 years		✓	
Cross cutting: Grant management and reporting	Every 2 years		✓	
Environment	Every 2 years		✓	
Corp Services: Core Investment	Every 2 years	✓		
Place	Every 2 years	✓		
Cross cutting: Programmes and Project Management	Every 3 years	✓		
Cross Cutting: Risk Management	Every 3 years	✓		
Corp Services: Commercial	Every 3 years	✓		
Digital: GM Digital	Every 3 years		✓	
Cross cutting: Planning and Performance	Every 3 years		✓	
Economy	Every 3 years		✓	
EWS: Work & Skills	Every 3 years			✓
Public Service Reform	Every 3 years			✓
Mayoral Priorities	Every 3 years			✓
Corp Services: Communications and Engagement	Every 5 years			
Corp Services: Research	Every 5 years			
Corp Services: Strategy	Every 5 years			
Corp Services: Audit	Every 5 years			✓

\* IT Audits are undertaken by our outsourced IT Audit provider

\*\*Audits specific to Police and Crime are undertaken by the GMP audit team

## Appendix 2: Mapping of Audit Plan to Corporate Risk Register

The following table maps the internal audit plan to the Strategic and Organisational risks.

### Strategic Risks

Risk		Audit
SR1	Changes in central government affects the devolution agenda.	GMCA Next Phase programme workstreams
SR2	GMCA fails to further develop trust, cohesion and credibility with and between local GM systems and partners due to ineffective stakeholder engagement, poor GMCA performance or ineffective decision making.	Core financials controls audits 23/24, 24/25
SR3	Economic factors such as energy prices, inflation, interest rates and supply chain issues impact the Combined Authority's ability to deliver planned services and programmes for the public.	GM One Network, Supporting Families
SR5	Factors such including inflation, energy costs, covid legacy and uncertainty around government funding have a major impact on districts ability to deliver public services.	
SR6	Economic, social, behavioural and financial impacts such as COVID and the cost of living affect the timescales of delivery of GMS outcomes.	GMCA Next Phase programme workstreams
SR7	Significant financial risk to transport (bus and Metrolink) resulting from reduced patronage levels (caused by behaviour changes as a legacy of the pandemic), increases in operating costs and uncertainty over longer term government funding support.	TfGM Integrated Assurance Plan

SR8	GMCA is unable to deliver its responsibilities in relation to climate change initiatives due to insufficient funding, capacity, support and behaviour change as well as supply chain issues. This results in long term climate change risks to population, business, biodiversity and infrastructure.	Net Zero 23/24, GMCA Next Phase workstreams
SR9	Insufficient and/ or ineffective governance and scrutiny over Greater Manchester Police fails to identify and address areas of underperformance in the service provided to victims of crime, residents and communities.	Assurance obtained via Joint Audit Panel (Police and Crime)

## GMCA Organisational Risks

Ref	Risk Title	Audit
OR1	Readiness to respond to multiple simultaneous continuity event(s).	Business Continuity Planning 24/25
OR2	Failure to be prepared for Devolution Programme	GMCA Next Phase Programme 24/25
OR3	Diverse and inclusive workforce	Equality Impact Assessments 24/25 Recruitment and attraction 23/24
OR4	Staff Mental and Physical Wellbeing	EAP Effectiveness 23/24
OR5	Behaviours and Culture	
OR7	Organisational Governance and Decision Making	GMFRS Governance 24/25
OR9	Funding and Grants not spent within time/ conditions	Grant Certifications 24/25, 23/24 GMCA Next Phase Programme 24/25 GMFRS PMO Function 24/25
OR10	Compliance with DP 2024 legislation	Critical Data Assets 24/25 Freedom of Information / SARs 23/24
OR11	Recruitment into priority roles	Recruitment and attraction 23/24
OR12	Management and security of sensitive data	Compliance with Leavers Process 24/25 Third Party supplier assurance 24/25 Critical Data Assets 24/25
OR14	Cyber attack	Threat and Vulnerability Management 23/24 and follow up 24/25