



## Audit, Risk & Assurance Committee

<b>Date</b>	19 July 2023
<b>Report title</b>	Transport Programme Capital Governance Review (TfWM)
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<b>Report has been considered by</b>	Anne Shaw, Executive Director, TfWM Email: <a href="mailto:Anne.Shaw@tfwm.org.uk">Anne.Shaw@tfwm.org.uk</a>

### Recommendation(s) for action or decision:

#### Audit, Risk & Assurance Committee is recommended to:

1. Note WMCA's response to the findings of the independent review following the breach of financial regulations within the Wolverhampton Interchange programme.
2. **Purpose**
  - 2.1 Details of TfWM's capital pressures was reported to WMCA Board at their meeting of 16<sup>th</sup> December 2022 and resulted in a formal investigation being commissioned through the Chair of Audit, Risk and Assurance committee (ARAC).
  - 2.2 To update ARAC in relation to the decision to carry out a high level internal review of the Governance and Monitoring arrangements in order to ensure that due diligence and effective programme management control measures are in place for the TfWM capital programme.
3. **Background**
  - 3.1 Mazars LLP were appointed to complete an investigation with their findings being presented to the Chair of ARAC, section 151 officer and the monitoring officer in April '23. No evidence of any wrongdoing was found, the recommendations related to ways in which governance might be improved to reduce the risks of further overspends.

- 3.2 Following a review of the findings and recommendations made, officers consider that it would be sensible to review these alongside a number of other reviews carried out by TfWM and a recognition that in recent years a number of projects have exceeded the approved budget due to scope changes and/or construction challenges which have emerged on site. It has been recognised these are not uncommon in transport projects however following a sharp rise in costs due to national and global events, this has, and continues to be, a major impact on budgets and the capacity to deliver programmes which is constrained by the quality of programme management and monitoring arrangements in place.
- 3.3 It has therefore been agreed that a high level internal review of the Governance and Monitoring arrangements should be undertaken, to facilitate due diligence and effective programme management control measures are in place for the TfWM capital programme. TfWM is currently going through a process called TfWM Reimagined, which is making significant changes to the directorate, and which it is expected will address many of the issues raised in the various reviews. It is intended that this internal review will pull together all of the issues raised, and work with officers in the directorate to ensure that they are all being addressed, and if not, make further recommendations as to how they could be addressed.
- 3.4 Internal Audit will complete the review to ensure independence of operational services and will assess the Governance and Monitoring arrangements in place, and those proposed to be introduced. The scope of the review has been determined to:
- Assess the programme management, risk practices and financial control measures in place for major projects of all modes and to provide recommendations for improvements to be made where applicable. Consideration should be given to the governance processes, risk management and monitoring arrangements relating to all key stages of programme management applied, and project lifecycle*
- 3.5.1 It is estimated that given the size of the department, and the extent of work involved in carrying out a thorough review, that the review will take a minimum of 3 months to complete, and members will be provided with a summary of the findings at a subsequent meeting.

#### **4. Financial Implications**

None

#### **5. Legal Implications**

None

#### **6. Equalities Implications**

None

#### **7. Inclusive Growth Implications**

Not applicable.

**8. Geographical Area of Report's Implications**

Not applicable.

**9. Other Implications**

Not applicable.

**10. Schedule of Background Papers**

n/a