

INTERNAL AUDIT

APPENDIX: 1

REVIEW OF ADULT EDUCATION BUDGET

IMPLEMENTATION OF AGREED ACTIONS FROM PREVIOUS AUDIT REVIEW – 7 SEPTEMBER 2021.

	AGREED ACTIONS	DATE IMPLEMENTED	COMMENTS	INTERNAL AUDIT COMMENT
1.	<p><u>Legal Services 1. Retention of signed contracts and inclusion of execution date</u></p> <p><u>Agreed Actions:</u></p> <p>1. Legal and the AEB client have been working much more closely together, meeting weekly to review contracts. Signed copies of all documents are now scanned and sent to the client. Legal and the AEB client have set up a closed Share-point space to store all signed contracts, both past and current contracts.</p> <p>2. An exercise has been undertaken to locate all contracts and grant agreements for the funding periods 2019 / 2020 and 2020 / 2021 and copies of these have been placed in the Share-point file. Legal and the AEB client as part of their weekly meetings complete a Contracts tracker which captures all legal instruction and details future</p>		<p>Update from Jayne Middleton that was sent to auditor 03/03/23</p> <p>1. This process is now BAU, Legal services has a dedicated business support team and all contracts are centrally held on Sharepoint. Clients receive a copy for contract management purposes. In terms of managing the contract finance and client have developed business world function for contract management.</p> <p>2. This is BAU. Client departments as part of their contract management processes note renewal dates so they can instruct legal in sufficient time.</p> <p>3. Contracts are not fully executed unless they have a date on them so this is part of the Contract sign off process</p>	SATISFACTORY

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<p>pipelines of work. The Acting Lead Solicitor for Productivity, Skills and Public Sector Reform will continue to work with the client develop the tracker to note execution dates and renewal dates.</p> <p>3. The Acting Lead Solicitor in consultation with the Interim Legal Services Manager will undertake a review of the form of contract to consider the points made around execution and dating of signatures in recommendations iv to vi.</p> <p>4. An Interim Practice Manager is already in place who is in the process of reviewing the facilities and processes for storage and documentation. The Interim Practice Manager and the Interim Legal Services Manager will then make recommendations for a long-term storage solution for electronic and hard copy documents and put into place a process for storage and documentation. The process will consider where, and by who, the contracts will be held, retention periods and information governance and data security issues, and ensure that the contracts</p>		<p>4. This is now in place, see above, business support team store on sharepoint.</p>	
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	<p>are centrally accessible and that the process is subject to regular spot checks to ensure compliance.</p> <p>Responsible Officer: Satish Mistry, Interim Director, Law and Governance Jayne Middleton, Interim Legal Services Manager</p> <p>Target Date: 31 December 2021</p>			
2.	<p><u>WMCA Finance 2. Evidencing s151 Officer approval within financial records and audit trail for uploaded transactions</u></p> <p><u>Agreed Actions:</u> i. Documentary evidence of Section 151 Officer approval of payments in the form of the Payment Group minutes will be provided together with the relevant payment files when they are submitted to Accounts Payable with immediate effect. (It is suggested that the minutes of the Payment Group meeting are separated into 2 parts going forward, Part A dealing with the approval of the payments and Part B dealing with provider risks and any sensitive information.)</p>		Louise Cowen has confirmed that the recommendation was implemented with immediate effect.	SATISFACTORY

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	<p>ii. The Productivity & Skills Finance Business Partner and the Financial Controller will confirm by email to Accounts Payable that the files submitted are an accurate record of the payments discussed & approved at the Payment Group meeting.</p> <p>Responsible Officer: Louise Cowen, Financial Controller Fahmida Chowdhury, Productivity and Skills Finance Business Partner</p> <p>Target Date: 31 August 2021</p>			
3	<p>Programme Assurance and Appraisal (Single Assurance Framework) 3. National Local Growth Assurance Framework requirements</p> <p>Agreed Actions: WMCA Assurance and Appraisal team will work with AEB to establish the best route for integrating the adult education function into SAF in order to have regard to the National Local Growth Assurance Framework</p> <p>Any approach must reflect the relatively low risk of the current programme and</p>		<p>Joti Sharma emailed (28/03/23) to say that she has sent updates to the auditor directly to say this action was completed some time ago.</p>	<p>SATISFACTORY</p>

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	<p>balance this against the oversight provided through the SAF. The approach will be designed and agreed by 31st December 2021 and integrated with current processes by 30th June 2022. Amendments to the SAF will be made by September 2022 as part of the SAF annual review and approval process.</p> <p>Responsible Officer: Ian Martin – Investment and Commercial Activities Director Joti Sharma - Head of Programme Assurance & Appraisal Target Date: 30 September 2022</p>			
4	<p>Productivity and Skills 4. Provider level risk assessments</p> <p>Agreed Actions: I. Clearer integration of the outcomes of risk assessments within performance management and within financial due diligence activity will be established in order to develop a single risk-based view of each provider, whilst ensuring the outcomes integrate with WMCA's wider Risk Management Framework. Inclusion of</p>		<p>1. Providers are RAG-rated monthly following each funding return based on their performance, outcomes, amount of subcontracting, compliance issues and finance which are recorded in the highlight reports, examples of these have been sent in the provider sample. Significant financial and delivery risks are raised at the monthly payment group meetings and feed</p>	<p>PARTIALLY ACHIEVED – Additional evidence provided on 28 April 2023 demonstrates a structured due diligence process).</p>

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<p>financial due diligence in the provider risk management spreadsheets will be undertaken and will feed into the new AEB Operational Risk Register. Significant financial/delivery risk will be raised in the Payment Group meetings.</p> <p>ii. AEB Performance Review Framework is currently under review and will take into account elements raised in the recommendations above and ensure current risk assessment arrangements are clearly reflected.</p> <p>Responsible Officer: Iris Both, Senior Delivery Manager Adult Education Louise Cowen, Financial Controller Fahmida Chowdhury, Productivity and Skills Finance Business Partner Target Date: 30 September 2021</p>		<p>into the ESC Directorate Risk Register.</p> <p>A Cause for Concern letter has been created to support this process – letters will be issued to providers where we see a risk or possible risk in provision.</p> <p>An AEB Performance Framework is being created alongside a performance tracker to capture and monitor performance as well as identify possible risks. This process will set out how we will review provider contracts throughout the contract year. Checks will depend on the points in the contract year as set out below, however, it is important to point out that the checks are not limited to these points or the example below:</p> <ul style="list-style-type: none"> • Start of the contract year review i.e. Review of previous years' success rate, review of proportion delivered by sub-contractors review of financial Assessment i.e. Due diligence 	<p>Whilst there is evidence of progress being made in developing a robust review process; the system is still going through the embedding process.</p>
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			<ul style="list-style-type: none"> • Monthly performance review i.e. Review against monthly spend against profile, review of data errors • Provider Management Point i.e. review against delivery plan, review of destinations, review of subcontractors • Ad hoc review i.e. Audits, Ofsted, whistleblowing. <p>2. The Skills Programmes Provider Payments & Performance Management Framework has been updated to reflect agreed actions. skills-programmes-22-23-payment-performance-management-framework v2.pdf (wmca.org.uk)</p>	
5	<p>WMCA Finance and Productivity and Skills 5. AEB Payment Group administration.</p> <p><u>Agreed Actions: -To be confirmed</u> i.Terms of reference will be developed for the Payments Group with specific reference to the s151 Officer delegated approval role, as well as the Group’s purpose, membership, meeting frequency and quorum.</p>		<p>Update from Balwinder Dhugga 28/03/23:</p> <ol style="list-style-type: none"> 1. Terms of reference have been agreed a copy of these have been uploaded to the evidence file. 2. The action and decisions log has been development and is 	SATISFACTORY

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	<p>ii. A dedicated action log and decisions log will be developed to support the Payment Group to ensure actions and decisions can be clearly and easily be monitored.</p> <p>Responsible Officer: Louise Cowen, Financial Controller Fahmida Chowdhury, Productivity and Skills Finance Business Partner Iris Both, Adult Education Delivery Manager</p> <p>Target Date: 30 September 2021</p>		<p>updated shared with the group monthly.</p>	

OVERALL ASSESSMENT OF IMPLEMENTATION BY INTERNAL AUDIT:

Following a review of the implementation of the actions in the Agreed Action Plan From the previous Internal Audit Report dated; 7 September 2021. It was assessed that satisfactory progress had been made in the implementation of the agreed actions.

Prepared by: Bami Cole - Lead Auditor

Date: 23-05-23