



Name of meeting: Audit, Risk & Assurance Committee

Meeting date: 03 February 2025

Report title: Internal Audit Update Report

Responsible Director: Helen Edwards, Director of Law, Governance & Audit
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Key Decision? No

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

Public/private report: Part Exempt

Exempt by virtue of paragraph: Private Appendices only - Paragraph 3 of 12A of the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest in keeping the relevant information confidential outweighs the public interest in disclosing it.

Recommendations

The Audit, Risk and Assurance Committee is asked to:

- (1) Note the contents of the latest Internal Audit Update Report and the amendments to the original plan, including those audits which have been added, deferred or cancelled since its approval on 15 July 2024.
 - (2) Note progress on the implementation of recommendations.
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Voting Requirements

A simple majority of the members appointed by the constituent councils, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendation/proposition for it to become a decision of the board.

1. Executive Summary

- 1.1 The purpose of this report is to present the Committee with an update on the work completed by Internal Audit since the previous update in November 2024 and progress made against delivery of the 2024/25 Internal Audit Plan.
- 1.2 The annual audit plan approved by the Committee in July 2024 continues to be reviewed to ensure that areas included originally remain relevant and reflect the risk profile of the organisation. In relation to this the first two quarters of the financial year were dominated by a range of grant verification exercises including Core Growth Hub, Commonwealth Games Legacy Enhancement Fund, West Midlands Innovation Programme, Multi Area Connected Automated Mobility and Social Housing Decarbonisation Fund, along with completion of the deferred 23/24 Internal Audit plan audits.
- 1.3 The Internal Audit Team has maintained its work on key corporate projects by providing a project support consultancy role and advising on the implementation and application of internal control. These projects include the implementation of the new Procurement Act 2023, Contract Management working group and the Integrated Settlement workstream.
- 1.4 During the period of this update and since November 2024 audit work has consisted of the completion of 2024/25 audits contained within the audit plan, alongside unplanned audit work in relation to investigation work and urgent corporate project audit requests. Within the period two corporate projects have been requested for completion within 24/25 including additional audit work in relation to the external review of capital projects within TfWM.
- 1.5 To bring the 2024/25 Internal Audit Plan back into balance and having taken into account the additional work requested and carried out, as well as unforeseen staff absences a total of four audits have been cancelled from the original audit plan. A further two audits are due to be deferred into 2025/26 due to individual project/area requirements as detailed within the full progress report at Appendix 1.
- 1.6 Where possible, some elements of the cancelled audits are included in those reviews still going ahead. In other cases, the auditable area will be reconsidered as part of next year's annual audit planning process. The amendments to the Internal Audit Plan will not impair the Chief Audit Executive from making their annual audit opinion on the WMCA's control environment at the end of 2024/25.

2. Matters for Consideration

2.1 N/A

3. What options have been considered and what is the evidence telling us about them?

3.1 N/A

4. Reasons for recommending preferred option

4.1 N/A

5. Implications and Considerations

Priority:	Contribution:
Delivery of Strategic Transport Plan	N/A
Promote inclusive economic growth in every corner of the region	N/A
Ensure everyone has the opportunity to benefit	N/A
Connect our communities by delivering transport and unlocking housing and regeneration schemes	N/A
Reduce carbon emissions to net zero and enhance the environment	N/A
Secure new powers and resources from central government	N/A
Develop our organisation and our role as a good regional partner	N/A

6. Consultation and Scrutiny:

6.1 N/A

7. Financial implications:

7.1 N/A

8. Legal implications:

8.1 N/A

9. Implications:

Programme Assurance and Appraisal Implications:

9.1 N/A

Procurement Implications:

9.2 N/A

Equality Implications:

9.3 N/A

Inclusive Growth Implications:

9.4 N/A

10. Risk implications, including Risk Appetite:

10.1 N/A

11. Local Authority Impact:

11.1 N/A

12. List of appendices referred to:

12.1 N/A

13. Background papers used to compile this report:

13.1 N/A

14. List of Other Relevant Documents

14.1 Appendix 1 – Progress Report

14.2 Appendix 2 – TfWM External Assurance Follow Up Report

14.3 Appendix 3 – Independent Training Providers Report

14.4 Private Appendix – Detailed Reports (TfWM External Assurance Follow Up Report and Independent Training Providers Report)