



Audit, Risk & Assurance Committee

Date	14 July 2020
Report title	Internal Audit Plan 2020-2021 Update
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Report has been considered by	WMCA Strategic Leadership Team

Recommendation(s) for action or decision:

The Audit, Risk and Assurance Committee is recommended to:

- (1) Review the changes to the draft Internal Audit Plan for 2020-2021 made since it was approved at the Audit, Risk and Assurance Committee meeting in January 2020.

1.0 Purpose

- 1.1 The purpose of internal audit is to provide WMCA with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the WMCA's agreed objectives.
- 1.2 The purpose of this document is to update the committee on the changes made to the 2020-2021 Internal Audit Plan since it was approved in January 2020.

2.0 Background

- 2.1 Since the plan was initially approved, a number of factors have contributed to the changes made, not least the impact of Covid-19 on both the audit resource and the priorities of WMCA.
- 2.2 These changes have been reviewed in liaison with directors and the WMCA Leadership Team and reflect the need for prioritisation and the building in of greater flexibility to address the emerging risks, as a result of both the changing risk and control environment and the forthcoming recovery arrangements.
- 2.3 Post Covid-19 recovery and the emerging risk profile will no doubt continue to have a significant impact upon the activities of WMCA throughout 2020-2021 and therefore the plan will remain fluid.
- 2.4 The methodology followed by internal audit in compiling the plan was detailed in the January 2020 paper. Therefore, it has not been replicated here.

3.0 Wider WMCA Implications

- 3.1 There are no implications

4.0 Financial implications

- 4.1 There are no implications.

5.0 Legal implications

- 5.1 There are no implications.

6.0 Equalities implications

- 6.1 There are no implications.

7.0 Other implications

- 7.1 Not applicable.

8.0 Schedule of background papers

- 8.1 None.

9.0 Appendices None

Revised Internal Audit Plan 2020-2021

Auditable area	Purpose	Rating	QTR	ARAC Meeting (indicative)
Cross Service				
Risk Management	A review of the risk management arrangements in operation within WMCA regarding the effective identification, assessment and management of risks as part of good corporate governance, statutory compliance and effective decision making.	High	4	June 2021
Key Financial Systems	To provide assurance that the key financial processes are operating, including: <ul style="list-style-type: none"> • Payroll • Accounts Payable • Accounts Receivable • General Ledger • Budgetary Control • Treasury Management 	High	3	January 2021
Procurement	A high-level review of the implications of the Covid-19 Government directions regarding procurement and contract arrangements, to the application of WMCA's Contract Procedure Rules.	High	2	October 2020
Employee Management Arrangements (Covid-19)	The scope has been amended to include the response of the employee management arrangements to the impact of the Covid-19 including business continuity arrangements and new ways of working.	High	2	October 2020

Transport for West Midlands				
Commonwealth Games Strategic Transport Plan	This is a new review and will focus upon the governance, risk management, monitoring and reporting arrangements in operation within the WMCA to support the delivery of the Commonwealth Games Strategic Transport Plan. As a result of Covid-19 this will also consider any new risks and implications.	High	2	January 2021
Sprint Programme Management Arrangements	A review of the governance, programme management, risk management and control systems in operation for the Sprint Programme. As above, as a result of Covid-19 this will be extended to take into account any new risks and implications.	High	2	September 2020
Productivity and Skills				
Adult Education Budget	A high-level review of the bid management framework to ensure effective governance, risk and support arrangements are established at the outset for major bids to facilitate effective, efficient and consistent transition to service delivery. This has been carried forward from 2019/20 while WMCA awaits the outcome of an external review regarding Further Education College sub-contracting.	High	tbc	tbc
Digital Retraining Fund	A review of the strategy, governance, management, funding and operational arrangements for delivery of the strategic objectives and outcomes of the Digital Retraining Fund.	High	3	April 2021
Housing and Regeneration				
Friar Park Project Management Arrangements	A review of the governance, project management, risk management and control systems in operation for the Friars Park Project.	High	2	January 2021
Environmental Management System	This is a new review and has been added in order to provide assurance to WMCA regarding the development and maintenance of an Environmental Management System and the demonstration of how the organisation addresses and minimises its environmental impacts, manages its legal compliance and continuously improves its environmental performance as part of adherence to ISO 14001.	High	3	January 2021

Strategy				
Local Industrial and Economic Strategy	This audit has been carried forward from 2019-2020 and will include a high-level review of the Local Industrial and Economic Strategy governance, risk management and monitoring and reporting arrangements established. It will also be further developed to encompass a wider strategic response to the economic impact of the Covid-19 impact.	High	3	April 2021
Bid Management	This audit has also been carried forward from 2019-2020 and will focus on a high-level review of the bid management framework to ensure effective governance, risk and support arrangements are established at the outset for major bids to facilitate effective, efficient and consistent transition to service delivery.	High	4	April 2021
Investment Programme Monitoring and Evaluation Arrangements	A review of the monitoring and evaluation arrangements in operation for programmes and projects funded by the Investment Programme, and integration with wider WMCA monitoring and evaluation arrangements.	High	4	April 2021
Corporate				
Consultancy and advice	Special projects, advice and assistance, unplanned and ad-hoc work as and when requested, including where appropriate, review of WMCA's response to Covid-19 regarding governance, risk management, business continuity, monitoring and reporting, and lessons learnt arrangements.	-	-	-
Counter Fraud	Where required: <ul style="list-style-type: none"> the carrying out of investigations into areas of suspected or reported fraudulent activity across WMCA. Undertaking a series of pro-active fraud activities, including the targeted testing of areas open to the potential of fraudulent activity The development of a fraud risk register Organising raising fraud awareness seminars fraud surgeries. Assisting in the Cabinet Offices NFI data matching exercise. Representing WMCA at national and local fraud related events. 	-	-	-

Recommendation follow up	The follow up of key internal audit recommendations made in 2019-2020 including continued oversight of limited opinion audit reports.	-	-	-
Audit Management	Day to day management of the internal audit service, quality control, client and external audit liaison and preparation for, and attendance at various meetings. Preparation and presentation of papers for the Audit, Risk and Assurance Committee, and providing advice and training to committee members as and when required.	-	-	-

The following reviews initially formed part of the proposed internal audit plan. However, taking into account the changes made to the initial plan and the reallocation of resources and changing risk profile in response to Covid-19, alongside the current stage of some of the below areas, they have been provisionally deferred until 2021-202. Although this will continue to be kept under review during the year as a larger contingency has been set aside within 2020-2021 in order to address any new and emerging risks predominantly arising from Covid-19.

• ICT Strategy *
• Corporate Complaints Process
• Single Commissioning Framework - Land Fund
• Affordable Housing Delivery Vehicle
• Dudley Interchange Project Management Arrangements**
• Longbridge Park and Ride Income Management and Charging Arrangements***
• Environment Action Plan
• Inclusive Growth Investment Toolkit

* Requested by ICT due to resource prioritisation and ICT involvement in the business continuity plan update as part of Covid-19 tactical groups.

** Project currently awaiting decisions regarding funding and design. Areas of good practice and lessons learnt from the planned Sprint Programme review will be shared.

*** Due to Covid-19 the car park may not be operational until later in 2020-2021 and usage of the car park is expected to be revisited once opened.