GMCA Audit Committee

Date: 19 March 2025

Subject: Internal Audit Plan 2025/26 (DRAFT)

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

PURPOSE OF REPORT

The purpose of this report is to share with Members of the Audit Committee the draft Internal Audit plan for 2025/26.

RECOMMENDATIONS:

Members are requested to approve the Internal Audit Plan.

CONTACT OFFICERS:

Sarah Horseman, Deputy Director, Audit and Assurance - GMCA,
sarah.horseman@greatermanchester-ca.gov.uk

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

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution	No

EXEMPTION FROM CALL IN	
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 report sets out the draft internal audit plan for GMCA and GMFRS for 2025/26. The proposal is to have rolling annual plan which evolves to reflect the changing risk environment and remains relevant to the organisation's assurance needs.

2. Approach

2.1. Our approach to developing the Internal Audit plan is based on the following factors.

- Analysing the organisations strategic objectives and business plan priorities.
- Consideration of the organisations changing risk profile and any new or emergent risks on the Corporate Risk Register.
- Our understanding of the existing governance and assurance framework and the wider control environment.
- Any other factors impacting on GMCA and GMFRS over the next 12 months.

3. Plan Principles

3.1. The plan aims to provide a mix of strategic and operational risk-based audits which provide a breadth of coverage across both GMCA and GMFRS.

- We propose a 'rolling plan' which provides flexibility to respond to changes in the risk profile and is responsive to in-year and future assurance needs.
- Considers Executive and Senior Management input into the plan through ongoing client engagement.
- Has sufficient coverage to provide a Head of Internal Audit annual conclusion for 2025/26.
- Aligned to available Internal Audit resources and skills.
- Delivered in conformance with the Global Internal Audit Standards (GIAS), CIPFA Code of Governance for Internal Audit and CIPFA Application Note: GIAS in the UK Public Sector and the Internal Audit Charter.

4. Components of the Internal Audit Plan

4.1. The plan consists of internal audit work across a range of categories: These are:

Core controls	These audits are over core 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.
GMFRS audits	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.
Directorate audits	These are audits specific to GMCA Directorates and delivery of their business plan priorities.
Corporate Risk Register driven audits	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.
Thematic audits	These audits consider common themes across the GMCA group of organisations and the wider GM system (where applicable). They will either consider the same activity across multiple organisations or will consider the a specific initiative or activity across the partners that have responsibility for its delivery.
Follow up audits	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.

Grant certifications	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.
Audit Action Tracking	Internal Audit will track and report on progress with the implementation of audit actions.
Whistleblowing and Fraud	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 2025/26 there are some other areas which will require focus, these include:

Integrated Settlement and Assurance Framework	From April 2025, GMCA will be in receipt of an Integrated Settlement, which will replace a number of legacy funding arrangements and provide flexibilities to allow local decision making on where and how funding is spent. There will be an audit focus on the existing and emerging arrangements in place for the responsible management of the integrated settlement funding.
New Internal Audit Standards (GIAS-UK Public Sector)	The Global Institute of Internal Auditors have issued revised internal audit standards which come into force from April 2025. This will require updates to internal audit policies and practices to ensure conformance with GIAS in the UK Public Sector.

5. Internal Audit Plan 2025-26 (Draft)

5.1. The draft Internal Audit Plan for 2025/26 is detailed in the table below. The plan has been developed based on discussions held with Directors, a review of the corporate

risk register and our knowledge of the control environment. Further work is required to align the plan to the GMS, group corporate objectives and GMCA business plan as these documents have not yet been published but will be in Q1 2025/26. Additional stakeholder engagement is also planned during March 2025 to discuss and agree areas of activity.

5.2. The draft plan includes several 'block' allocations of time and the precise scope and nature of the work undertaken will be agreed with the audit sponsor. The rolling plan will allow the prioritisation of work to be kept under review and agreed with management on a quarterly basis.

5.3. The plan assumes that the resource levels in Internal Audit are as per the available establishment of 2.8FTE. The GMCA internal audit team consists of the Head of Internal Audit, Audit Manager (0.8FTE), and Principal Auditor. We are seeking to recruit a Principal Auditor (fixed term 1-year) and Internal Auditor to the structure, but these positions remain vacant. The team is led by the Deputy Director Audit and Assurance who works across GMCA, TfGM and GMP.

5.4. The plan is not an exhaustive list of all audits, assurance and consulting activity to be undertaken. Our proposed areas of coverage during quarter 1 from April 2025 – June 2025 include the following areas. This is subject to the final scope of work being agreed by stakeholders:

Quarter 1 Starts
- Land and Property - Estates reactive maintenance and BAU activity.
- Use of Overtime – Green Book
- Financial Core Systems work
- Adult Education Budget – Provider Contract and performance
- Internal Audit Standards – Development work

5.5 The plan will be further developed and kept under review during the year and an update presented to each Audit Committee meeting.

2025/26 DRAFT Internal Audit Plan

Category	Audit Type	Audit Description and Rationale	Link to BP and Corporate Risk Register
GMFRS Audits			
GMFRS: Front Line Service Delivery	Block allocation	**GMFRS BLOCK**: Audit work covering Prevention, Detection and Service Delivery and Service Support. Scope of work will be agreed with the Chief Fire Officer **There are five proposed areas for prioritisation.** • **NWFC**, specifically to review against the Grenfell Recommendation 31: That His Majesty's Inspectorate of Constabulary and Fire and Rescue Services ("the Inspectorate") inspect the London Fire Brigade as soon as reasonably possible to assess and report on: a) the extent to which the control room is now integrated into the organisation; b) the effectiveness of the arrangements for identifying the training needs of control room staff, delivering effective training and recording its outcomes; c) the effectiveness of the control room generally; d) the ability of the control room to handle a large number of concurrent requests for advice and assistance from people directly affected by fires or other emergencies; and e) the quality and effectiveness of the arrangements for communication between the control room and the incident commander. (113.55) • **Estates Team** – this work is taken in three separate audits spread out across the year 1) re-active maintenance / BAU activity 2) Station Refresh 3) Strategic Transformation Programme [new build Fire Stations]. • **Sickness Absence** – short term followed by long term with regards to adherence against policy and subsequent expectation/ application. • **Programme Management Office and GMFRS' corporate planning policy**, management of strategic risk, change and projects. • **Review of capability, discipline, grievance and bullying policy** and application with a focus upon the role Professional Standards is/can play in the topic.	GMFRS – multiple risks

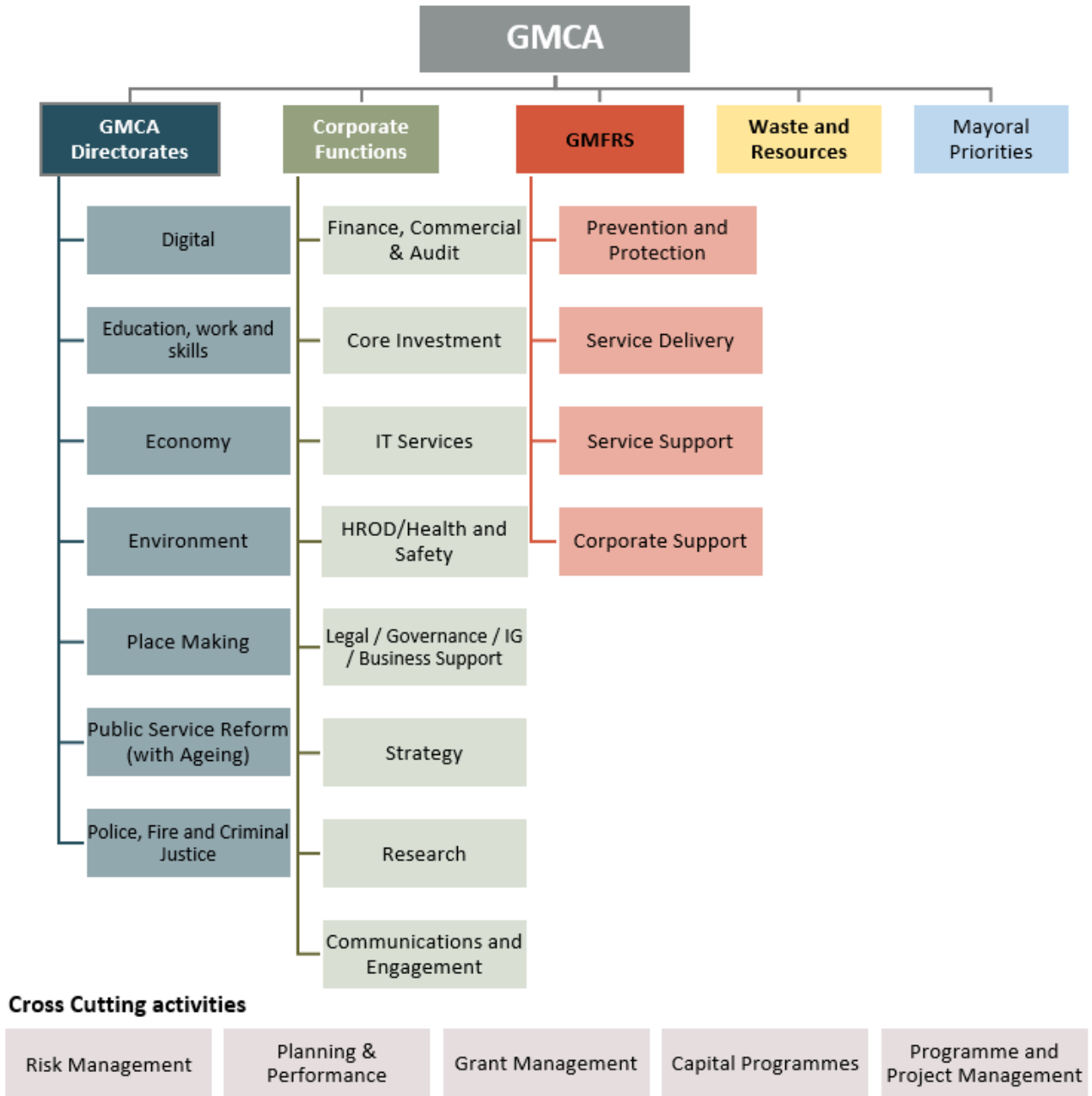|			
		• **Training**	
Core Controls Assurance			
Corporate Services: Finance / Procurement / Commercial / Investment	Core Financial Systems	**Core Financial Processes**: This work is an annual requirement to review the effectiveness of key financial processes. This work is undertaken on a cyclical, risk-based approach. Other areas to be considered. • Financial delegations and sign off. • Capital Budgeting • Loan Investments	
	Grant Certifications	Ongoing certification of grants as required by grant conditions. The introduction of the Integrated Settlement may reduce the need for some of these certifications but there will be funding received outside of the single settlement that will require certification.	
	Compliance	A series of transactional audits on core financial processes to assess compliance with GMCA standing orders, financial regulations, and contract procedure rules. These audits will examine key controls in areas such as accounts payable, accounts receivable, payroll, procurement, and contract management. Areas to be considered. • Gifts and Hospitality Register • Declarations of Interest • Car User Allowance and Mileage Claims and Business insurance • Officer Expenses	
Corp Services: People Services	System based	**Recruitment** - This review will consider the recruitment of Non-Operational Staff (Green Book).	
	Risk based	**Overtime Usage** - This review will consider the policies procedures and practices governing grey and green book overtime usage.	

Governance, Legal, IDG	Thematic audit	**Critical Data Assets** –To determine the effectiveness of GMCA's arrangements for managing its critical data assets. The same audit has been carried out at other partners, this will assess GMCAs processes and controls with a view to then sharing learning across the group from this and the other similar audits undertaken.	
ICT/ Digital	Risk based	This work is conducted by an external provider Mersey Internal Audit Agency (MIAA) who undertake GMCA technical ICT/Digital assurance work. • **Assessment against the National Cyber Assessment Framework (CAF) –** This review follows on from previous work undertaken on threat and vulnerability and cyber security. • **IT Asset Management** – this is the second asset management review and will focus on asset infrastructure – switches, UPS (first asset management review focused on end user devices)	

Assurance Framework

Assurance Framework	Programme Monitoring and Evaluation	**Programme delivery** - We will assess GMCA programme and project monitoring arrangements and key deliverables for a selection of Directorate programmes.	
Risk management	Risk based	**Corporate Risk Register Risk Deep Dives** – This work would consider the assurances over the stated mitigating actions to reduce risk and the effectiveness of these.	
Integrated Settlement	System based	**Integrated settlement and Assurance Framework** –This work will be defined and linked to the outcome of the recent readiness assessment and agreed actions from the report.	

Directorate Audits

Education, Work and Skills	System based	**Adult Education Budget (AEB)–** This review will consider provider performance and compliance monitoring. Focus on role of the Contract Monitoring Team in assessing providers on delivery and value for money.	

Place	System based	**Estates – this work consists of three separate audits** spread out across the year 1) Reactive Maintenance and Repairs / BAU activity 2) Station Refresh 3) Strategic Transformation Programme [new build]. Other areas to be considered. **Brownfield Housing Fund– Scheme delivery**	
Safer stronger communities	Contract Management	**Victim Services Contract**- This will review the contract management and oversight arrangements for the delivery of this contract. To be determined whether this this work will be undertaken by GMCA or GMP/PCC Internal Audit Team	
GM Resilience Unit	Business Continuity	**Disaster Recovery - Business Continuity Planning –** This review would consider BC arrangements across GMCA, with a focus on disruption to ICT and Digital services.	
Counter Fraud	Policy and Investigation	**Preventative:** • This work will include a review and update of all anti-fraud policies. • Fraud Risk Assessment. • NFI **Responsive** • Reactive Caseload whistleblowing / areas of concern	
ICT/Digital	Follow Up work	This audit will follow up on previously agreed actions for limited assurance opinion reports. Work will be conducted by Mersey Internal Audit Agency (MIAA) • IT Asset Management • IT Supplier Management	
Audit and Assurance	Development Work	**IIA Standards** - Implementation of the Global Internal Audit Standards (GIAS-UK Public Sector) to ensure compliance from April 2025 and beyond	
Audit and Assurance	Integrated assurance	**Assurance mapping and reporting** – development of an assurance map and integrated methodology for planning and reporting integrated assurance.	

Appendix 1 - Audit Universe and Risk Assessment results

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

GMCA

GMCA Directorates	Corporate Functions	GMFRS	Waste and Resources	Mayoral Priorities
Digital	Finance, Commercial & Audit	Prevention and Protection		
Education, work and skills	Core Investment	Service Delivery		
Economy	IT Services	Service Support		
Environment	HROD/Health and Safety	Corporate Support		
Place Making	Legal / Governance / IG / Business Support			
Public Service Reform (with Ageing)	Strategy			
Police, Fire and Criminal Justice	Research			
	Communications and Engagement			

Cross Cutting activities

Risk Management	Planning & Performance	Grant Management	Capital Programmes	Programme and Project Management

Appendix 2: Mapping of Audit Plan to Corporate Risk Register

The following table maps the internal audit plan to the Strategic and Organisational risks, those items in bold are planned internal audit activity in 25/26.

Where there are other recent or other significant sources of assurance, they are also recorded alongside the year in which that assurance was provided. This integrated assurance planning and reporting will be further developed in the year.

Strategic Risks

Risk	Audit/Assurance
CA1 - Working with GM Partners	• MHCLG Readiness assessment (24/25)
CA2 - Secure sufficient funding	
CA3 - Robust policy & decision making	• **Programme Monitoring and evaluation (25/26)** • MHCLG Readiness assessment (24/25)
CA4 - Trust and Confidence in GMP	Assurance provided through the Joint Audit Panel
CA5 - Bee Network financial sustainability	Assurance provided through TfGM, audit plan area of focus is financial sustainability.
CA6 - Deliver GMCA carbon targets	• Net Zero (24/25)
CA7 - Fail to respond effectively to local or national emergencies/ events/ shocks	• **Business continuity (25/26)**
CA8 – Delivery of key programmes, services and contracts	• **Programme monitoring and evaluation (25/26)** • **Adult Education Budget contract management (25/26)** • **Risk based audits (25/26)**
CA9 – Organisation not structured and organised to deliver greater devolution.	• Readiness assessment actions (25/26)

GMCA Organisational Risks

Ref	Risk Title	Audit
OR1	Readiness to respond to a major continuity event	• **Business Continuity 25/26** • **Assessment against NCSC Cyber Assessment Framework (CAF) 25/26** • JESIP (24/25) • Threat and vulnerability management (23/24) • Critical application review (23/24)
OR2	Failure to be prepared for Devolution Programme	• MHCLG Readiness assessment (24/25)
OR3	Failure to attract and retain equal, diverse and inclusive workforce	• **Green book recruitment processes (25/26)** • Attraction and recruitment (grey book) (24/25) • Equality Impact Assessments 24/25
OR4	Staff wellbeing	• **Sickness absence (25/26)** • EAP Effectiveness 23/24
OR5	Behaviours and Culture do not keep pace with changing demands	
OR7	Organisational Governance and Decision Making	• MHCLG readiness assessment (24/25)
OR9	Funding and grants not spent within time/conditions	• **Grant Certifications 25/26**, 24/25, 23/24 • MHCLG readiness assessment (24/25)
OR10	Compliance with Data Protection legislation	• **Critical data assets (25/26)**
OR11	Recruitment to priority roles	• **Green book recruitment processes (25/26)** • Attraction and recruitment (grey book) (24/25)
OR12	Management and security of sensitive data	• **Critical data assets (25/26)** • Compliance with Leavers Process 24/25 • Third Party supplier assurance 24/25
OR14	Cyber-attack	• **Business Continuity (25/26)** • Threat and Vulnerability Management 23/24 and follow up 24/25