

SBCD Internal Audit Report Action Plan 2022/23

No	Rec	Recommendation	Grade	Timescale for Action	Response	Progress Update	Owner	Status
1	Monitoring Arrangements	As each of the Programmes/Projects move into full delivery, quarterly monitoring reports presented to the Joint Committee and Programme (Portfolio) Board should be developed to incorporate enhanced financial monitoring, including whether expenditure is in line with forecasts and whether grant drawn down is in line with the agreed funding profile. Reporting would also benefit from enhanced data regarding delivery timescales. This would provide correlation and synergy between project progress and financial reporting	Important	Q1 2023/24	Enhancements will be made to the project/programme financial monitoring as per recommendation from Q1 2023/24. This will be embedded with the existing quarterly monitoring arrangements, including the monitoring of forecasted/actual delivery timescales. In addition, the PoMO will continue to work with SROs and PMs to ensure the change management process is adhered to, with a particular focus on detailing financial and timescale changes in a timely manner.	Brief explanations accompany quarterly financials. Details could include the reasons for adjustments to forecasted figures in terms of costs or timeframes, including slippage within the financial year or across the delivery lifecycle.	Steven Aldred-Jones	On-going
2	Project Management	The change notification process (including potential baseline thresholds) should be clearly defined, to provide clarity to Programmes/Projects as to when they need to comply with the change notification process, and bring consistency across the Portfolio	Important	Q2 2023/24	The PoMO will clarify the process and continue to send a consistent message out to all SROs/PMs to submit change notifications, reducing ambiguity on the process. In addition, a review of the Change Control Procedure and thresholds will be undertaken through consultation with key SBCD stakeholders.	<p><b>11/11/23</b> Meeting scheduled for 12<sup>th</sup> December 2023 with SEC151 Officer to discuss and agree approach to thresholds. Once agreed, the Change Control process / guidance to be reviewed with PMs/SROs and updated as necessary</p> <p><b>12/12/23</b> Meeting held with SEC151 Officer and PoMO to discuss proposal. Paper to be submitted to Programme Board in February.</p> <p><b>12/04/24</b> Change Control Thresholds have been submitted through Governance Boards and signed off by Joint Committee.</p>	Jon Burnes	Complete

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3	Impact of inflation and construction price rises	Regular updates on the impact of the current financial climate should be tabled as standing agenda items for the Programme (Portfolio) Board to enable regular monitoring on the impact of the current climate on the Portfolio. This should include periodic updates to the financial assessment, and regular review of the mitigating actions developed to ensure they are deliverable and achieving the intended benefit. Periodic updates on the forecast pressure and mitigating actions should also be provided to the Joint Committee, to keep them fully apprised of the matter.	Important	Q1 2023/24	The rising costs and inflationary pressures will continue to be monitored and mitigated as a red risk to the SBCD Portfolio. The Monthly Construction Impact Assessment and Construction Cost Mitigation Assessment documents will be merged and reported to JC from Q1 2023/24. This will include all project/programme details on the financial pressures (risks and issues) and mitigating actions either planned or taking place.	<p><b>02/11/23</b></p> <p>The monthly Construction Impact Assessment and Cost Mitigation documents have been merged and reported to JC since Q1 2023/24. The report format has since been revised and submitted to Programme Board in Oct-23. PoMO continues to monitor inflationary impact, rising construction costs and effect of mitigating actions. SROs and PMs are required to notify the PoMO and record key changes via the change management process and submit appropriate paperwork via their local and SBCD regional governance arrangements.</p> <p><b>16/04/24</b></p> <p>The Construction Impact Assessment has been revised at the request of Programme Board. New version now signed off by Joint Committee. No further action.</p>	Jon Burnes	Complete
4	Budgetary Control	The development of the Swansea Bay City Region budget for 2023-24 should be concluded at the earliest opportunity (recognising that a five-year budget has previously been approved by the Joint Committee). Moving forward, arrangements should be made to ensure that draft budgets are presented for approval prior to the start of the upcoming financial year.	Important	July 2023	Budget will be presented to the next Programme Board and JC. However, the operation of the City Deal is based on the 5-year budget which has been previously presented to JC. Therefore, the budget report will be an update on the 5-year budget. The budget and the budget monitoring report does recognise the partner contributions have ended in the 2022/23 and the expectation is that the 1.5 % top slicing of funding will continue to fund the PoMO. This top slicing contribution has been lower in previous years than profile and	<p>The 2023/24 JC budget is being finalised.</p> <p><b>16/05/24</b></p> <p>With 2023/24 being closed, the 2024/25 budget is being finalised and will be presented at the earliest opportunity.</p>	Chris Moore / Steven Aldred-Jones	On-going

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					will allow the additional funding moving forward. A new Finance Manager has now been appointed and is due to commence at the beginning of July 2023.			
5	Grant Funding	Grant claim forms should be used by all Programmes/Projects when requesting funding from Swansea Bay City Deal. Programmes/Projects in delivery should be advised that quarterly grant claims should be submitted, to allow funding to be distributed to lead bodies in a timely manner. Additionally, verification of the grant claim forms should be undertaken prior to payment being made, to ensure the total value of grant paid does not exceed the balances included within the payment profile.	Critical	Immediate	A reminder will be sent to Project Managers in respect of grant claim forms being submitted on a timely basis. The slight over payment on the scheme, was due to the current lack of Finance Officer being post but also a misunderstanding on the value of the claims. This was identified at the time of payment and will be adjusted in the next claim.	Payments are not made to partners unless an appropriately authorised claim form is received from the partner. Payments are then made in line with the profile to ensure the value paid does not exceed the payment profile.	Chris Moore / Steven Aldred-Jones	On Going