AGENDA

Meeting	**Audit Panel**
Date	**Tuesday 17 December 2013**
Time	**3.30 pm**
Place	**Committee Room 4, City Hall, The Queen's Walk, London, SE1 2AA**

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Members of the Panel

John Biggs AM (Chairman)
Roger Evans AM (Deputy Chairman)
Gareth Bacon AM
Len Duvall AM

A meeting of the Panel has been called by the Chairman of the Committee to deal with the business listed below. This meeting will be open to the public. There is access for disabled people, and induction loops are available.

Mark Roberts, Executive Director of Secretariat
Monday 9 December 2013

Further Information

If you have questions, would like further information about the meeting or require special facilities please contact: Laura Pelling, Committee Officer; telephone: 020 7983 5526; email: laura.pelling@london.gov.uk.

For media enquiries please contact Mark Demery, Head of Assembly External Relations, telephone 020 7983 5769 and email: mark.demery@london.gov.uk.

If you have any questions about individual reports please contact the report author whose details are at the end of each report.

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Agenda
Audit Panel
Tuesday 17 December 2013

1   **Apologies for Absence and Chairman's Announcements**

To receive any apologies for absence and any announcements from the Chairman.

2   **Declarations of Interests** (Pages 1 - 4)

The Panel is recommended to:

(a)   **Note the list of offices held by Assembly Members, as set out in the table at Agenda Item 2, be noted as disclosable pecuniary interests;**

(b)   **Note the declaration by any Member(s) of any disclosable pecuniary interests in specific items listed on the agenda and the necessary action taken by the Member(s) regarding withdrawal following such declaration(s); and**

(c)   **Note the declaration by any Member(s) of any other interests deemed to be relevant (including any interests arising from gifts and hospitality received which are not at the time of the meeting reflected on the Authority's register of gifts and hospitality, and noting also the advice from the GLA's Monitoring Officer set out at Agenda Item 2) and any necessary action taken by the Member(s) following such declaration(s).**

3   **Minutes** (Pages 5 - 14)

The Panel is recommended to confirm the minutes of the meeting of the Audit Panel held on 22 October 2013 to be signed by the Chairman as a correct record.

4   **Internal Audit Reports** (Pages 15 - 112)

Report of the Executive Director of Resources
Contact: Tom Middleton, tom.middleton@london.gov.uk, telephone: 020 7983 4257

The Panel is recommended to note the contents of the internal audit:

(a)   **Reports at appendices 1a to 1f;**

(b)   **Follow up review at Appendix 2; and**

(c)   **Note the progress report attached at Appendix 3**

The following appendices are attached to the report.

Appendix 1a	The Mayor's Economic Development Strategy and Implementation Framework	pages 19 to 36
Appendix 1b	Review of Desktop Management	pages 37 to 46
Appendix 1c	Review of Internet-Based Network Security	pages 47 to 57
Appendix 1d	Review of Decision Making Framework – Mayoral and Directorate	pages 59 to 72
Appendix 1e	Performance Management Framework	pages 73 to 87
Appendix 1f	General Ledger Control Framework	pages 89 to 100
Appendix 2	Treasury Management – Follow Up	pages 101 to 106
Appendix 3	Progress Report	pages 107 to 111

5   London's European Programmes (Pages 113 - 118)

Report of the Executive Director of Resources
Contact: Alex Conway; alex.conway@london.gov.uk; 020 7983 4600

The Panel is recommended to note the audit environment for European Programmes and note work currently underway.

6   Monitoring of Expenses and Taxable Benefits - Mayor, Elected Members and Senior Staff - 2013/14 (Pages 119 - 134)

Report if the Executive Director of Resources
Contact: Doug Wilson; doug.wilson@london.gov.uk; 020 7983 4038

The Panel is recommended to note the taxable benefits and expenses incurred by the Mayor, London Assembly Members and senior staff for the period 1 September 2013 to 31 October 2013.

7   Work Programme for the Audit Panel (Pages 135 - 138)

Report of the Executive Director of Secretariat
Contact: Laura Pelling, laura.pelling@london.gov.uk , 020 7983 5526

**The Panel is recommended to approve its work programme for the 2013/14
Assembly year and identify any additional issues it wishes to consider at future
meetings.**

8   Date of Next Meeting

The next meeting of the Panel is scheduled for 20 March 2014 at 2.00pm in Committee
Room 4.

9   Any Other Business the Chair Considers Urgent

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GREATER**LONDON**AUTHORITY **LONDON**ASSEMBLY

Subject: Declarations of Interests	
Report to: Environment Committee	
Report of: Executive Director of Secretariat	**Date: 17 December 2013**
This report will be considered in public	

1.   Summary

1.1   This report sets out details of offices held by Assembly Members for noting as disclosable pecuniary interests and requires additional relevant declarations relating to disclosable pecuniary interests, and gifts and hospitality to be made.

2.   Recommendations

2.1   **That the list of offices held by Assembly Members, as set out in the table below, be noted as disclosable pecuniary interests[1];**

2.2   **That the declaration by any Member(s) of any disclosable pecuniary interests in specific items listed on the agenda and the necessary action taken by the Member(s) regarding withdrawal following such declaration(s) be noted; and**

2.3   **That the declaration by any Member(s) of any other interests deemed to be relevant (including any interests arising from gifts and hospitality received which are not at the time of the meeting reflected on the Authority's register of gifts and hospitality, and noting also the advice from the GLA's Monitoring Officer set out at below) and any necessary action taken by the Member(s) following such declaration(s) be noted.**

3.   Issues for Consideration

3.1   Relevant offices held by Assembly Members are listed in the table overleaf:

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[1] The Monitoring Officer advises that: Paragraph 10 of the Code of Conduct will only preclude a Member from participating in any matter to be considered or being considered at, for example, a meeting of the Assembly, where the Member has a direct Disclosable Pecuniary Interest in that particular matter. The effect of this is that the 'matter to be considered, or being considered' must be about the Member's interest. So, by way of example, if an Assembly Member is also a councillor of London Borough X, that Assembly Member will be precluded from participating in an Assembly meeting where the Assembly is to consider a matter about the Member's role / employment as a councillor of London Borough X; the Member will not be precluded from participating in a meeting where the Assembly is to consider a matter about an activity or decision of London Borough X.

Member	Interest
Tony Arbour AM	Member, LFEPA; Member, LB Richmond
Jennette Arnold OBE AM	Committee of the Regions
Gareth Bacon AM	Member, LFEPA; Member, LB Bexley
John Biggs AM	
Andrew Boff AM	Congress of Local and Regional Authorities (Council of Europe)
Victoria Borwick AM	Member, Royal Borough of Kensington & Chelsea; Deputy Mayor
James Cleverly AM	Chairman of LFEPA; Chairman of the London Local Resilience Forum; substitute member, Local Government Association Fire Services Management Committee
Tom Copley AM	
Andrew Dismore AM	
Len Duvall AM	
Roger Evans AM	Member, LB Havering; Committee of the Regions; Trust for London (Trustee)
Nicky Gavron AM	
Darren Johnson AM	Member, LFEPA; Member, LB Lewisham
Jenny Jones AM	Member, House of Lords
Stephen Knight AM	Member, LFEPA; Member, LB Richmond
Kit Malthouse AM	Deputy Mayor for Business and Enterprise; Deputy Chair, London Enterprise Panel; Chair, Hydrogen London; Chairman, London & Partners; Board Member, TheCityUK
Joanne McCartney AM	
Steve O'Connell AM	Member, LB Croydon; MOPAC Non-Executive Adviser for Neighbourhoods
Caroline Pidgeon MBE AM	
Murad Qureshi AM	Congress of Local and Regional Authorities (Council of Europe)
Dr Onkar Sahota AM	
Navin Shah AM	Member, LFEPA; Member, LB Harrow
Valerie Shawcross CBE AM	Member, LFEPA
Richard Tracey AM	Chairman of the London Waste and Recycling Board; Mayor's Ambassador for River Transport
Fiona Twycross AM	Member, LFEPA

[Note: LB - London Borough; LFEPA - London Fire and Emergency Planning Authority; MOPAC – Mayor's Office for Policing and Crime]

3.2 Paragraph 10 of the GLA's Code of Conduct, which reflects the relevant provisions of the Localism Act 2011, provides that:

- where an Assembly Member has a Disclosable Pecuniary Interest in any matter to be considered or being considered or at

    (i) a meeting of the Assembly and any of its committees or sub-committees; or

    (ii) any formal meeting held by the Mayor in connection with the exercise of the Authority's functions

- they must disclose that interest to the meeting (or, if it is a sensitive interest, disclose the fact that they have a sensitive interest to the meeting); and

- must not (i) participate, or participate any further, in any discussion of the matter at the meeting; or (ii) participate in any vote, or further vote, taken on the matter at the meeting

UNLESS

- they have obtained a dispensation from the GLA's Monitoring Officer (in accordance with section 2 of the Procedure for registration and declarations of interests, gifts and hospitality – Appendix 5 to the Code).

3.3 Failure to comply with the above requirements, without reasonable excuse, is a criminal offence; as is knowingly or recklessly providing information about your interests that is false or misleading.

3.4 In addition, the Monitoring Officer has advised Assembly Members to continue to apply the test that was previously applied to help determine whether a pecuniary / prejudicial interest was arising - namely, that Members rely on a reasonable estimation of whether a member of the public, with knowledge of the relevant facts, could, with justification, regard the matter as so significant that it would be likely to prejudice the Member's judgement of the public interest.

3.5 Members should then exercise their judgement as to whether or not, in view of their interests and the interests of others close to them, they should participate in any given discussions and/or decisions business of within and by the GLA. It remains the responsibility of individual Members to make further declarations about their actual or apparent interests at formal meetings noting also that a Member's failure to disclose relevant interest(s) has become a potential criminal offence.

3.6 Members are also required, where considering a matter which relates to or is likely to affect a person from whom they have received a gift or hospitality with an estimated value of at least £25 within the previous three years or from the date of election to the London Assembly, whichever is the later, to disclose the existence and nature of that interest at any meeting of the Authority which they attend at which that business is considered.

3.7 The obligation to declare any gift or hospitality at a meeting is discharged, subject to the proviso set out below, by registering gifts and hospitality received on the Authority's on-line database. The on-line database may be viewed here:
http://www.london.gov.uk/mayor-assembly/gifts-and-hospitality.

3.8 If any gift or hospitality received by a Member is not set out on the on-line database at the time of the meeting, and under consideration is a matter which relates to or is likely to affect a person from whom a Member has received a gift or hospitality with an estimated value of at least £25, Members are asked to disclose these at the meeting, either at the declarations of interest agenda item or when the interest becomes apparent.

3.9 It is for Members to decide, in light of the particular circumstances, whether their receipt of a gift or hospitality, could, on a reasonable estimation of a member of the public with knowledge of the relevant facts, with justification, be regarded as so significant that it would be likely to prejudice the Member's judgement of the public interest. Where receipt of a gift or hospitality could be so regarded, the Member must exercise their judgement as to whether or not, they should participate in any given discussions and/or decisions business of within and by the GLA.

4. Legal Implications

4.1 The legal implications are as set out in the body of this report.

5. Financial Implications

5.1   There are no financial implications arising directly from this report.

Local Government (Access to Information) Act 1985
List of Background Papers: None
Contact Officer: Laura Pelling, Committee Officer Telephone: 020 7983 5526 E-mail: laura.pelling@london.gov.uk

GREATER**LONDON**AUTHORITY

LONDONASSEMBLY

MINUTES

Meeting: Audit Panel
Date: Tuesday 22 October 2013
Time: 3.30 pm
Place: Committee Room 3, City Hall, The Queen's Walk, London, SE1 2AA

Copies of the minutes may be found at: www.london.gov.uk/mayor-assembly/london-assembly/audit-panel

Present:

John Biggs AM (Chairman)
Roger Evans AM (Deputy Chairman)
Gareth Bacon AM

1 Apologies for Absence and Chair's Announcements (Item 1)

1.1 An apology for absence was received on behalf of Len Duvall AM.

1.2 The Chairman noted that a number of the reports to the agenda had been received late and requested that all future reports be received on time.

2 Declarations of Interests (Item 2)

2.1 **Resolved:**

That the list of offices held by Assembly Members, as set out in the table at Agenda Item 2, be noted as disclosable pecuniary interests.

3   Minutes (Item 3)

3.1   **Resolved:**

That the minutes of the meeting of the Audit Panel held on 16 July 2013 be signed by the Chairman as a correct record.

4   Independent Auditor's Report, Certificate and Audit Results for 2012/13 (Item 4)

4.1   The Audit Panel received the report of the Executive Director of Resources, to which was appended the Independent Auditor's Report 2012/13, the Auditor's Certificate 2012/13, the Auditor's Audit Results 2012/13, the Statement of Accounts 2012/13 and the Annual Governance Statement 2012/13.

4.2   The External Auditor noted that the report provided an unqualified audit opinion. Three areas were identified to the Panel as being of significance. First, various of the functional bodies' accounts had been deconsolidated from the accounts as presented for 2011/12. The External Auditor went on to explain that this related to the way that the GLA assessed the financial benefits of land and assets under the GLA's control.

4.3   The External Auditor confirmed that they had consulted widely on this revised approach. Transport for London (TfL), the Mayor's Office for Policing and Crime (MOPAC), the London Fire and Emergency Planning Authority (LFEPA) and the London Development Agency (LDA) had, as a result, been taken out of the prior year's accounts and had been deconsolidated; the London Legacy Development Corporation (LLDC) and GLA Land and Property Limited (GLAP) had been consolidated within the GLA's accounts.

4.4   The Head of Governance and Resilience confirmed that the Audit Commission, Ernst & Young, the Department for Communities and Local Government (DCLG), and the Chartered Institute of Public Finance and Accounting (CIPFA) had indicated their agreement to this revised approach.

4.5   The External Auditor went on to explain that the way the LDA and Homes and Communities Agency's (HCA) assets had been transferred to the GLA and GLAP meant they had been merger accounted, not acquisition accounted.

4.6   Two significant items relating to the LLDC had been highlighted in the report: (a) its assets had been originally valued by the Olympics Delivery Authority under one treatment but had then, following transfer, been valued by the LLDC under a different treatment. This had led to an impairment, which amounted to a loss of £1.28 billion on the original value in accounting terms.

4.7   The Deputy Chairman asked about the difference between current value and future use value. The External Auditor explained this related to the purpose of the assets to the entity in question. For the LLDC, this was about raising future income in the park, whereas for the Olympic Delivery Agency assets had been assessed on delivering the Olympic and Paralympic Games.

4.8   Finally, the External Auditor noted that the compulsory purchase order provision had been adjusted by about £2 million to reflect current costs and not future costs, which originally included management costs.

4.9   Asked about the accounting system dealt with for long-term land compensation income streams, the External Auditor explained that one would estimate the future liability one would have to pay; it would not include the future management costs.

4.10   The Chairman noted evidence heard by the Budget and Performance Committee at a recent meeting which had made clear that City Hall has to underwrite the London Legacy Development Corporations' liabilities. The External Auditor stated that the confirmation given by the GLA in this regard would be taken into account in future audit opinions of the LLDC's accounts.

4.11   **Resolved:**

        That the Independent Auditor's Report, Certificate and Audit Results for 2012/13 be noted.

5   **Internal Audit Reports (Item 5)**

5.1   The Audit Panel received the report of the Executive Director of Resources. Appended to the report were: seven internal audit reports (of which two had received substantial assurances, three had received adequate assurances, and two had received limited assurances); four follow-up reports (of which one had received a substantial assurance and three had received adequate assurances); and the internal audit progress report.

5.2   The Chairman noted that a number of reports, including the housing reports, had been submitted late and had, therefore, been published as part of a supplementary agenda. The Director of Audit, Risk and Assurance (MOPAC) explained this had been in order to allow the Executive Director of Housing and Land additional time to consider the reports.

        Internal Audit Reports

5.3   The Panel considered the following recent internal audit reports (attached at Appendices 1a

to 1g of the report):

- Regeneration Funding Control Framework;
- ICT Procurement Framework;
- Housing Grants Monitoring and Control Framework;
- Decent Homes Programme Management Framework;
- Affordable Homes Programme Management Framework;
- Estate Strategy and Management of Assets; and
- Mayor's Mentoring Programme – Management Framework.

Regeneration Funding Control Framework

5.4   The Director of Audit, Risk and Assurance (MOPAC) noted that this had been a high-level review of the Framework and a more detailed assessment would be made later in the year. There was an effective governance framework in place, adequate processes in place for assessing bids and scrutiny, and a particularly good programme for evaluation.

5.5   Asked about an overall regeneration strategy in City Hall, the Assistant Director for Regeneration explained that the economic strategy was the governing piece of work.

ICT Procurement Framework

5.6   The Head of Technology confirmed that all four of the recommendations in the report had been accepted.

Housing Grants Monitoring and Control Framework

5.7   The Director of Audit, Risk and Assurance (MOPAC) explained that this audit had been a high-level review to consider the grant monitoring framework following the move of the HCA's responsibilities for London to City Hall. The recommendations in the report were an opportunity to standardise procedures. It was recognised that in some instances this would be difficult to achieve, however, undertakings had been given by the GLA that where there were lessons to be learnt for one programme, the Housing Team would consider if there were similar improvements to be made for other programmes. It was also felt there were improvements which could be made to escalate risk to the corporate risk register.

5.8   The Assistant Director for Programme, Policy and Services explained that the Housing and Land Directorate had put processes in place to meet this recommendation. Asked by the Chairman about the procedures for payment under this programme, the Assistant Director for Programme, Policy and Services explained that payment by completion under the Affordable Homes Programme had been a system inherited by the GLA when powers and functions had been transferred over from the HCA. From 2015, the programme would be a wholly new programme managed entirely by the GLA. Where there were lessons to be learnt from the

HCA's work, they would be implemented then.

Decent Homes Programme Management Framework

5.9   The Director of Audit, Risk and Assurance (MOPAC) noted that an adequate assurance had been given overall and there were clearly defined criteria for assessments of bids. One area where processes could be improved was where the GLA relied on external organisations to sign off finances. Current arrangements required Chief Finance Officers, or their equivalent, to confirm that appropriate processes had been followed and complied with. The report recommended that the GLA hold a list of authorised signatories.

5.10   In response to a question from the Chairman about the level of risk this could present, the External Auditor said the important question to consider was to what extent an assurance was needed, given that this was not a Government requirement.

5.11   Gareth Bacon AM suggested it would be relatively easy to get a list of the 32 Chief Finance Officers in London boroughs and that, although the risk of fraud was minimal, the recommendation should be accepted.

5.12   The Assistant Director – Programme, Policy and Services explained that, in relation to the third recommendation, additional checks would be introduced so that independent audit reports would be required as part of annual claims. On the second recommendation, it was felt that sufficient meetings were already held with London boroughs where problems about the programme could be raised. Finally, on the first recommendation, it was felt that it was reasonable to rely on boroughs to know who their section 151 officers were and that accepting the recommendation would offer no added value. The Head of Financial Services added that the recommendation on its own was not onerous, but that it would add little value, especially considering the other checks were adequate.

5.13   The Executive Director of Resources assured the Panel that there would be further consideration of this recommendation during the follow-up review.

Affordable Homes Programme Management Framework

5.14   It was noted that this had received a substantial assurance. A good governance and control framework was in place.

Estate Strategy and Management of Assets

5.15   The Director of Audit, Risk and Assurance (MOPAC) explained that the limited assurance received on this report reflected the expanded role of the GLA and the transfer of assets in April 2012. As yet, a full implementation plan for the estate was not yet in place.

5.16   The Assistant Director for Strategic Projects and Property explained that considerable work had been undertaken to formulate an asset strategy. A proposal would go to the Home Investment Group and, if accepted, would be published in November 2013. Following this an implementation plan would be produced which would include monitoring and reporting strategies. Two hundred and eighty nine assets had been transferred from the LLDC and the HCA to the GLA but it was taking time to work through all of the separate strategies. The internal auditors' recommendations had been accepted in full.

5.17   The Assistant Director for Land Estates and Property noted that they were moving towards a single management plan for the entire portfolio.

Mayor's Mentoring Programme – Management Framework

5.18   The Director for Audit, Risk and Assurance (MOPAC) stated that this audit had resulted in a rating of limited assurance. Although measures had been introduced over the past year to improve the control framework, further work was deemed to be required. There was a clearly defined strategy, as well as procedures for oversight, monitoring, reporting and approval of payments. In order to address risk, however, the audit report proposed a greater level of assurance around the evidence retained on the vetting of mentors. There had been a change in eligible criteria for participating mentees which, it was felt, could be communicated more clearly. It was also felt that improvements could be made in the communications between managing agents and the GLA, and around the timeliness of reporting in order to ensure outputs were captured.

5.19   The Executive Director of Communities and Intelligence noted that the Mayor's Mentoring Programme had been the subject of review by the GLA Oversight Committee. The programme was designed to provide interventions in difficult areas of social policy and this audit had taken place one quarter after a new process had been introduced. Furthermore, the programme involved grass roots groups, so it was not perhaps surprising that a limited assurance had been given. Overall the programme was delivering well, and in many cases was achieving close to or higher than the targets predicated this time last year.

5.20   Six of the seven recommendations had been accepted. The Executive Director of Communities and Intelligence noted that one of the recommendations asked for managing agents to check all Criminal Record Bureau checks after six months. Although it was felt to be an excessive measure, additional funding would be paid to managing agents to carry out this work in order to address the recommendation. However, the recommendation which proposed that such checks should be collated by the GLA centrally had not been accepted as it was felt to be excessive in terms of the likely impact on the Authority's resources, especially as sampling checks were already carried out. Moreover, accepting this recommendation could have consequences for other larger and more expensive programmes where the associated costs of additional checks would be even greater.

5.21   A discussion was had about the numbers of people with whom the auditors had undertaken checks; the Executive Director of Communities and Intelligence stated that he understood that 20% of the participants had been checked and that no issues had arisen; the Director of Audit, Risk and Assurance (MOPAC) stated that she understood that 20 people had been checked as part of the review. The Executive Director of Communities and Intelligence explained that even if a low analysis had been undertaken by the internal auditors, there had been a high number of matched relationships with no complaints.

5.22   Gareth Bacon AM suggested that while checking 100% of participants could be excessive, 20% was possibly not enough. The Chairman added that a range of strategies was required for sufficient oversight. It was agreed that this point should be drawn to the attention of the GLA Oversight Committee in relation to its work on the Mayor's mentoring programme.

Internal Audit Follow-up Reports

5.23   The Audit Panel considered the following recent internal audit reports (attached at Appendices 2a-2d):

- Agency Staff and Consultants – Follow-up;
- Contract Monitoring Framework – Follow-up;
- Capital Programme - Monitoring and Control – Follow-up;
- Members' Allowances and Expenses Control Framework – Follow-up.

Agency Staff and Consultants – Follow-Up

5.24   The Deputy Chairman noted that one of the recommendations (10.2) had not been implemented. In response, the Head of Financial Resources said that a separate report would not be productive nor had it been asked for. It was noted that there had been a change in management since the recommendations had originally been accepted.

5.25   The Chairman suggested that a discussion with the Internal Auditors would be pertinent if, in retrospect, the recommendation was no longer being accepted. In reply, the Director for Audit, Risk and Assurance (MOPAC) explained that the initial findings had been around capturing the costs of agency staff. GLA officers felt that there were other formats when this information would arise.

5.26   The Chairman proposed the internal auditors be invited to review their position given that the recommendation had not been accepted when this was next reviewed.

Contract Monitoring Framework – Follow-Up

5.27   It was noted that all of the recommendations had been agreed.

5.28   Asked by Gareth Bacon AM why the original recommendations had not yet been implemented if they had been proposed in November 2012, the Head of Financial Services explained that the issue had been raised with TfL. The Executive Director of Resources confirmed that he was to meet with TfL in December to discuss this.

Capital Programme – Monitoring and Control – Follow-Up

5.29   The Head of Financial Services noted that the target for implementation of recommendation 8.8 was November and not October as stated in the report.

Members' Allowances and Expenses Control Framework – Follow-Up

5.30   It was noted that this report had received a substantial assurance and not adequate as set out in the report.

Internal Audit – Progress Report

5.31   The Audit Panel considered the Internal Audit – Progress Report. The Head of Governance and Resilience noted that an audit charter had been drafted in line with public audit standards. This would be brought to a future Audit Panel meeting for approval.

5.32   In response to a recommendation from the Chairman, the Head of Governance and Resilience noted that where internal auditors gave limited assurances on reports, this was raised to the Mayor's attention. He agreed to include comments from the Audit Panel where reports had received limited assurance as part of this process.

5.33   **Resolved:**

That the following be noted:

(a) The reports at Appendices 1a to 1g;

(b) The follow up reviews at Appendices 2a to 2d; and

(c) The Progress Report at Appendix 3.

6   Risk Management (Item 6)

6.1   The Audit Panel received the report of the Executive Director of Resources.

6.2   The Head of Governance and Resilience noted some amendments had been made to the Corporate Risk Register since it was last reported.

6.3   The Chairman highlighted the importance of air quality in London. The Head of Governance and Resilience explained there was a policy risk and a process risk to these targets, the latter of which was being raised with the European Commission, especially as London was not the only area to find this target to be a challenge.

6.4   **Resolved:**

       That the Corporate Risk Register be noted.

7   Monitoring of Expenses and Taxable Benefits – Mayor, Elected Members and Senior Staff – 2013/14 (Item 7)

7.1   The Audit Panel received the report of the Executive Director of Resources.

7.2   **Resolved:**

       That the taxable benefits and expenses incurred by the Mayor, London Assembly Members and senior staff for the period 1 April 2013 to 31 August 2013 be noted.

8   Register of Gifts and Hospitality – Mayor and Assembly Members (Item 8)

8.1   The Audit Panel received the report of the Monitoring Officer.

8.2   **Resolved:**

       That the report and the contents of Appendix 2 attached to the report, which sets out gifts and hospitality declared by the Mayor and Assembly Members in the period from 1 February 2012 (10am) until 1 September 2013 (10am) be noted.

9   Register of Gifts and Hospitality – Members of Staff – Report of the Monitoring Officer (Item 9)

9.1   The Audit Panel received the report of the Monitoring Officer.

9.2   **Resolved:**

       That the declared gifts and hospitality by (i) staff directly appointed by the Mayor under section 67(1) of the Greater London Authority Act 1999 (as amended) and

(ii) senior staff appointed by the Head of Paid Service, namely staff at Head of Unit level and above, during the period from 1 February 2013 (10am) to 1 September 2013 (10am) be noted.

10 Work Programme for the Audit Panel (Item 10)

10.1 The Audit Panel received the report of the Executive Director of Resources.

10.2 It was noted that the Gifts and Hospitality Follow Up report would go to the Audit Panel's March 2014 meeting and not the December 2013 meeting as set out in the report.

10.3 **Resolved:**

That the updated work programme for 2013/14 be noted.

11 Date of Next Meeting (Item 11)

11.1 The next meeting of the Audit Panel was scheduled for 17 December 2013 at 3.30pm in Committee Room 5, City Hall.

12 Any Other Business the Chair Considers Urgent (Item 12)

12.1 There was no urgent business.

13 Close of Meeting

13.1 The meeting ended at 5.05pm.

_____   _____

Chairman   Date

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GREATER**LONDON**AUTHORITY   **LONDON**ASSEMBLY

Subject: Internal Audit Reports	
Report to: Audit Panel	
Report of: Executive Director of Resources	**Date: 17 December 2013**
This report will be considered in public	

1.   Summary

1.1   This report informs the Panel of recent internal audits.

2.   Recommendations

2.1   **That the Audit Panel notes the contents of the internal audit:**

     (a)   Reports at Appendices 1a to 1f;

     (b)   Follow up review at Appendix 2; and

     (c)   Progress report at Appendix 3.

3.   Background

3.1   The GLA's Internal Auditor, the MOPAC, have recently issued the following reviews:

- The Mayor's Economic Development Strategy and Implementation Framework;
- Review of Desktop Management;
- Review of Internet-Based Network Security;
- Review of Decision Making Framework – Mayoral and Directorate;
- Performance Management Framework; and
- General Ledger Control Framework.

3.2   The Auditor has also issued the following follow up review:

- Treasury Management – Follow Up.

3.3   These reports are attached as **Appendices 1a to 1f** and **Appendix 2** respectively. Attached as **Appendix 3** is the internal audit progress report.

4.   Recent Internal Audit Reports

Level of Assurance

4.1   Internal Audit award a level of assurance for each audit they undertake. The four categories of assurance are, as follows:

Level 1 or Substantial Assurance
There is particularly effective management of key risks contributing to the achievement of business objectives.

Level 2 or Adequate Assurance
Key risks are being managed effectively, however a number of controls need to be improved to ensure business objectives are met.

Level 3 or Limited Assurance
Some improvement is required to address key risks before business objectives can be met.

Level 4 or No Assurance
Significant improvement is required to address key risks before business objectives can be met.

4.2   Set out below is a summary of recent internal audit reports showing the level of assurance awarded.

Audit	Ref	Responsibility	Level of Assurance
The Mayor's Economic Development Strategy and Implementation Framework	1a	Assistant Director – Economic and Business Policy	Adequate
Review of Desktop Management	1b	Head of Technology	Substantial
Review of Internet-Based Network Security	1c	Head of Technology	Substantial
Review of Decision Making Framework – Mayoral and Directorate	1d	Head of Governance & Resilience	Substantial
Performance Management Framework	1e	Head of Governance & Resilience	Adequate
General Ledger Control Framework	1f	Head of Financial Services	Substantial
Treasury Management – Follow Up	2	Assistant Director - Group Finance	Adequate

4.3   Attached at **Appendix 3** is internal audit's regular progress report.

5.   Legal Implications

5.1   There are no legal issues directly arising from this report.

6.   Financial Implications

6.1   There are no financial issues arising directly from this report.

List of appendices to this report:

Internal Audit reports
Appendix 1a   The Mayor's Economic Development Strategy and Implementation Framework
Appendix 1b   Review of Desktop Management
Appendix 1c   Review of Internet-Based Network Security
Appendix 1d   Review of Decision Making Framework – Mayoral and Directorate
Appendix 1e   Performance Management Framework
Appendix 1f   General Ledger Control Framework
Appendix 2   Treasury Management – Follow Up
Appendix 3   Internal audit progress report

Local Government (Access to Information) Act 1985
List of Background Papers: None

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MOPAC | MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

Mayor's Economic Development Strategy and Implementation Framework

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Tom Middleton, Head of Governance and Resilience

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1. Background

1.1 This review has been carried out as part of the Greater London Authority (GLA) 2013/14 internal audit plan. The objectives of the Mayor's Economic Development Strategy are to set a clear vision for London's economic future with clear priorities to attract businesses, students and visitors.

1.2 At the outset of the review, the following potential risks were identified to achieving the objectives of the Mayor's Economic Development Strategy:
- Ill-defined strategy
- Vision and priorities not clear or achievable
- Lack of accountability, ill-defined roles and responsibilities
- Ineffective planning and implementation
- Ineffective management of risk to delivery
- Insufficient funding
- Inadequate performance criteria and measurement
- Ineffective monitoring, reporting and communication

1.3 We are looking to provide assurance that the key risks to the achievement of the Strategy's objectives are being effectively managed.

1.4 The Mayor's Economic Development Strategy sets out the vision for the London economy, and how it can be realised. It is a call to action for all those involved in London's economy and concerned with its success. The Mayor's ambitions are for 'London to be the World Capital of Business, and to have the most competitive business environment in the world; to be one of the world's leading low carbon capitals; for all Londoners to share in London's economic success and for London to maximise the benefits of the 2012 Olympic and Paralympic games'. Delivery of the Strategy is overseen by the London Enterprise Panel that is a non-incorporated consultative advisory body established by the Mayor under the GLA Act 1999.

1.5 The budget for the Economic Development Strategy for 2013/14 is £110.7m, of which £10.3m is revenue and £100.4m capital under the London Growth Fund. As at August 2013, £69.5m of the London Growth Fund had been spent.

2. Audit Assurance

Adequate Assurance

The control framework supporting the Economic Development Strategy is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure the objectives are met.

3.   Areas of Effective Control

3.1   The vision, key objectives and strategic outcomes for the Mayor's strategy for the development of the London economy are clearly defined in the Mayor's Economic Development Strategy, which was published in May 2010 following consultation with a wide range of stakeholders.

3.2   The Mayor's Economic Development Strategy is a statutory document which not only sets out the vision and objectives for the development to the London economy but defines its scope and interdependencies with other strategies such as the London Plan and the Mayor's Transport Strategy.

3.3   The Mayor is accountable for the overall achievement of the Strategy, with the day to day responsibility delegated to the Deputy Mayor for Business and Enterprise. The Economic and Business Policy Unit (EBPU) within the GLA leads on the development and delivery of the Strategy through policy development and programme management in support of the Mayor's Office.

3.4   The London Enterprise Panel (LEP), established by the Mayor in January 2012 as an unincorporated Mayoral Appointment Body under section 30 of the GLA Act 1999, is the local enterprise partnership for London and specifically advises the Mayor on:
- Strategic investment to support private sector growth and employment;
- Promoting enterprise and innovation and the acquisition of skills for sustained employment in London;
- Methods to protect and enhance London's competitiveness.

3.5   Spending for economic development and the delivery of agreed objectives are managed and reported via the Authority's programme and project management framework, and monitored by the Investment Programme Board (IPB) with regular updates to LEP.

3.6   The Authority adopted an evidence based consultation approach to produce the Prospectus for Round 2 bids for the London Growth Fund, and this was launched alongside the LEP Jobs and Growth Plan in April 2013.

3.7   A defined evaluation and assessment process is applied to support funding allocations. All funding decisions and approvals are subject to the Authority's decision making framework. Funding agreements are in place which clearly set out terms and conditions to ensure funds are spent in line with agreed objectives.

3.8   LEP, chaired by the Mayor, co-ordinates the statutory London-wide strategies. Its membership is drawn from London's eminent business leaders, local authorities, deputy mayors for housing and transport, TFL and business development representatives. Effective management and partnership working arrangements are in place through the LEP, International Business Advisory Council for London and London Business Advisory Council.

4   Key Risk Issues for Management Action

4.1   The Strategy has not been reviewed since it was published in 2010 and there have been significant developments during this period which may impact on its defined objectives going forward. The Mayor published his 2020 Vision for London in July 2013, which communicates his ambition for London and its ability to meet the challenges of rapid population growth and economic success. It is an opportune time to review the Economic Development Strategy and this is to be taken forward by the EBPU. We have also recommended that the opportunity be taken to review and streamline the supporting governance structure where possible.

4.2   A Jobs and Growth Plan has been developed to support key aspects of the Economic Development Strategy. However, as yet an overarching implementation plan with a clear set of performance measures supporting the delivery of the Strategy is not in place, although it is under development. The introduction of the plan and clearly defined performance measures will facilitate the monitoring of delivery against agreed objectives, particularly given the complex nature of the governance arrangements that support the implementation of the Strategy.

4.3   The Jobs and Growth Plan does not contain performance criteria or set measurement of outcomes to help determine the level of achievement in delivering its objectives and measuring its impact on the London economy.

4.4   The terms of reference of the four LEP sub working groups do not clearly define their role in delivering the Strategy and how to assist in managing the interdependencies between the groups.

4.5   There are various funding streams available to support economic development projects, for clarity and to facilitate the oversight of spending in this area, we have recommended that reports provided to the IPB clearly indicate the relevant funding stream.

5   Review Objectives

5.1   Our overall objective was to review the adequacy of the control framework in place to mitigate the risks to the delivery of the Mayor's Economic Development Strategy. In particular, we sought to give an assurance that:

- The Strategy is clearly defined, interlinked with other key strategies, properly communicated and supported by a defined strategic framework.
- An implementation plan supporting the delivery of the Strategy is in place and monitored effectively.
- Effective management and partnership working agreements are in place to support the achievement of the strategic objectives/outcomes.
- Accurate and timely management information supports the effective, scrutiny and reporting of progress against the Strategy.

6   Scope

6.5   We reviewed the adequacy and effectiveness of the control framework supporting the implementation of the Mayor's Economic Development Strategy. This includes the definition of strategic objectives/outcomes, accountabilities and roles and responsibilities, and the effectiveness of the implementation process and monitoring arrangements supporting the delivery of the Strategy. We also reviewed the effectiveness of the identification and management of key risks to achieving the strategy.

6.6   A separate audit of the London Growth Fund will be carried out later in the year. The effectiveness of the governance arrangements will be tested as part of that review.

7   Strategic Framework

Strategy

7.1   Under the GLA Act 1999 the Mayor has a statutory responsibility to promote economic development in London and publish a strategy to set out his vision and priorities for the capital. The Mayor's vision, strategic objectives and outcomes for the development of the London economy are clearly defined within the Mayor's Economic Development Strategy published in May 2010 which covers the period up to 2031, recognising the long term nature of plans to improve the London economy. The Strategy was drawn up following consultation with key business representatives and local authorities and supported by government economic forecasts. The key objectives are to:

- Promote London as the world capital of business, the world's top international visitor destination and the world's leading international centre of learning and creativity.
- Ensure that London has the most competitive business environment in the world.
- Make London one of the world's leading low carbon capitals by 2025 and a global leader in carbon finance.

- Give all Londoners the opportunity to take part in London's economic success, access sustainable employment and progress in their careers and
- Attract the investment in infrastructure and regeneration which London needs, to maximise the benefits from this investment and in particular from the opportunity created by the 2012 London Games and their legacy.

7.2   The Strategy has not been reviewed since it was published in 2010 and there have been significant developments during this period which may impact on its defined objectives going forward. The Mayor published his 2020 Vision for London in July 2013, which communicates his ambition for London and its ability to meet the challenges of rapid population growth and economic success. It is an opportune time to review the Economic Development Strategy and this is to be taken forward by the Economic and Business Policy Unit (EBPU).

> **Recommendation**
> The Mayors Economic Development Strategy is reviewed, in particular to ensure it reflects the Mayor's 2020 Vision, changes in the delivery model and current economic forecasts.

7.3   The Strategy was launched by the Mayor in May 2010 and shared with key stakeholders, and in particular those that took part in the consultation and play a key role in taking the Strategy forward. It is available on the GLA website and the Mayor and Deputy Mayor of Business and Enterprise continue to promote the Strategy at partnership meetings and with key contacts within the business and international community.

7.4   The interdependencies with other key Mayoral plans and strategies are referenced in the Economic Development Strategy, and in particular the London Plan and Transport Strategy. Stated goals/objectives for the respective strategies are consistent and officers responsible for each of the strategies communicate regularly and meet at programme boards to review projects supporting their implementation.

Governance Framework

7.5   The Mayor is accountable for the overall achievement of the Strategy, with the day to day responsibility delegated to the Deputy Mayor for Business and Enterprise. The London Enterprise Panel (LEP), established by the Mayor in January 2012 as an unincorporated Mayoral Appointment Body under section 30 of the GLA Act 1999, is the local enterprise partnership for London it specifically advises the Mayor on:
- Strategic investment to support private sector growth and employment;
- Promoting enterprise and innovation and the acquisition of skills for sustained employment in London;
- Methods to protect and enhance London's competitiveness.

7.6 LEP advises on the allocation of funding subject to the agreement of the funder and to any arrangements with the GLA as an accountable body, ensuring compliance with the GLA programme management framework and formal approval process i.e. IPB oversight and review and compliance with the GLA decision making process. In April 2013 the LEP produced the London Jobs and Growth Plan, which is supported by the £40m Growing Places Fund.

7.7 The Panel has agreed terms of reference that are available on the GLA Website, and meets on a quarterly basis. It seeks to add value by co-ordinating the statutory Mayoral London-wide strategies, including the Economic Development Strategy, Transport Strategy, Housing Strategy and the London Plan. The Panel is chaired by the Mayor and the deputy co-chairs are the Deputy Mayor of Business and Enterprise and the former Chairman of Prudential plc. The Panel's membership is drawn from London's eminent business leaders, local authorities, deputy Mayors for Housing and Transport, TfL and London Development leads. The lead GLA officer for the Panel is the Executive Director, Development, Enterprise and Environment.

7.8 The key objectives of the Strategy are supported by four priority work streams each of which has a designated working group reporting to the LEP, with the Chairs drawn from its membership. The groups are advisory to the LEP and are designated as follows:
- Small and Medium Enterprise Working Group (SME)
- Digital Creative, Science & Technology Working Group (DCST)
- London Infrastructure Group (LIG)
- Skills & Employment Working Group (SEWG)

7.9 The working sub groups are assigned actions from the Jobs and Growth Implementation Plan and are responsible for reporting progress to the LEP. The current terms of reference for the four working groups are not consistently defined and would benefit from greater clarity to their role in supporting the delivery of the Mayors Economic Development Strategy and LEP, and the interdependencies between the groups.

> **Recommendation**
> Terms of reference are reviewed for the working sub groups clearly defining their role in supporting the delivery of Mayor's Economic Development Strategy and the LEP, and the interdependencies between the groups.

7.10 The EBPU within the Authority leads on the development and delivery of the Strategy through policy development and programme management on economic development in London. They are currently working on a business plan which will detail their role in ensuring the delivery of the Strategy. The defined objectives of the EBPU are to:
- Fulfill the Mayor's statutory role to promote economic development in London.

- Deliver key Mayoral Commitments related to business, skills and the economy.
- Lobby for investment in London and ensure that the needs of London's businesses are reflected in the Mayor's strategies and communicated to central government and
- Support the Mayor's Office as required.

7.11 Policy expertise within the EBPU covers: skills employment and training, private sector engagement, higher and further education, innovation enterprise and business support, economic competitiveness, promotion, and performance management.

7.12 Current projects and campaigns supporting the delivery of the Mayor's Economic Development Strategy include: Launch of Business Bootcamps, Supporting the Tech City Project, Mayor's Apprenticeships Campaign, and London Living Wage. There are set defined objectives for each project/campaign with clear accountabilities for their delivery.

7.13 As demonstrated above a complex governance structure supports the delivery of the Economic Development Strategy. This is primarily due to the extensive nature of the Strategy, the range of stakeholders involved from a wide variety of organisations, the number of projects supporting its implementation and the need to ensure the appropriate decision making arrangements are followed.

Recommendation

In developing the overarching implementation plan the supporting governance arrangements are reviewed with a view to streamlining where possible.

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8. Implementation, Delivery and Funding

Implementation Plan

8.1 At the time of our review, an overarching implementation plan supporting the delivery of the Mayor's Economic Development Strategy was not in place. An implementation plan is being developed setting out how the Mayor will work with partners to deliver his vision for London and to champion the capital.

8.2 Delivery against the Strategy is currently monitored at regular meetings within the Economic and Business Policy Unit, and at the fortnightly meetings held between the Unit and the Deputy Mayor for Business and Enterprise. Reports are also submitted monthly to the Investment and Performance Board (IPB) to request funding approval for economic development projects and to provide updates on previously approved projects. There are, however, currently no defined performance measures in place within an overarching plan to assist in the

effective monitoring of the delivery of the Mayor's Economic Development Strategy and its impact on the London economy.

> **Recommendation**
> The Mayor's Economic Development Strategy Implementation Plan includes a clear set of performance measures to facilitate the monitoring of the achievement of objectives and the impact of the Strategy.

Delivery

8.4 The Mayor has authorised the LEP to lead on advising on the allocation of funding and associated activity. However, the LEP does not have decision making powers and any funding decisions that are taken following advice from the Panel are subject to the approved delegations and GLA decision making process.

8.5 The LEP have produced the London Jobs and Growth Plan which was approved by the Assembly prior to publication in April 2013. It supports key objectives of the Mayor's Economic Development Strategy and reflects the outcome of consultation work which led to the four sub groups of the LEP being established.

8.6 The LEP Jobs and Growth Plan is supported by an effective implementation plan which contains details of assigned actions, planned activity, timeframes and budget requirements. There are, however, no details within the plan to indicate how the achievements will be measured.

> **Recommendation**
> The LEP Jobs and Growth Plan includes indicators to measure the achievement of its objectives.

London Growth Fund

8.7 The Growing Places Fund (now the London Growth Fund) was established by the GLA following the receipt of funding of £100.7m in February 2012 from the Government to encourage economic growth. The capital fund is used to help establish financially sustainable projects, and target projects which represent good value for money. Round 1 of funding in London with a total of £41m made available was announced in March 2012 and closed in May 2012. The LEP received 16 bids with a value of £150m. Of these, ten were for infrastructure projects (seven of which specifically related to transport projects), one proposed a land acquisition, three related to development and one proposed a skills and training centre.

8.8 The GLA adopted an evidence based consultation approach to produce the Prospectus for Round 2 bids for the London Growth Fund, and this was launched alongside the LEP Jobs and Growth Plan in April 2013. The LEP sought proposals

with an emphasis on private sector-led proposals that support innovative ways of creating jobs and skills in emerging sectors and growth in business and investment, and increase productivity. The prospectus required that all bids were aligned with the priorities of the Jobs and Growth Plan.

8.9   The London Growth Fund is predominantly a capital fund, the second round of funding is subject to the successful allocation of funding for proposals made in the first funding round. It is likely that £40m will be made available for the second round for economic development projects. Bids are evaluated using internal rating criteria which are shared with the LEP, before being recommended by the Executive Director, Development, Enterprise and Environment to the IPB for approval. Over 30 bids were received across a range of thematic areas. The bids were evaluated by a panel of GLA officers according to the published criteria and were presented to LEP on 24 July. Following further evaluation and assessment at the October LEP meeting, the Executive Director, Development, Enterprise and Environment shortlisted four bids to receive funding subject to further due diligence and assessment by the IPB.

8.10   In addition to its strategic advisory role, the LEP has a role in considering specific projects where funding is made available to local enterprise partnerships by government or the European Union this includes the London Growth fund. Any such funding, however, remains subject to the GLA's formal approval and decision making process. All proposals to date from the LEP have been approved by the Mayor.

Additional Funding

8.11   There are three further funds available for economic development, these are:

- £500,000 City Skills Fund, through the Skills Funding Agency, as part of a round of funding to Local Enterprise Partnerships across the nine English regions.
- The European Social Fund (ESF) to improve employment opportunities and tackle disadvantage in the European Union. The 2007-13 programme, a total of £820m was invested in London to support workless adults and young people progress into sustainable employment and to boost skills in the workforce, mostly through nationally designed programmes. The next round of ESF funds from 2014-2020 will concentrate on locally driving growth and employment, with LEPs playing a key role in shaping the priorities for investment to ensure London's needs are met.
- The European Regional Development Fund (ERDF) is used to tackle regional disparities across Europe by supporting actions such as business innovation, access to finance to SMEs, regeneration and green infrastructure. The London 2007-13 programme receives £330m, including match funding, and is being invested in a wide range of projects that support SMEs across the capital. The priorities for the 2014-2020 London ERDF programme will be closely aligned to the LEP objectives and will focus on supporting the growth and employment agenda. The LEP will play a crucial role in designing and overseeing the

implementation of the ERDF funds in London and ensuring opportunities are maximised.

8.12 Spending for economic development is managed via projects which are allocated to the relevant directorates within the GLA, although the Economic, Enterprise and Environment Directorate remain the policy holder. All spending is reported and monitored through the IPB. However, funding streams do not explicitly identify the Mayor's Economic Development Strategy in the Finance and Performance reports to IPB.

> **Recommendation**
> Reports to the IPB clearly identify funding streams to facilitate the oversight of spending against each available fund for the Mayor's Economic Development Strategy.

8.13 Funding agreements are in place for agreed projects which clearly set out terms and conditions of the funding to ensure it is spent in line with the agreed objectives. We reviewed a recent funding agreement relating to apprenticeships projects and found that it contains detailed background, project objectives, payment performance and monitoring arrangements, finance accountability, and compliance with legislation**.**

9. Partnerships

9.1 We found that effective partnership arrangements are in place to support the achievement of the Mayor's Economic Development Strategy this is achieved through the LEP, its working sub groups and other forums as outlined below.

9.2 The LEP stakeholder engagement plan details how business and partners will communicate to achieve effective engagement. This is primarily through the Mayor's International Business Advisory Council for London (IBAC London) which aims to bring together business leaders to support London's status as one of the world's leading cities. It has forty seven distinguished business leaders from multinational companies advising the Mayor on securing the Capital's position as a top global city. In particular, the Council advises the Mayor on developing opportunities, initiatives and ideas that make London a more appealing place for companies and its people to live and work in.

9.3 A further key stakeholder engagement mechanism is through the London Business Advisory Council which consists of the four main business organisations (London Confederation of Business and Industry, London Federation of Small Business, London First and the London Chamber of Commerce and Industry). It meets on a quarterly basis with the Mayor, enabling a two way conversation with businesses on what is required to ensure London has the best business environment in the world. The Council has clearly defined terms of reference and objectives with the EBPU providing the secretariat and following up on agreed actions.

10. Monitoring and Reporting

10.1 Effective management information and review arrangements are in place for the scrutiny and reporting of initiatives underway to support the implementation of the Strategy. Regular reports are produced on a timely basis by the EBPU for the Deputy Mayor. However, effective performance measures for each objective to determine the impact of the Mayor's Economic Development Strategy are not in place (recommendation 8.2 refers).

10.2 All funding for the Strategy initiatives is received through the GLA. The Authority's Finance Team reports all spending on the Mayor's Economic Development Strategy through the LEP and the IPB. A dedicated GLA finance lead produces reports on spend against the Strategy and these are reviewed by the Director of EBPU. The report contains details of spend and actuals to date and planned expenditure and is presented at the LEP to facilitate funding discussions. The LEP reports monthly to the IPB to request funding approval for economic development projects and to provide updates on previously approved projects.

10.3 Each of the four working sub groups provides a report on the progress of deliverables in the LEP Jobs and Growth Plan. The reports include an update against each of the set priorities and the next planned steps to be reported on at the following meeting. However, there is no performance criteria and set measurement of outcomes in place to indicate the increase/decrease in delivering jobs and growth (recommendation 8.6 refers).

10.4 We reviewed the reporting information that London and Partners provide to the GLA showing delivery of the international promotion objectives as set out in Mayor's Economic Development Strategy objective 1. We found detailed updates against the objective and planned future action plans, these will need to be supported in future with a measure of performance as recommended.

10.5 Reporting arrangements for the business and development projects supporting Strategy objectives comply with the approved GLA process for reporting to the IPB and Mayoral Decisions (or Directors or Assistant Directors decisions) with project dashboards produced to monitor delivery. We reviewed the London apprenticeship campaign project and the relevant IPB business case, MD, and sign-off and reporting information on this project and found them to be adequate. We also reviewed the Project Dashboards attached to the London Apprenticeship project and found these to be detailed with set deadlines and budget management information which were regularly reviewed by management.

10.6 Identifying and managing risks is an integral part of the Mayor's Economic Development Strategy delivery. Risks are detailed in the IPB business case, and each project detail the risks associated to delivery which are included in the corporate risk register as appropriate. A risk assessment is also completed on the relevant funding streams.

10.7 An overall report on progress against the Mayor's Economic Development Strategy is provided as part of the Mayor's Annual Report. All decisions relating to the Strategy are published on the GLA website. Progress is also scrutinised by the London Assembly.

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categories recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
7.2	The Strategy has not been reviewed since it was published in 2010 and there have been significant developments which may impact on the defined objectives going forward.	3	The Mayors Economic Development Strategy is reviewed, in particular to reflect the Mayor's 2020 Vision, changes in the delivery model and current economic forecasts.	Yes	Assistant Director – Economic and Business Policy	April 2014
7.9	The terms of reference for the four LEP working sub groups do not clearly define their role in supporting the delivery the Mayor's Economic Development Strategy, and relationship with LEP and each other.	3	Terms of reference are reviewed for the LEP working sub groups clearly defining their role in supporting the delivery of Mayor's Economic Development Strategy and the LEP, and the interdependencies between the groups.	Yes	Assistant Director – Economic and Business Policy	April 2014
7.13	A complex governance framework supports the implementation of the Strategy. This may impact on the effectiveness of the use of resources and decisions made.	3	In developing the overarching implementation plan the supporting governance arrangements are reviewed and streamlined as appropriate.	Yes	Assistant Director – Economic and Business Policy	October 2014
8.2	There are no defined performance measures in place to assist in the effective monitoring of the achievement and delivery of the Mayor's Economic Development Strategy. Failure to effectively monitor progress could result in the non-achievement of objectives.	2	The Mayor's Economic Development Strategy Implementation Plan includes a clear set of performance measures to monitor the achievement and impact of its objectives.	Yes	Assistant Director – Economic and Business Policy	October 2014
8.6	The LEP Jobs and Growth Implementation Plan does not indicate how the impact of actions will be measured. It will, therefore, be difficult to give assurance on the impact of the plan on the London economy.	3	The LEP Jobs and Growth Plan includes indicators to measure the achievement of its objectives.	Yes	Assistant Director – Economic and Business Policy	April 2014

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Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
8.12	Funding streams do not explicitly identify the Mayor's Economic Development Strategy in the Finance and Performance reports to IPB.	3	Reports to the IPB clearly identify funding streams to facilitate the oversight of spending against each available fund for the Mayor's Economic Development Strategy.	Yes	Assistant Director of Group Finance	April 2014

MOPAC | MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

REVIEW OF DESKTOP MANAGEMENT

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Audit Team

CONTENTS

1.   Background

1.1   This review of the GLA's desktop management control framework was carried out as part of our 2013/14 plan.

1.2   The objective is to ensure an effective framework, following the Desktop Refresh Project, is in place to manage desktop computers, and mitigate the risk of a loss of integrity or unauthorised access to systems and data.

1.3   We are looking to provide assurance that the following key risks are being effectively managed;

- Failure to set and comply with agreed policies and procedures relating to the recording and disposal of desktop assets may result in loss or misappropriation of assets, inaccurate IT asset valuation and possible breaches of data security legislative requirements.
- Job roles do not provide the appropriate segregation for the use of privilege accounts, resulting in compromised systems activity.
- A lack of adequate data cleansing controls, resulting in a loss of data confidentiality with regard desktop computers equipment that are sent for repair or disposal.
- Failure to define and operate effective software patching controls, increasing the risk of vulnerabilities that can be exploited to gain unauthorised access to systems and data.
- Inadequate security control framework for desktop computers, increasing the risk of a loss to data security, confidentiality, integrity and availability.
- The activity of local privileged accounts is not managed, captured and monitored, increasing the risk that unauthorised activity will not be detected on a timely basis, resulting in systems loss.

1.4   The GLA's desktop management services for GLA staff, and for MOPAC staff using GLA PCs based at City Hall, Southwark are provided by the GLA's Technology Group. The GLA's desktop machines are run on a Windows 7 operating system platform, with office administration services provided via Microsoft Office's 2010 software. Both systems were rolled out to GLA desktop users during 2012.

2.   Audit Assurance

Substantial Assurance

There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.

3.   Areas of Effective Control

3.1   There are a range of clearly defined policies and procedures which include guidance on the secure use and management of desktop machines that have been produced and

made available to Technology Group (TG) staff and non-technical staff via the intranet and within shared network folders.

3.2   There are effective desktop asset management processes and documented procedures, that ensure an adequate audit trail for desktop machine roll out. These cover the lifecycle of an asset through to its decommissioning and disposal.

3.3   The GLA's Information Security Policy clearly sets out that 'Ironkey' memory sticks are used to ensure security. These are only obtainable from and issued by the TG and are configured with robust encryption so that if the maximum number of unsuccessful logins to the device is reached, all data on them is destroyed.

3.4   Desktop machines are set to 'lock out' if inactive for 10 minutes or more to reduce access by unauthorised individuals. Audit logging is in place and has been enabled desktops to reduce unauthorised activity and provide an effective process for monitoring access.

3.5   Group Policies have been configured on desktops across the GLA network which prevents the installation of software on the machines by users unless they log on with authorised Administration rights. This ensures that unapproved software is not downloaded onto desktop machines that may lead to attacks by viruses or other malware leading to threats to data security, confidentiality and availability.

3.6   Local administration rights have not been removed for desktop machines as the Local Administration facilities need to be available to technicians to enable them to carry out fixes to the machines when local system problems occur. Access to Local Admin accounts is, therefore, adequately controlled by the use of:

- Membership of the Local Admin Group. authorised by the GLA Change Board
- Complex passwords issued to authorised Group Members

3.7   Appropriate automated build scripts have been configured for GLA's desktop machines in TG's Microsoft SCCM (System Centre Configuration Manager) software deployment tool, based on standard, approved images.

3.8   The GLA has developed documented software patching procedures for desktop machines and made them available to appropriate TG staff via network folders and the intranet to help prevent failure or delay in the patching process that may lead to vulnerabilities that could be exploited to gain unauthorised access to systems and data.

3.9   The activity of local privileged user accounts such as system administration accounts is logged, and reported to the TG Live team, who monitor such activity on a daily basis as one of the tasks on the Morning checklist.

4.   Key Risk Issues for Management Action

4.1   In relation to the review objectives set out in the scope of this audit, we did not identify any areas for management attention.

5.   Review Objectives

5.1   We reviewed the effectiveness of the control framework in place designed to ensure that workstations (excluding laptops) are properly managed. In particular, we were looking to provide assurance that:

- Up to date and properly approved information governance and security policies and procedures are available to staff that define controls to manage risks regarding desktop use, management, data cleansing or data disposal.
- Effective desktop asset management processes have been developed and implemented that cover the lifecycle of an asset through to decommissioning and disposal, including IT PO's, asset registers, ID tagging, physical audits and disposal processes.
- Adequate technical and procedural security controls have been implemented to support the confidentiality and validity of desktop processing.

6 .   Scope of Review

6.1   The review included an assessment of controls designed to ensure the design, use and management of desktop computers, including asset management, prevention of data loss and management of vulnerabilities. In particular, we considered desktop management policies and procedures, operational asset management controls and security controls focusing on endpoint security controls over removable media (USB control), screen savers/machine lockout controls, controls to prevent unauthorised software installation, restriction of local administration rights for desktops, desktop image build, desktop patch management and desktop audit logging controls.

6.2   As well as their desktops which connect to the GLA network, MOPAC staff based at City Hall have a separate set of terminals which connect directly to the Metropolitan Police Service (MPS) network over a dedicated leased BT line. Management of latter machines is the responsibility of the MPS IT department and was excluded from this review.

7.   Information Governance and Security Policies and Procedures

7.1   We found that a range of clearly defined policies and procedures, that include guidance on the secure use and management of desktop machines, has been produced and made available to Technology Group (TG) staff and non-technical staff via the intranet and within shared network folders. These include the Technology Group's Security Policies and general IT Policies and Procedures and the corporate Information Security Policy and Records Management Policy.

7.2   The TG's Security Policies, to prevent the loss to desktop based systems and data confidentiality, integrity and availability, were found to be clearly defined and covered a number of issues relating to the security of the desktop control environment, including:

- Policy on the disposal of equipment.
- Local Administrator Accounts for PCs
- Process for authorising information processing - access to systems policy
- Cryptographic control policy
- Procedures on Information leakage

- Guidance on the use of Authentication
- Procedure for Incident Management
- Reporting security concerns
- Collection and Preservation of Evidence

8. Operational Asset Management Control over Desktops

8.1 We found that adequate desktop asset management processes and documented procedures are clearly defined and implemented by the GLA to cover the lifecycle of an asset through to decommissioning and disposal. These include:

- How to Asset (Manage) GLA ICT Equipment
- Delivery and Deployment of New Equipment
- Movement of equipment.
- Equipment recycling procedure

8.2 We reviewed the disposal records of a sample batch of computer equipment disposed of in July 2013 and confirmed that:
- The identity of the items disposed of, including desktop machines, had been recorded on the TG's configuration management database.
- The disposal service providers had provided the TG with a detailed list of the items disposed of for reconciliation with the Group's own asset management records. We reperformed the reconciliation of the desktops and agreed the two sets of records.
- The disposal service providers certified that the hard drives of all items listed on the copy of their disposal records had been wiped securely.

9. Technical and Procedural Controls

Endpoint Security over Removable Media (USB)

9.1 Staff who request memory devices to enable them to extract data via GLA desktops are required under the GLA's: Information Security policy to use the organisation's approved 'Ironkey' memory devices, which are obtainable from and issued by the TG. These devices have been configured with strong encryption and if the maximum number of unsuccessful logins to the device (10) is reached, all data on it is destroyed this ensures that confidential or sensitive data being extracted from GLA networked systems via a desktop port is not accessed/misused by unauthorised persons.

9.2 We obtained one of the TG's Ironkey devices issued to GLA staff and confirmed that it was encrypted to government standards (AES 256 K) and required that any data downloaded onto it is automatically encrypted and would require the use of a valid user id and password to allow decryption.

Screen Savers/machine Lockout Controls

9.3 Desktop machines are set to lock out, if inactive for 10 minutes or more to prevent individuals who may be present within GLA premises gaining unauthorised access to

GLA and MOPAC systems and data, which could lead to breaches of security and confidentiality and system misuse.

9.4 We observed online and obtained the Windows Group Policy setting covering network desktop machines at the GLA and found that they had been set in accordance with the Windows Group Policy, to time out and 'lock' after 10 minutes and also required a valid user id and password to unlock them.

Software Installation

9.5 Group Policies have been configured on desktops across the GLA network to prevent the installation of software on the machines by users unless they log on with authorised Administration rights. These policies are clearly documented in the Desktop Upgrade Project Group Policy Design document, which has been made available to all TG staff.

9.6 We viewed the Group Policy online and found that the downloading of software was prohibited on desktop machines by users other than those logging in with Administration rights. We also observed and obtained a screenshot demonstrating that an attempt to download software onto a desktop using a non-Admin user account resulted in failure and an error report on screen.

Restriction of Local Administration Rights

9.7 Local administration rights have not been removed for desktop machines, however, we found that the Technology Operations Manager requires Local Administration facilities need to be available to enable technicians to carry out fixes to the machines if local system problems occur. Access to Local Admin accounts is therefore controlled by the use of:

- Membership of the Local Admin Group, authorised by the GLA Change Board
- Complex passwords issued to authorised Group Members

Desktop Image Build

9.8 To ensure that desktop machines are built consistently and efficiently automated build scripts have been configured for GLA's desktop machines in TG's Microsoft SCCM software deployment tool, based on standard, approved images.

9.9 We obtained an example of an automated build script in use by the TG team and found that this is currently adequately deployed on GLA's desktop machines.

Desktop Patch Management

9.10 The organisation has developed and clearly documented software patching procedures, which include software loaded onto desktop machines. It has made them available to appropriate TG staff via network folders and the intranet. The TG's patching procedures are contained in the AQAP document Microsoft Desktop PC & Laptop Patching, which includes clear guidance on patching methods, authorisation of patch deployment and a checklist for staff to follow to ensure completion of the process. The role of the GLA's Change Management Board in approving patch release is clearly documented in the Change Control process document.

9.11 We reviewed a sample of software patches and found that they had been clearly recorded in the TG's Change log in line with approved patching procedures.

Desktop Audit Logging

9.13 Audit logging is in place and has been enabled on desktops to reduce unauthorised activity on GLA systems and which assist management in tracking and investigating transactions when required.

Activity of Privileged User Accounts

9.14 The activity of local privileged user accounts such as system administration accounts is logged, and reported to the TG Live team, who monitor such activity on a daily basis as one of the tasks on the Morning checklist, reducing the risk that unauthorised activity will not be detected on a timely basis, resulting in significant system or data losses or security/confidentiality breaches.

9.15 We found that the activity of local privileged user accounts such as system administration accounts is logged, and reported to the TG Live team, who monitor such activity on a daily basis as one of the tasks on the Morning checklist.

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categorisation of recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

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OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

REVIEW OF INTERNET- BASED NETWORK SECURITY

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EXECUTIVE SUMMARY

1. Background

1.1 This review of the GLA's internet-based network security control framework was carried out as part of our 2013/14 plan.

1.2 The objective is to ensure an effective framework is in place to manage Network Internet based security to support the validity and confidentiality of related access, in particular regarding the transfer of MOPAC network management to City Hall.

1.3 We are looking to provide assurance that the following key risks are being effectively managed;

- The network topology and supporting domain structure and management is not adequately designed, increasing the risk of unauthorised network based access and activity.

- Weaknesses in the arrangements regarding the transfer of MOPAC, HCA and LDA to City Hall adversely impacting the integrity of MPS/GLA staff

1.4 The GLA's primary datacentre and network infrastructure is based at City Hall, in the London Borough of Southwark. It has been in place since 1999, when the GLA was founded, and provides networked information systems for GLA staff, encompassing about 1,000 live networked user accounts access.

2. Audit Assurance

> **Substantial Assurance**
>
> There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.

3. Areas of Effective Control

3.1 The GLA's 'corporate' part of its network and that part of the GLA network also supported by the GLA Technology Group (TG) but used by MOPAC staff based, is separated into two logical domains. This approach prevents GLA and MOPAC staff being able to access information which they are not permitted to view or handle.

3.2 The Metropolitan Police Service (MPS) network, which is maintained and supported wholly by the Metropolitan Police's IT department and not by GLA's ICT team, is entirely physically separate from the GLA network, with gateway equipment for the network located in a secure room to which the GLA TG do not have. This ensures that the likelihood of breaches of confidentiality and security regarding, for example, sensitive crime-related personal or police business information are reduced significantly.

3.3 A range of network management and information security policies and procedures has been documented and made available to members of the GLA TG via shared network folders and on the GLA intranet. The existence of documented network

management guidance and its communication to all appropriate TG staff reduces the risk that staff will be unaware of their key network management responsibilities which could adversely impact network operational availability and the confidentiality and integrity of networked business critical systems and data.

3.4   The password and lockout settings in place at the domain level for both the corporate GLA domain and the MOPAC domain have been adequately designed to prevent any successful attempts to access networked systems and data by unauthorised persons.

3.5   The GLA has developed an adequate standard set of user account management procedures which have been made available to the TG via network folders and the intranet.   These help to ensure a consistent approach to the management of user accounts at the network level.

3.6   Access by staff to different applications and data on the GLA network is controlled through the use of Group Policies on Windows Active Directory. Staff are assigned to particular Groups in accordance with their job roles and as authorised by their line management under the GLA's account management procedures. These arrangements ensure adequate separation of duties are in place to prevent unauthorised access to and activity regarding networked applications and personal and business data.

3.7   Access to the system administration account at the network level were found to have been restricted to appropriate members of the TG team, reducing the risk that the high level of access privileges associated with such accounts could be misused, resulting in significant breaches of security and confidentiality regarding GLA and MOPAC data.

3.8   A series of clearly documented plans were produced, regularly reviewed and updated regarding the migration of different elements of MOPAC systems and data to the GLA network. A controls-based approach was documented within the plans for the migration of MOPAC systems and data.

4.   Key Risk Issues for Management Action

4.1   In relation to the review objectives set out in the scope of this audit, we did not identify any areas for management action.

5.   Review Objectives

5.1   We reviewed the effectiveness of the control framework in place designed to ensure the security of the GLA managed network internet service. In particular, we looked to provide assurance that:

- The network topology has been designed and is operated to ensure adequate segregation between GLA and MOPAC network access.
- Adequate network domain management controls are in place and operating effectively to support the confidentiality and integrity of network internet based processing.
- A focused controls-based approach was undertaken regarding the migration of MOPAC to the GLA network to facilitate the effective management of the network going forward.

6.   Scope of Review

6.1   The review included an assessment of controls covering the design and operation of the network topology, domain structure, HCA, LDC and MOPAC migration processes, logical access controls, business level separation of duty controls, administrator access and account management procedures.

6.2   As well as their PCs which connect to the GLA network MOPAC teams also have a separate set of terminals within City Hall which connect directly to the Metropolitan Police Service (MPS) network over a WAN link. The latter network is the responsibility of the MPS IT department and was excluded from this review.

7.   Network Topology and Supporting Domain Structure

7.1   The GLA network at City Hall is separated into two logical domains: the 'corporate' GLA domain and the MOPAC domain, which are administered separately by GLA technical support staff in the Technology Group.

7.2   The above network and domain configuration helps to ensure that GLA's networked information resources can be managed effectively and securely, including, where appropriate, separating access rights of GLA and MOPAC staff. This reduces the risk that either group of staff will be able to use systems and access information which they are not permitted to view or handle, in line with their operational responsibilities, leading to breaches of security and confidentiality.

7.3   In addition to their GLA-maintained network facilities, MOPAC staff also have a number of terminals located on the 2nd floor of City Hall which connect to the MPS (Metropolitan Police Service) network, which is maintained and supported wholly by the Metropolitan Police's IT department and not by GLA's ICT team. This connection is physically separate from the GLA network and there are no links between the two networks. The MPS terminals used by MOPAC staff are connected by an MPS cabling system to gateway equipment located in a locked cabinet on the 2nd floor, to which the GLA TG do not have access.

7.4   These arrangements reduce the risk of unauthorised network based access to or misuse of Metropolitan Police systems and data, which could lead to breaches of

confidentiality and security regarding, for example, sensitive crime-related personal or police business information.

7.5 We reviewed the network topology and domain structure and confirmed through our testing that the controls in place demonstrated through the network infrastructure diagrams and architecture screens on 2nd floor of City Hall are adequate.

8. Network Domain Management

Policy and Procedures

8.1 A range of network management and information security policies and procedures have been documented and made available to members of the GLA TG through shared network folders and the GLA intranet. These documents include a number which are in the form of Assured Quality Action Procedures (AQAPs) are as follows:

- Live Team Morning (Network) Checks
- Change Control process
- Code of Ethics (relating to IT/network security)
- Information Security (for general users)
- Information Security (Technology Group security policies)
- Data Protection

8.2 The Live Team Morning (network) Checks document in particular provides guidance to technical staff on the daily checks on all key networked IT services to be undertaken ensure they are available and accessible. These include:

- Email servers
- Oracle servers
- Public websites
- Nagios (network monitoring application)
- Telecoms
- Internal websites
- Print servers
- Backups
- Falconstor replication (network storage)

The document clearly sets out how TG staff prioritise items to be checked and procedures for ensuring that issues are recorded in the Track-IT Service Desk tool and raised with the correct technical teams for remedial action to be taken according to the criticality of the systems concerned. It also specifies the requirement for daily reports on the results of the checks, including an overall status report on each items reported on, based on a Green, Yellow and Red notation, where Green is satisfactory, Yellow indicates a problem and Red confirms the complete loss of service. The reports are sent to the TG operations manager and the whole of the ICT Live System group.

8.3 We found that the above documented network procedures and their communication to all appropriate TG staff, are adequate and it enables TG staff to be fully aware of their key network management responsibilities that cover network operational

availability, confidentiality and the integrity of networked business critical systems and data.

8.4   We reviewed copies of a Live Morning checks document and a sample of work orders raised in the Track-IT system in respect of faults detected we were able to confirm in our test that the Morning checks and associated procedures were being complied with.

Logical Access Controls

8.5   Logical access controls for both the GLA corporate network domain and the MOPAC network domain are configured as follows:

- Enforce password history: 6 passwords remembered
- Maximum password age: 90 days
- Minimum password age: 0 days
- Minimum password length:8 characters
- Password must meet complexity requirements: enabled
- Account lockout duration: 4320 minutes
- Account lockout threshold: 5 invalid log attempts
- Reset lockout counter after: 1440 minutes

8.6   The above password and lockout settings in place at the domain level for both the corporate GLA domain and the MOPAC domain have been adequately designed to reduce the risk of successful attempts to access networked systems and data by unauthorised persons through determining and exploiting the access credentials of valid network users.

Account Management Procedures

8.7   The GLA has developed a standard set of user account management procedures which have been made available to TG staff via network folders and the intranet. They include:

- Adding a new user and moving staff at City Hall.
- Leavers Procedure (Staff Departure)
- Dealing with initial and further requests for permissions to GLA's data

As part of the leavers' process, the TG also has a documented procedure whereby the accounts of leavers who have not logged into the GLA network for 3 months are more are identified via a scheduled Windows AD (Active Directory) report, which is run once a month and queried with their line management as to whether they still require access.

8.8   The above processes help to ensure a consistent and efficient approach to the management of user accounts at the network level.

8.9   We reviewed a sample of leavers requests extracted from the Track-IT service desk system and confirmed that the accounts of the users concerned had been removed promptly from the system, as required by the Leaver Procedures. In addition, we

obtained a copy of the 3 month leavers' report for the month of October 2013 (designed to capture leavers who have not logged on to the network for 3 months or more by the end of September). We were able to confirm in a sample of user accounts that they had all been queried by the TG Group with their respective line managers and that according to the responses received, their user accounts had either been removed from AD or there was a valid, documented and approved reason for their existence.

Business Level Separation of Duties

8.10   Group Policies are clearly defined stipulating roles and responsibilities for access to different applications and data on the GLA network and are held on Windows Active Directory. Staff are assigned to particular Groups in accordance with their job roles and as authorised by their line management under the GLA's account management procedures referred to above.

8.11   The above arrangements reduce the risk that an adequate level of separation of duties cannot be implemented across the network. This could lead to staff gaining access to systems and data which are not commensurate with their responsibilities and potentially to misuse of systems and breaches of security and confidentiality regarding personal and business data.

Administrator Access

8.13   Access to the system administration account at the network level has been restricted to appropriate members of the TG team who require it to carry out their job responsibilities. We found that the controls in place, to prevent the misuse or unauthorised access by individuals which could result in significant breaches of security and confidentiality regarding GLA/ MOPAC data, are adequate.

8.14   We reviewed a screenshot of the Domain Admin Properties Members and found that all Members of the Domain Admins Group were members of the Live Service Desk Team as appropriate.

9.   Migration of MOPAC System

9.1   A controls-based approach was adopted and documented for the migration of MOPAC systems and data to the GLA network. We found that a series of clearly documented plans had been produced, regularly reviewed and updated for the migration of different elements of MOPAC systems and data to the GLA network. We reviewed the following plans which had been produced:

- MOPAC transition Plan
- MOPAC Blackberry Plan
- MOPAC Changeover Days Plan
- MOPAC Email Move Plan
- MOPAC plans for moving email domain name to City Hall.

FINDINGS AND RECOMMENDATIONS

9.2   We confirmed through our testing that the planning approach adopted for the migration was in accordance with best practice and adequate controls were in place to ensure the network was secure during the migration.

FINDINGS AND RECOMMENDATIONS

RISK AND AUDIT ASSURANCE STATEMENT – DEFINITIONS

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categorisation of recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

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EXECUTIVE SUMMARY

1. Background

1.1 This review has been carried out as part of the Greater London Authority (GLA) 2013/14 audit plan. The business objectives are to ensure that a transparent decision making framework is in place which sets out the arrangements for ensuring all GLA decisions are made promptly and in line with the approved Scheme of Delegation and Financial Regulations.

1.2 At the outset of the review, the potential risks identified to achieving the objectives of the decision making framework were identified as:

- Ill-defined framework to support decision making
- Non-compliance with legislation and regulations
- Non-compliance with defined process
- Inadequate information to support decisions
- Financial/legal implications incomplete/not considered
- Decisions are not made at an appropriate level
- Incorrect or delayed publication of decisions made
- Lack of transparency

1.3 Failure to manage the potential risks could result in inappropriate or ineffective decisions, breach of regulations and poor value for money. We are looking to provide assurance that the key risks are being effectively managed.

1.4 During the 18 month period from January 2012 to June 2013, the volume of Mayoral Decisions (MDs) and Director Decisions (DDs) approved through the decision making framework were:

- 01/01/12-30/06/13 - 100 MDs and 159 DDs
- 01/07/12-31/12/12 - 102 MDs and 151 DDs
- 01/01/13-30/06/13 - 108 MDs and 99 DDs

2. Audit Assurance

Substantial Assurance

There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.

3. Areas of Effective Control

3.1 The GLA decision making framework was approved when the GLA was formed in 2000, and has since been amended in 2004. The framework is clearly defined and published on the Authority's intranet. It is supported by a detailed Scheme of Delegation, which reflects the legislative requirements of the GLA Act 1999 and the GLA Financial Regulations.

3.2 Effective controls are in place to ensure compliance with the framework. The Governance and Resilience Unit are responsible for ensuring that protocols for submitting decision requests are in place and complied with. The Unit also monitor the effectiveness of the framework and review the guidance issued to ensure it is kept up to date.

3.3 Effective controls are in place to ensure that relevant information is captured and considered in support of decisions made. The content of decision forms and level of supporting evidence is appropriate and subject to the review of the Governance and Resilience Unit.

3.4 Adequate protocols have been developed for the publication of approved decisions on the GLA website, and these are complied with. The controls for classifying information as confidential and therefore excluding it from publication are adequate with TfL Legal required to confirm that the application of a confidential classification is appropriate. There are also effective procedures in place for the retention of source documentation supporting decisions.

3.5 Delivery of approved decisions is monitored through local governance arrangements, and where appropriate, the Investment Performance Board. Any lessons learnt are dealt with through these governance arrangements.

3.6 There is effective scrutiny of decisions. The London Assembly is responsible for examining the effectiveness of the Mayor's policies, decisions and activities, and Members are provided with a list of all decisions made within the Mayor's monthly report to help facilitate this. The Assembly Members raise queries through the Mayor's Questions.

4. Key Risk Issues for Management Action

4.1 Under a General Delegation within the GLA Scheme of Delegation, the Mayor has granted the Directors authority to approve decisions up to a financial limit of £125k. The Scheme of Delegation states that "the Directors may concurrently exercise the General Delegation within each other's areas of responsibility if necessary or expedient. In general, any higher grade of post to which a particular Senior Staff Member reports may concurrently exercise the General Delegation within his or her report's area of responsibility." We found that when some Directors plan an absence from the workplace they authorise an Assistant Director to act up into the Directors role. To ensure clarity around the delegation of responsibilities for decision making we have recommended that the next revision of the Scheme of Delegation clarifies this practice.

4.2 In our recent audit of ICT Procurement (October 2013), we reported that although the appropriate authorisations had been obtained for the individual strands of a programme of works, the total value of the procurement required for the entire programme was not presented as part of the decision making process. To ensure that decisions can be linked as appropriate the various decision templates state that references to previous decisions should be

included in the detail. However, there is no specific guidance to encourage officers requesting the decision to consider whether individual decisions are inter-related, and therefore should be considered as a whole programme at the outset. Failure to ensure that the total cost of programmes or projects is authorised at the outset could result in ill-informed/inappropriate decisions.

5. Review Objectives

5.1 Our overall objective was to review the effectiveness of the framework in place for supporting effective decision making. In particular we sought to give an assurance that:

- The GLA decision making framework is clearly defined, meets legislative and regulatory requirements, is properly approved and is publicised.
- Protocols have been established and operate effectively to support the framework, including the publication of decisions and linking related decisions.
- Adequate information and supporting advice is provided, documented and used to support decisions.
- Decisions made are published appropriately in line with agreed timescales and protocols.
- Decision making is effectively monitored, reviewed and scrutinised, and lessons learnt are applied to future decisions.

6. Scope

6.1 We evaluated the effectiveness of the decision making framework, including:

- The relationship between the Mayoral (MD) and Director (DD) decisions
- Compliance with the GLA financial regulations
- Transparency and timeliness of publication of decisions made
- The level of information submitted to support decisions.

7. Decision Making Framework

7.1 The Greater London Authority (GLA) Act 1999 requires that specific decisions can only be taken by the Mayor, and these are referred to as "Reserved Mayoral Matters". The Mayor has also indicated that he does not wish to delegate certain matters, but other decisions can be delegated under a "General Delegation". These limitations are adequately documented in the GLA Scheme of Delegation, which includes a list of posts classified as Senior Staff Members with authority under the General Delegation.

7.2 The initial GLA decision making framework was created and approved when the GLA was formed, and was amended in 2004. To ensure that the framework remains effective, officers from the Governance and Resilience Unit identify areas for improvement on an on-going basis, and ensure that the published guidance is kept up to date.

7.3 The decision making framework is appropriately published on the GLA intranet, and our review of the framework found that it clearly defined the limits for each of the four decision types:

- Mayoral – expenditure over £125k
- Director – expenditure up to £125k
- Assistant Director – expenditure up to £50k
- Delegated Authority Report – expenditure up to £5k

7.4 These financial limits are reflective of those stated in the GLA Financial Regulations and the GLA Scheme of Delegation, which were revised in April 2013 to increase the limits to those quoted above from over £50k for Mayoral Decisions and between £25k and £50k for Director Decisions. The decision making framework assists in compliance with European procurement legislation OJEU (Official Journal of the European Union) through having Mayoral approval for any financial decisions over £125k. We reviewed a sample of approved Mayoral and Director Decisions, and found they were compliant with the financial limits set out in the decision making framework.

7.5 The Mayor also has responsibility for making non-financial decisions including decisions which are novel, contentious or repercussive, or in support of planning, policy, technical, borrowing limits and European funding.

7.6 We found that the availability of information to assist staff completing a decision request is adequate. There are links from the intranet page that contain the decision making framework to templates for each of the decision types, the Authority's Scheme of Delegation and a detailed flowchart of the decision making process. The intranet page on decision making also states that officers are encouraged to seek further advice from the Governance and Resilience Unit if they are unsure on the application of the process.

7.7 Risk management is an integral part of the decision making framework, and each decision template includes a heading entitled 'other considerations'. Guidance on the template states that this section should include key risks and issues. Our review of a sample of Mayoral and Director Decisions found that information on risk, and where appropriate the control measures in place to mitigate the risks, were being recorded.

7.8 The GLA decision making framework is used to record all decisions made by the Mayor under the GLA Act 1999, regardless of the organisation that they refer to. For example, the TfL fare increases were presented for approval by the Mayor using the GLA Mayoral Decision template, and once approved the decision form was published on the GLA internet site in accordance with the GLA protocols.

8. Decision Making Protocols

8.1 The decision making process is managed within the Governance and Resilience Unit. The Unit has produced and published a flowchart that clearly outlines the stages, roles and responsibilities involved in drafting and presenting a decision request. The requesting officer is responsible for completing the decision request form, obtaining comments from the appropriate officers on financial and legal

implications, and for obtaining written Director guidance and written Mayoral Advisor guidance (MDs only).

8.2   Each decision request is given a unique reference number by the Governance and Resilience Unit, and a separate numbering system is maintained for both Mayoral and Director Decisions. We found this process is adequately controlled and sequential numbers are allocated once a decision request is received. However, although the framework states that an early draft should be provided to the Governance and Resilience Unit, in practice there is an inconsistent application of this requirement. Some officers provide a copy at an early stage of drafting and others as the final draft is prepared for submission.

8.3   Prior to submission for signature, officers from the Governance and Resilience Unit review the decision request to ensure that the decision is being taken at the correct level, contains appropriate supporting information, the legal and financial implication sections have been fully completed and that the decision has the support of the appropriate Director and Mayoral Advisor (MDs only). An email of this final version is then sent to the GLA Finance Team and TfL Legal Team for verification that they are satisfied with the content, which provides adequate assurance that the forms have been appropriately completed.

8.4   The decision making framework stipulates that following receipt of the final decision request by the Governance and Resilience Unit, approval of decisions will generally take up to five working days for Director decisions and 10 working days for Mayoral decisions. To facilitate an expedient sign-off the Director decisions, forms are taken to the Executive Directors office at 11.30 a.m. and 4.30 p.m. daily. Mayoral decision forms are given to the Mayor's Executive Assistant, who holds them until the Mayor sets aside time for review and authorisation. The Executive Assistant maintains a log of the Mayoral Decisions coming into and leaving the office Mayors' office for reference purposes.

8.5   The GLA Scheme of Delegation stipulates who can approve Mayoral decisions in the absence of the Mayor. In accordance with legislation, the reserved Mayoral powers cannot be delegated, however decisions relating to other Mayoral powers can be delegated under defined urgency and unavailability rules. The Governance and Resilience Unit confirmed that the Mayor rarely delegates responsibility for decision making.

8.6   The GLA Scheme of Delegation specifies the appropriate process to cover the absence of the Senior Staff Members listed under the General Delegation. It provides that they can "exercise the General Delegation within each other's areas of responsibility if necessary or expedient. In general, any higher grade of post to which a particular Senior Staff Member reports may concurrently exercise the General Delegation within his or her reports area of responsibility".

8.7 The Governance and Resilience Unit confirmed that in general decision requests are signed by the appropriate Director. However, it is also acceptable for a Director to authorise an Assistant Director to 'act up' into the Directors role when the Director is taking a planned absence, and this includes authority to sign-off decisions. However, the Scheme of Delegation does not clearly state that this is acceptable.

> **Recommendation**
>
> The next revision of the Scheme of Delegation includes clarification of the authorisation of the 'acting up' of Assistant Directors into the Directors role for decision making.

8.8 Some requests for a decision include information classified as being confidential, and therefore not suitable for publication. The officer requesting the decision must complete the MD or DD Part 1 template as usual and also completes a Part 2 with the information they wish to be classified as confidential. The Part 1 form is published to show that a decision has been approved, but the Part 2 containing the confidential information is not published. To ensure that all information is appropriately classified as confidential the Part 2 forms must be signed off by a member of the TfL Legal team, who provide legal services to the GLA under a shared services arrangement. From a sample of Mayoral and Director Decisions we found that where a part 2 had been completed this had been approved by TfL Legal in accordance with the requirements of the decision making framework.

9. Publication of Decisions

9.1 To ensure transparency, all Part 1 decision forms are published on the internet, and the Governance and Resilience Unit are responsible for publication arrangements. The aim is to publish within one working day of the signing of a decision form. From a sample of Mayoral and Director Decisions where deferred publication had been requested we found:

- 61% were published within one working day,
- 26% were published within two working days, and
- 13 % between five and nine working days.

9.2 Some requests for decision include deferred publication, for example where the decision is commercially sensitive. In these cases, this requirement is stated in the Part 1 form and the proposed publication date is also entered. The Governance and Resilience Unit maintain an adequate record of the deferred publications, and when the proposed publication date is approaching the Unit email the officer who requested the decision to establish whether publication can go ahead. Once approval is received, publication takes place. From a sample of deferred publications we found:

- 73% were published within 1 working day of approval to publish,
- 9% within 2 working days,
- 9% within 3 working days, and
- 9% we did not have access to the final email when approval was given.

9.3 Overall, there are adequate controls in place to ensure that decisions are published at the earliest opportunity. From our sample we found that all decisions that should have been published are available on the internet.

10. Monitoring and Reporting

10.1 The decision templates state that 'references to previous decisions should be included'. While this provides an adequate to link previous decisions it would not identify where individual decisions are inter-related. In our recent audit of ICT Procurement (October 2013), we reported that although the appropriate authorisations had been obtained for the individual strands of a programme of works, the total value of the procurement required for the entire programme was not presented at the earliest opportunity as part of the decision making process. Failure to ensure that the total cost of programmes or projects is authorised at the outset could result in ineffective decisions being made.

> **Recommendation**
> The decision making guidance and template decision forms are revised to ensure that the total cost of inter-related decisions is presented at the outset for approval at the appropriate level.

10.2 Hard copies of signed decision forms (both Part 1 and Part 2) for the past year are retained within the Governance and Resilience Unit. Older decision forms are sent to the Authority's off-site archive for safe keeping, and can be retrieved upon request. Electronic copies of all decision forms are also retained in the Governance and Resilience Unit network 'team folder' and in a bespoke decisions computer programme named GLAAS. Access to GLAAS is limited to the Governance and Resilience Unit and the GLA Finance Team. Storage arrangements are adequate to ensure that a copy of the signed decision form is readily available.

10.3 Reviewing the effectiveness of the decisions approved is not part of the decision making framework. Once a decision has been made the outcomes are monitored as part of the day-to-day management of the GLA, including line management and the Investment Performance Board (IPB) who monitor all projects. Lessons learnt are identified through this process. In addition to the general GLA governance arrangements, the London Assembly is responsible for examining the effectiveness of the Mayor's policies, decisions and activities.

10.4 To assist the Assembly Members in performing their duty, the Governance and Resilience Unit supply a list of all approved decisions (not just Mayoral Decisions)

for inclusion in the Mayor's monthly report to the London Assembly. We reviewed the content of the report and found that it included the decision number, decision(s) approved, date it was signed, who signed it, the Mayoral Advisor consulted (MDs only) and the financial implications. The content of the report is adequate to provide the Assembly Members with an overview of the decisions made during a specified period. Any queries raised by the Assembly Members are addressed through the Mayor's Questions.

10.5 To ensure that the decision making framework remains effective, officers from the Governance and Resilience Unit identify areas for improvement on an on-going basis. Where a change to the process is necessary this is undertaken in consultation with the relevant officers. For example, when a change to the decision form templates was being considered, the final decision was made in consultation with Committee Services to ensure that the IPB templates were in alignment.

10.6 Officers from the Governance and Resilience Unit undertake regular reviews of the published decision making guidance to ensure that it is clear, and that any misunderstandings that have arisen are addressed accordingly. This ensures that the published guidance, to support officers when completing a decision request, is kept up to date.

RISK AND AUDIT ASSURANCE STATEMENT – DEFINITIONS

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categories recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
8.7	The GLA Scheme of Delegation specifies the appropriate process to cover the absence of Directors. We found that it is acceptable for a Director to authorise an Assistant Director to 'act up' into the Directors role when the Director is taking a planned absence, and this includes authority to sign-off decisions. The Scheme of Delegation does not clearly state that this is acceptable, which could lead to decisions being authorised outside of the scheme of delegation.	3	The next revision of the Scheme of Delegation includes clarification of the authorisation of the 'acting up' of Assistant Directors into the Directors role for decision making.	Yes	Head of Governance & Resilience The clarification requested will be provided in the next version of the Scheme of Delegation	1 April 2014
10.1	The decision templates state that 'references to previous decisions should be included'. While this provides an adequate to link previous decisions it would not identify where individual decisions are inter-related. Failure to ensure that the total cost of programmes or projects is authorised at the outset could result in ineffective decisions being made.	3	The decision making guidance and template decision forms are revised to ensure that the total cost of inter-related decisions is presented at the outset for approval at the appropriate level.	Yes	Head of Governance & Resilience The wording in the decision making guidance and forms will be changed to reflect the issue raised	Immediate

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OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

Performance Management Framework

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1.   Background

1.1   This review has been carried out as part of the Greater London Authority (GLA) 2013/14 audit plan.

1.2   The objectives of the GLA Performance Management Framework are to ensure that the GLA is able to effectively manage and review its performance in achieving the aims and objectives of the GLA Business Plan and Mayoral priorities. The performance management framework supports challenge and decision-making, improvement and reporting of significant activities.

1.3   At the outset of the review, the potential risks identified to achieving the objectives of the performance management framework were:

- Ill-defined strategic objectives
- Ineffective governance framework
- Inappropriate performance criteria and measurement
- Ineffective communication of objectives and measures
- Incomplete/inaccurate performance data captured/collated
- Ineffective analysis of performance
- Ineffective reporting and review of performance
- Action is not taken to address issues of performance

1.4   We are looking to provide assurance that the key risks are being effectively managed.

1.5   The GLA's Business Plan 2013/14 - 2015/16, published in May 2013, sets out how each of its directorates will deliver Mayor's vision and priorities. The plan contains key milestones and 20 key performance indicators (KPIs) which are monitored quarterly. A monthly report is produced for the Investment and Performance Board (IPB) covering progress against the GLA's suite of major projects and programmes. The GLA's approach to data collection and collation is covered by a Data Quality Framework, approved in March 2012. A Use of Statistics protocol will be adopted shortly.

2.   Audit Assurance

Adequate Assurance

An adequate performance management framework has been put in place and key risks are being managed effectively, however, the operation of a number of controls introduced under the recently revised process needs to become fully embedded.

3. Areas of Effective Control

3.1 The GLA Business Plan for 2013/4 to 2015/16 sets clear objectives, priorities and outcomes by which performance is managed and this is effectively communicated to all responsible officers and key stakeholders.

3.2 An effective process supported the development of the KPIs established to review performance against Mayoral targets and commitments. Key deliverables for projects and programmes are defined at the outset and monitored throughout the life of the programme/project.

3.3 A defined performance management framework based on a Data Quality Framework is in place and regularly reviewed by the Governance and Resilience Team to ensure that it is in line with best practice. This is supported by a documented approach to programme and project management.

3.4 Roles and responsibilities for those involved in performance management are clearly defined in the Data Quality Framework, programme management documentation and in job descriptions as appropriate. Terms of Reference for the IPB and the Budget Monitoring Sub-Committee also define their role in respect of monitoring performance.

3.5 Performance and Data owners have been clearly assigned and the importance of maintaining and producing fit for purpose and accurate performance data is stressed throughout the published Data Quality Framework.

3.6 Adequate performance monitoring arrangements have been established with performance data being regularly reported to and reviewed by the GLA Corporate Management Team (CMT), the IPB and the Budget Monitoring Sub-Committee. The transparency of GLA performance against published targets and commitments is maintained through the London Assembly's scrutiny function and reports on performance placed in the public domain.

4. Key Risk Issues for Management Action

4.1 Controls to quality assure the accuracy and analysis of performance data need to be fully embedded. The Governance and Resilience Unit as part of the Data Quality Framework has established a self-audit review process to assist in evaluating the effectiveness and accuracy of data collection and recording. Although use of the self-audit process is optional data owners are required to carry out a review of data periodically. Reviews have been undertaken of KPI methodology, for example for the Jobs KPI. But in a sample of KPIs reviewed, the detailed self-audit form was not being used. To encourage leads to carry out reviews, we have recommended that year-end

data collection forms are adapted such that data owners self-certify that they have reviewed the quality of the data they are providing.

4.2   Changes to performance indicators are recorded in quarterly reports. Although the rationale behind changes are reported to CMT, they are not always formally included in the quarterly GLA Group monitoring report

4.3   As part of the annual business planning process, it is important a review is carried out to check the suite of KPIs continues to accurately reflect Mayoral Priorities.

4.4   The IPB review of performance needs to be better reflected in the minutes of the meeting to ensure agreed actions to address any areas of concern/for improvement are properly recorded and progress tracked.

5. Review Objectives

5.1 Our overall objective was to review the effectiveness of the performance management control framework. In particular, we sought to give an assurance that:

- A clearly defined framework is in place setting out roles and responsibilities for performance management within the GLA.
- Appropriate performance measures in support of key strategic objectives have been set and effectively communicated to all key stakeholders.
- Performance information is effectively captured and is accurate, relevant, complete, reliable and timely.
- Performance is effectively analysed and monitored to provide an assurance that key deliverables/targets will be met and areas of improvement identified and appropriately addressed.
- Accurate performance management information is produced on a regular basis, reviewed by senior management and reported accordingly.

6. Scope

6.1 We assessed the effectiveness of the performance management control framework which supports the delivery of Mayoral strategies and initiatives and the GLA Business Plan for 2013/4 to 2015/16.

6.2 This is a high level review of the performance management framework, the activity supporting the reporting of performance to the various boards/committees is reviewed as part of our reviews undertaken within the directorates.

7. Performance Management Framework

Governance Framework

7.1 The GLA's Business Plan 2013/14 - 2015/16 sets out how each of its directorates will deliver against the Mayor's Vision, targets and commitments. The Business Plan is clearly structured by directorate and unit and a high level budget is set which is followed by an overview of the roles and responsibilities of constituent units, listing their top priorities and KPIs and milestones to track delivery.

7.2 The CMT has an opportunity to challenge performance through its review of the GLA's quarterly monitoring report. The quarter 1 report for 2013/14 was the first time progress was reported against the newly established KPIs to the CMT. The focus of this meeting was to examine issues surrounding the quality of some of the KPI data. It is planned that for future meetings the focus will shift to delivery and achievement against targets.

7.3   The IPB meets on a monthly basis to discuss programme and project performance, including progress in the implementation and delivery of the GLA project programme. The IPB role is to consider the performance both financial and output driven against the targets set within the GLA Business Plan. A monthly project performance report is produced for the IPB which highlights the performance of each GLA project. This is also included as part of the GLA Quarterly Monitoring report to the Budget Monitoring Sub-Committee and the performance of these projects feeds into the analysis of performance against the 20 KPIs set for the Business Plan objectives.

7.4   The Governance Steering Group is responsible for the approval of the Data Quality Framework and also the commissioning of actions where issues regarding the quality of performance management information are raised.

7.5   The Budget Monitoring Sub-Committee, which meets on a quarterly basis, has the role of reviewing the GLA quarterly monitoring report which includes performance against the suite of 20 KPIs for Mayoral targets and commitments published within the GLA Business Plan 2013/14 - 2015/16. GLA officers attend the Sub-Committee and are questioned on specific aspects covering the KPIs.

Strategic Approach to Performance Management

7.6   All policies and procedures regarding performance management are held in the relevant sections of the GLA intranet and internet sites. Project management guidelines are provided within the project management toolkit. Performance management guidelines are also in place for GLA staff. Data quality expectations and tools are included in the document "ACE: The GLA's Framework for Data Quality"; tools include includes performance indicator pro formas for performance information, outturn and self-audit.

7.7   To track performance of KPIs against the business plan and to monitor progress for programmes/projects the GLA operates a framework which sets out the requirements for those GLA officers who are responsible for performance management and the processes which need to be followed in the provision of performance data. This is based on the approach outlined in the project management toolkit and the Data Quality Framework.

7.8   The Governance and Resilience Unit developed the Data Quality Framework and are responsible for updating and publicising it. The Framework was approved by the Corporate Governance Steering Group on the 30 March 2012 and was last revised in January 2013. It will be strengthened following the adoption of the GLA Use of Statistics Protocol which will further clarify roles and responsibilities and guidance to ensure that the GLA produces statistics in line with professional standards. The Framework clearly sets out the GLA's commitment to ensure a consistent and best practice approach in the way data is collected, collated, recorded and managed. The GLA's Intelligence Unit is responsible for launching and overseeing the Use of Statistics Protocol.

Roles and Responsibilities

7.9   Roles and responsibilities for ensuring the quality and accuracy of performance information are clearly established within the Framework which applies to all GLA staff as well as external partners who are undertaking services on the behalf of the GLA. The Executive Director of Resources is the GLA data quality champion and the Governance and Resilience Unit provides support to the data quality champion.

7.10   Responsibilities for each performance indicator are clearly assigned to GLA officers with a performance owner who is responsible for managing the performance of their indicator and also monitoring the quality of the data which is produced. A data owner is responsible for; producing their indicator, ensuring systems in place for collecting data function effectively, information produced meets GLA quality standards and data is reported in a timely manner. The Governance and Resilience Unit maintains a list of the suite of 20 Business Plan KPIs which records the data and performance owners for each indicator.

7.11   Staff responsibilities regarding performance management are recorded in staff job descriptions. These responsibilities are also part of the GLA competency framework which contains a competency relating to research and analysis which covers the production of performance information.

8.   Establishment and Approval of Performance Indicators

8.1   An initial list of 24 KPIs were drafted by the Governance and Resilience Unit based on the Mayoral priorities and passed to the relevant Directorates/Units, Mayoral Advisers and the CMT for approval in December 2012. This list was then adjusted to cover 20 KPIs. The GLA's Business Plan for 2013/4 to 2015/16 published in May 2013 year included the 20 approved KPIs grouped under six themes: economy and regeneration; youth; community; environment and retrofitting; housing and land; efficiency. This represents the first time the GLA has set out its key measures of performance in this way. The Business Plan and the 20 KPIs were approved by the Mayor as part of Mayoral Decision MD1197 on the 14 May 2013.

8.2   Each performance indicator is supported by a KPI information record which sets out the following;

- the Directorate and Unit who own the indicator;
- the rationale for the indicator;
- a detailed definition of the indicator;
- how the data will be collected and checked;
- risks to and limitations in the quality of the data;
- a sign off by the responsible performance owner and data owner.

8.3 Although any changes to the suite of 20 KPIs included in the GLA Business Plan are reported to and approved by the CMT and reasons for a change are recorded on the performance indicator data collection template, the quarterly GLA Group Monitoring report notes any changes made but does not always state the justification for any changes which have taken place. Of the four KPIs which had changed within the quarter one monitoring report an explanation was provided for two.

> **Recommendation**
> The commentary section of the quarterly GLA Group Monitoring report routinely contains details of how a performance indicator has been revised and the reasons for the revision.

8.4 At the end of the year, data owners will be expected to compile and maintain details of the performance and evidence to support the outturn. As this is the first year the KPIs have been in place this process will take place for the first time in April 2014.

8.5 The introduction of KPIs for the first time and the adoption of the Data Quality Framework mean that there is a need to review the relevance of each KPI at the year-end to ensure they are appropriate and enabling the measurement of the impact and delivery of Mayoral priorities.

> **Recommendation**
> As part of the annual refresh of the GLA's business plan, a review is carried out to check that each KPI has properly and accurately reflected Mayoral priorities.

9. Capture, Accuracy and Timeliness of Performance Information

9.1 The GLA Data Quality Framework establishes the following-

- the allocation of responsibilities for data quality;
- the need to ensure that external partners are aware of GLA data quality standards;
- the process for establishing performance indicators;
- the need for understanding the impact of poor quality data;
- the process for capturing and checking data;
- the process for evaluating information and ensuring that best practice is being followed.

9.2 The Data Quality Framework establishes a clear set of processes to enable the GLA to provide performance information which assists in the monitoring of GLA activity in meeting the targets set in the GLA Business Plan and monitoring GLA projects.

9.3 For each Business Plan KPI a standard template is completed which provides details of data for the period, a rating and commentary on performance and data quality, and a checklist to ensure that all data has been recorded. If targets are not being met the reasons and details of any remedial measures taken are recorded.

9.4 The process for obtaining assurance that Directorates/Units are providing accurate data may not always be operating effectively. There is an expectation that all systems used to produce performance data should be reviewed periodically by the performance and data owners. In testing a sample of KPIs we did not find evidence of reviews taking place systematically. However, there is evidence of reviews of the methodology of specific KPIs, such as the Jobs KPIs. It is important that the Governance and Resilience Unit is provided with assurance that such reviews are taking place. The introduction of a self-certification on end of year data collection forms would help provide this assurance.

9.5 As this is the first year that KPIs have been used there are some indicators such as sponsorship income which have well defined indicators and data gathering processes whilst others are not as established or easily defined such as CO_2 savings from energy supply programmes. The GLA are aware of these issues and some have been raised with the CMT as part of the review of the quarterly GLA Group monitoring report. Any queries regarding KPIs are collated by the Governance and Resilience Unit and then passed to the relevant performance owner for action. The completion of a formal periodic review of all KPIs will further assist in ensuring that any concerns regarding the accuracy of data are formally reported and acted upon.

> **Recommendation**
> Performance and data owners are reminded of the need to ensure that the data they produce is accurate and in line with the data quality framework and GLA statistics protocol. Assurance should be provided to the Governance and Resilience Unit via a self-certification box, added to end of year data collection forms.

9.6   Although a formal timetable for the provision of performance data is not in place the Governance and Resilience Unit provides performance and data owners with clear deadlines for the provision of performance data for the CMT, IPB and the Budget Monitoring Sub-Committee. The Governance and Resilience Unit are in the process of developing a formal timetable for the year 2014/15.

10.   Monitoring and Reporting of Performance

10.1   The Governance and Resilience Unit is responsible for collating performance data and reporting on GLA performance in respect of the business plan KPIs and projects. A quarterly GLA Group monitoring report covering financial performance, progress of GLA projects, and progress against Business Plan deliverables and performance against the KPIs is presented to the Budget Monitoring Sub-Committee. The monitoring report also provides a review of financial performance with analysis of over and under-spends. The KPI performance update report is reviewed and approved by the CMT prior to being reported to the Sub-Committee.

10.2   All GLA projects are approved and monitored by the IPB which meets on a monthly basis. A monthly project performance report is produced in which each project is rated to indicate the level to which the project is progressing according to plan. A summary report is also produced which provides an overview of project performance, details on new projects, details on red rated projects and issues for consideration by the Board. We reviewed the project and programme report and found that the analysis of the projects and the risk assessment ranking produced was in line with the criteria set.

10.3   The most recent report to the IPB covers the 129 live projects in place as at the end of October 2013. This is a significant number of projects to scrutinise and review which underlines the importance of the accuracy of data and information given the level of reliance placed on the progress reports provided. The status of each project is rated as green, amber or red and details are provided of any changes to the status of a project. Key milestones are recorded and comments on progress are provided by the responsible Directorate. In addition some projects are brought into the IPB forward plan to be looked at as agenda items for the IPB in their own right. Our analysis of a sample of minutes from the IPB showed that although progress on GLA projects was noted there was no evidence of action to be taken to address any issues raised, and in particular for those projects that are red or amber rated.

Recommendation
The IPB review of performance is reflected in the minutes of the meeting and agreed actions to address any areas of concern/for improvement recorded and progress tracked.

10.4   Adequate processes are in place for recording outstanding actions resulting from the monitoring of performance by the Budget Monitoring Sub-Committee. Minutes and transcripts are produced for the Sub-Committee and published on the GLA internet site.

10.5   The Mayor of London's Annual Report outlines the achievements of the GLA for the preceding year. The report is in two parts, the first part highlights key achievements for the year whilst the second provides a detailed breakdown of the performance of the GLA and the wider GLA group. Part two also provides an update on the progress made against each of the Mayoral Strategies. It is planned that the Annual Report for 2013/14 will include coverage of the 20 KPIs.

10.6   Work is on-going to provide details of the GLA KPIs on the London Dashboard. The London Dashboard and London Datastore is an initiative by the GLA to release to the public as much of the data that it holds as possible. Some of the data relating to the KPIs is already recorded on the London Datastore and it is planned to report performance on the KPIs.

RISK AND AUDIT ASSURANCE STATEMENT – DEFINITIONS

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categories recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
8.3	The quarterly GLA Group Monitoring report does always not state the justification for any changes to KPIs. Stakeholders may not be aware of why a KPI has been revised.	3	The commentary section of the quarterly GLA Group Monitoring report routinely contains details of any performance indicator that have been revised together with the reasons for the revision.	Yes	Agreed – a brief rationale will be provided.

Responsibility: Head of Governance & Resilience | Q3 report in March 2014 |
| 8.5 | There is a need to review the relevance of each KPI at the year-end to ensure that they have properly reflected the Mayoral priorities. | 2 | As part of the annual refresh of the GLA's business plan, a review is carried out to check that each KPI has properly and accurately reflected Mayoral priorities. | Yes | Agreed – this will happen as planned.

Responsibility: Head of Governance & and Assistant Director of Intelligence | Beginning of new financial year – April 2014 |
| 9.5 | Systems used to produce performance data are not being reviewed periodically by the performance and data owners to give assurance on the accuracy and completeness of the data provided.

Given the level of reliance placed on the volume of performance data provided there is a risk that inaccurate progress may be reported and/or areas of improvement are not identified and addressed. | 2 | Performance and data owners are reminded of the need to ensure that the data they produce is accurate and in line with the data quality framework and GLA statistics protocol. Assurance should be provided to the Governance and Resilience Unit via a self-certification box, added to end of year data collection forms. | Yes | Agreed – a self-certification box will be added.

Responsibility: Head of Governance & Resilience | Q4 report in July 2014 |
| 10.3 | The IPB notes progress on GLA projects but evidence of discussions of progress and in particular for those projects that are red or amber rated is not retained. | 3 | The IPB review of performance is reflected in the minutes of the meeting and agreed actions to address any areas of concern/for improvement recorded and progress tracked. | Yes | Agreed – where actions are discussed, they will continue to be recorded in the minutes.

Responsibility: Head of Governance & Resilience and Head of Committee & Member Services | Next IPB meeting on 17 December 2013 |

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MOPAC | MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

General Ledger Control Framework

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1. Background

1.1 This review has been carried out as part of the Greater London Authority (GLA) 2013/14 internal audit plan. The objectives for the general ledger are to ensure that accurate, timely and complete financial information is captured, maintained and reported which meets accounting standards and statutory requirements and facilitates effective decision making.

1.2 We are looking to provide assurance that the following potential risks to achieving the objectives are being effectively managed:

- Ill defined policy/standards, regulations and/or procedures
- Breach of financial regulations and statutory requirements
- Accounting standards not met
- Inaccurate/incomplete financial information recorded
- Unauthorised/inappropriate access levels
- Ineffective bank and ledger reconciliations
- Unauthorised financial transactions, including journal transfers
- Inaccurate/incomplete financial information reported
- Ineffective supervision and review

1.3 The GLA has a Service Level Agreement with Transport for London (TfI) and its Financial Services Centre (FSC) for the provision of a SAP system, the platform for the GLA general ledger, and the TfI Data Management Team (DMT) are responsible for maintaining the system. The revised GLA budget allocated for 2013/14, administered via the general ledger, is £271.3m.

2. Audit Assurance

> **Substantial**
>
> There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.

3. Areas of Effective Control

3.1 Approved GLA Financial Regulations are in place and take account of statutory requirements and accounting standards. Regulations are reviewed on a two yearly basis and are available to all GLA personnel. They cover financial planning, management, monitoring and control. The regulations are supported by guidance maintained by the Financial Services who also provide training to GLA staff.

3.2 Adequate systems are in place for the setting up, approving and monitoring of access to the SAP system. All requests for access to the SAP finance system are documented and processed by approved personnel only and access is monitored on a regular basis.

3.3 Effective controls are in place to ensure inputs and outputs from the financial ledger are complete, accurate, timely and valid. Monthly management accounts are produced for all GLA Directorates and reviewed by GLA Finance and representatives from Directorates. Finance performance reports are also produced on a quarterly basis and submitted to the GLA Budget Monitoring Sub Committee.

3.4 Journal entries are generally supported by adequate evidence and properly approved and are processed on a timely basis.

3.5 Regular reconciliations of control accounts, suspense account and bank reconciliations are undertaken to confirm the completeness and accuracy of financial information. Any anomalies are identified and promptly addressed.

3.6 Key Performance Indicators have been identified for accounts payable, accounts receivable, payments to small medium companies and accurate and timely reports are produced for monitoring purposes.

4. Issue for Management Action

4.1 We have recommended that there is independent review of journal entries and budget holders are reminded of the need to authorise requests for journals in their area of responsibility.

5. Review Objectives

5.1 Our overall objective is to evaluate the adequacy of the control framework in place to effectively manage the general ledger. In particular, we are looking to provide an assurance that:

- Up to date and approved policy, regulations and supporting procedures, in line with statutory requirements and accounting standards are in place.
- Access to the general ledger is monitored and restricted to authorised officers.
- All input to and output from the financial ledger is complete, accurate, timely and valid.
- Journal entries are valid, supported and appropriately authorised in accordance with approved procedures.
- Effective and timely bank and ledger reconciliations are carried out to confirm the completeness and accuracy of financial information.
- Adequate management information is produced, reviewed and used effectively to inform decision making and reporting.

6. Scope

6.1 We reviewed the effectiveness of the control framework for the management of the general ledger system. This involved reviewing; the regulations and guidance that govern the use of the ledger, access controls, completeness and accuracy of records and reconciliations, authorisation processes and the effectiveness of management information and review.

6.2 This review focused on the aspects of SAP that relate to the GLA role in managing the general ledger a separate IT review of SAP and a review of the financial management control framework will be undertaken. Tfl Internal Audit will also provide assurance around Tfl's maintenance of the SAP system.

7. Regulations, Policy and Guidance

7.1 The GLA Financial Regulations available on the GLA website, reviewed in 2013, take account of statutory requirements and accounting standards and include the schemes of delegation of the Authority's functions. They reflect the Local Government Act 1988, 1999 and 2003, Audit Commission Act 1998 and Accounts and Audit Regulations 2011 as appropriate. The Financial Regulations also cover financial management, planning, monitoring and control.

7.2 Detailed and clearly defined guidance for day to day transactions undertaken on the general ledger is in place and includes information relating to financial procedures, shopping carts, BACS runs, expenses reporting, VAT and journal transactions. The guidance is maintained and kept up to date by the GLA Financial Services. Presentations on key financial policy and procedures have also been given by GLA finance personnel to GLA staff.

FINDINGS AND RECOMMENDATIONS

8. Control over Access to the System

8.1 Requests for relevant staff to access the SAP finance system are submitted to the GLA Financial Services. Three gatekeepers, the Chief Accountant and two Accountants have been allocated as the only personnel authorised to submit requests to the Data Management Team (DMT) at Transport for London (TfL). Any changes to the gate keeper's access to SAP are authorised by their line managers and DMT would not accept change forms submitted by gate keepers with changes to their access levels.

8.2 Personnel are allocated profiles of Management Accountant, Cost Centre Manager and Shopper based on their respective roles and responsibilities. Personnel are only allocated one category of profile which ensures segregation of duties, i.e. shoppers cannot authorise expenditure, cost centres cannot place orders. A definitive list of access levels is maintained by the Tfl DMT. We reviewed a sample of SAP users from the access list provided by the DMT for November 2013 and found appropriate supporting documentation and authorisation for all but one of the SAP users. The form for this user was not available for review but we confirmed the member of staff had been granted appropriate access to the system.

8.3 A monthly list is provided by the Human Resource Unit (HR) to the Financial Services of all leavers and this is compared to the SAP user list to ensure all leavers are removed from the SAP system. Our review of the leavers' reports for July, August and September 2013 compared to the SAP users log issued in November, showed that two personnel who had left the Authority in September remained on the SAP system as Shoppers. However, Shoppers are not able to approve orders or authorise payments and their details remain on the system until any transactions posted by them are cleared.

8.4 Approval limits are set for SAP users based on their profiles in accordance with Financial Regulations. Threshold limits were increased following the changes made to the Financial Regulations in April 2013. A spread sheet was maintained by GLA Finance detailing authorisation limits to record the changes which were approved by the Chief Accountant. We checked a sample and confirmed the details were in line with the thresholds contained in the Financial Regulations.

8.5 Access to SAP is made available to appropriate staff members to cover staff absences. Personnel are able to set up a substitute on the SAP system and this is supported by appropriate guidance. Weekly substitute reports produced by DMT are submitted to the GLA Financial Services and we found that monthly documented reviews are undertaken by Finance to identify any substitutes that should be removed from the system. Any actions required were clearly documented on review forms.

9. Validity, Accuracy and Timeliness of Inputs and Outputs

9.1 The TfL FSC is responsible for entering data onto the SAP system and for retaining source documentation. All items entered onto SAP must be allocated to a cost centre and code. A Chart of Accounts is used by the GLA to define each class of item for which money is spent or received. It provides clarity of the individual units and also of the reporting structure within the GLA. Cost Centre and code creation requests are submitted to the Financial Services for approval and submitted to the SAP DMT to set up on the SAP system. We checked a sample of new codes and found that requests were made by Directorates and the setup of new codes had been submitted by one of the allocated gate keepers. Cost centres and codes are used by the Financial Services to support the reconciliation process.

9.2 Monthly reports are produced by the GLA Financial Services for distribution to each budget holder. The reports contain details relating to budget book summary, cost object summary, expanded summary, management account summary, management account detail, transaction list and pay data. Other reports produced are in relation to forecasts. Monthly reports are discussed with Directorate representatives and lead accountants to ensure all transactions are captured and to identify any issues and actions that may need to be addressed.

9.3 A set timetable for each quarter stipulates when budget monitoring reports are available to the GLA Directorates and forecast submissions are due and follow up meetings take place between finance and budget holders as necessary. We reviewed a sample of three cost centres (G0310, G0730 and G0801) for the periods seven and eight. Detailed reports showed the current status of budgets along with details of variances and evidence of queries raised and actions taken by the budget holders and accountants. Forecast information had been submitted and included notes to explain any variances recorded. We also found that the correspondence contained relevant queries and actions were being effectively carried out and monitored.

10. Recording and Authorisation of Accounting Journals

10.1 Accounting journals are processed by the Financial Services and the TfL FSC. A report is maintained by the Financial Services of all journals submitted and processed. However, this is not reconciled to the SAP system to confirm the accuracy of journals actioned and there is no independent review of journals.

10.2 Requests for journal transactions are submitted by Budget Managers/Cost Centre Managers whose details are recorded on the SAP system. We obtained a copy of the report from the Financial Services for the periods 1 to 7 in 2013/14. The report contained a total of 189 journals processed by the GLA and we reviewed 25 and found 23 were supported with the reason for the request, however journals from Directorates had not always been submitted by Budget Holders. Details of Finance staff processing details of journals were noted for the majority of records reviewed

but not all, however all Journal transactions had been approved by either the Principal Accountant or the Chief Accountant as appropriate.

> **Recommendation**
> Financial Services should ensure that:
> - Journal entries are independently monitored.
> - Budget holders are reminded of the need to authorise all requests for journals.

11. Conduct of Reconciliations

11.1 Control Account reconciliations are undertaken on a regular basis by the Accountant and reviewed by the Chief Accountant. Account details are extracted from SAP and sent to the Financial Services by the TfL FSC.

11.2 Adequate controls are in place to ensure regular reconciliation of accounts takes place and they are appropriately signed off. We reviewed the control account reconciliations for August and September 2013, which had been undertaken by the Accountant and approved by the Chief Accountant. There was adequate evidence to show that the details of transactions on accounts and any movements had been reviewed and appropriate records supported the makeup of balances. Queries and the subsequent action required were also appropriately recorded on the control account reconciliations.

11.3 A trial balance is also extracted from SAP by the FSC and sent to the GLA Financial Services on a monthly basis. As part of the control account reconciliation the details are checked for accuracy by the Financial Services to ensure balances are shown as zero. From the trial balances reviewed we found that individual balances were accurately reflected in the reconciliation statements.

11.4 A suspense account is used by the FSC to post unidentified items. We found that suspense account entries mainly relate to credit card transactions. A reconciliation of the suspense account is undertaken by the GLA Financial Services monthly as part of the control account process. Supporting evidence for items to be transferred out of the suspense account for the reconciliation in August 2013 were reviewed and matched to the suspense account. All transactions in the suspense account were supported by adequate information and transfers properly authorised.

11.5 Bank reconciliations are undertaken by the FSC and GLA Financial Services on a monthly basis. Details of bank reconciliations are sent to the GLA Financial Services who also undertake reconciliations as part of the Control Account process. The GLA Accountant has read-only access to the bank accounts. We selected two months bank reconciliations for review. The reconciliations had been performed for September and October 2013 by personnel at FSC and the Senior Finance Officer at GLA and reviewed by the Chief Accountant at GLA in line with

the approved procedure. We also found an adequate separation of duties is in place for the preparing, review and authorisation of bank reconciliations.

12.   Management Information and Review

12.1 Relevant Key Performance Indicator (KPI) reports are produced for the services provided to the GLA by the FSC. Reports for the periods 6 and 7 contained details of payments made to Small Medium Enterprises (SME) within 10 days and showed a 92% achievement rate. Other reports produced related to Accounts Payable (AP) and Accountants Receivable (AR). Data contained in the reports showed that an achievement of 98% had been made for AP and current billings had reduced from £29.6m in period 6 to £25.4m for period 7.

12.2 The Greater London Authority Finance and Project Performance Report for each quarter is produced by the Financial Services and submitted to the Budget Monitoring and Sub-Committee. The quarter 1 2013/14 which was submitted in October 2013 contained details showing financial performance by each Directorate including original budget, revised budget, forecast expenditure and forecast variance. The report showed that the original budget of £275.3m had been revised and reduced to £271.3m; forecast expenditure as £248.9m with a forecast variance of £22.4m underspend.

12.3 Budget monitoring reports are produced and distributed to budget managers on a regular basis. Follow up meetings are held and actions are taken as necessary and documented accordingly. Reports are available via the SAP system for relevant cost centres and also Work Breakdown Structures (WBS) containing code details. A timetable also exists for producing reports including the end of year close down procedures.

RISK AND AUDIT ASSURANCE STATEMENT – DEFINITIONS

Overall Rating	Criteria	Impact
Substantial	There is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives.	There is particularly effective management of key risks contributing to the achievement of business objectives.
Adequate	The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.	Key risks are being managed effectively, however, a number of controls need to be improved to ensure business objectives are met.
Limited	The control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives.	Some improvement is required to address key risks before business objectives can be met.
No Assurance	A control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.	Significant improvement is required to address key risks before business objectives can be achieved.

RISK RATINGS

Priority	Categories recommendations according to their level of priority.
1	Critical risk issues for the attention of senior management to address control weakness that could have significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to: • The efficient and effective use of resources • The safeguarding of assets • The preparation of reliable financial and operational information • Compliance with laws and regulations.
2	Major risk issues for the attention of senior management to address control weaknesses that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisational objectives.
3	Other recommendations for local management action to address risk and control weakness that has a low impact on the achievement of the key system, function or process objectives ; or this weakness has exposed the system, function or process to a key risk, however the likelihood is this risk occurring is low.
4	Minor matters need to address risk and control weakness that does not impact upon the achievement of key system, function or process or process objectives; however implementation of the recommendation would improve overall control.

Ref.	Findings and Risk	Priority	Recommendations	Accepted	Management Response and Responsibility	Target Date
10.2	Requests for journal transactions are submitted by Budget Managers/Cost Centre Managers whose details are recorded on the SAP system. We obtained a copy of the report from the Financial Services for the periods 1 to 7 in 2013/14. The report contained a total of 189 journals processed by the GLA and we reviewed 25 and found 23 were supported with the reason for the request, however journals from Directorates had not always been submitted by Budget Holders. There is a risk that the requests for journals are not adequately authorised.	3	Financial Services should ensure that: • Journal entries are independently monitored. • Budget holders are reminded of the need to authorise all requests for journals.	Yes	Journal requests will only be accepted from Budget Holders and they will be reminded of the need to authorise all such requests	1 December 2013

M O P A C

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

DIRECTORATE OF AUDIT, RISK AND ASSURANCE
Internal Audit Service to the GLA

Follow Up Review Of
Treasury Management

1. Background

1.1 This audit follows up the progress made towards implementing the three agreed recommendations from the audit of Treasury Management that was completed in February 2013.

1.2 The original audit identified one priority 2 and two priority 3 rated recommendations.

2. Audit Objectives

2.1 Our objectives during this review were to:

- Establish whether the accepted recommendations have been implemented effectively.

- Assess the impact of any changes to the system.

2.2 A follow up review of the MOPAC Treasury Management framework is due to be undertaken in January 2014, in which it is proposed to undertake a detailed review of the internal controls which have been established as part of the Shared Service arrangement. Any issues arising will be reported to the GLA Team.

3. Audit Assurance

Adequate Assurance

Key risks are being managed effectively, however, some controls need to be improved to ensure business objectives are met.

4. Key Findings

4.1 Since our original audit review one recommendation has been fully implemented, one partly implemented and a further one not implemented.

4.2 Treasury Services have reviewed access to the cash flow spreadsheet which is held on the GLA Finance shared drive and although access remains unrestricted, a back-up of the spreadsheet is made on a weekly basis. The daily reconciliation of the cash flow spreadsheet to bank account balances assists in the detection of unapproved changes to the spreadsheet and serves as a compensating control. Treasury Services are planning to procure a Treasury Management System by the end of the current financial year, which will include cash flow functionality.

4.3 The GLA Shared Service arrangement with MOPAC for Treasury Services became operational in July 2013 although the agreement has yet to be signed by MOPAC. A number of actions highlighted for consideration for the Shared

Service arrangement being established at the time of the original review have been implemented as follows:

- Inclusion of the MPS/MOPAC into the GLA Group Investment Syndicate (GIS) which manages the short term investments of the parties in the shared service arrangement;

- Approval of a GIS Investment Strategy as part of the GLA's Treasury Management Strategy Statement and Policy 2013/14, setting out the shared service participants commonality towards investment risk;

- The appointment of Capita (formerly Sector) as the single Treasury Advisor;

- GLA access to the MPS bank account (online access via Bankline); and

- Weekly management reporting on the performance of GIS investments to MOPAC.

4.4   As part of the agreement between the GLA and MOPAC, meetings to discuss treasury strategy and performance have taken place between the two parties in August and November, with a further meeting arranged for December. Dates for meetings to be held in the new year are currently being scheduled.

4.5   The GIS is managing the investments of the Shared Service clients including the GLA, MOPAC, London Fire and Emergency Planning Authority (LFEPA), London Pensions Fund Authority (LPFA) and London Legacy Development Corporation (LLDC) However, the revision of the Treasury Management Practices has not been completed to reflect the revised arrangements.

Ref.	Original Finding and Risk	Priority	Original Recommendation	Follow Up Finding	Further Recommendations and Management Response
7.4	The Treasury Management Practices document is not up to date. Inappropriate procedures may be followed.	3	The GLA Treasury Management Practices are updated to reflect changes that have taken place and those planned as a resulting of the integration of the MOPAC treasury management service. The original target date was September 2013	**Not Implemented** GLA Treasury Management Practices are currently in the process of being updated.	The update of GLA Treasury Management Practices is completed. **Target date** March 2014
10.3	There is a risk that changes could be made to the cash flow spreadsheet in error leading to a reduction of the accuracy of forecasts.	3	A review is carried out of finance staff access to the cash flow spreadsheet.	**Implemented** A review has been carried out over the accessibility of the cash flow spreadsheet and a decision was made not to password protect the document. To mitigate the risk of unauthorised changes, the spreadsheet is backed up weekly and stored in a separate directory. Further mitigation against the risk is offered by way that the cash flow is reconciled daily to highlight any discrepancies. Treasury Services plan are to procure a Treasury Management System by the end of the current financial year, which will have functionality to incorporate the cash flow within it.	**None**

Ref.	Original Finding and Risk	Priority	Original Recommendation	Follow Up Finding	Further Recommendations and Management Response
12.4	Changes resulting from MOPAC joining the GLA's shared service for treasury management could reduce the effectiveness of the controls in place.	2	Effective controls are built into the proposed treasury management framework supporting the shared service arrangements and tested.	**Partly Implemented** Although the MOPAC Shared Service is in operation, the agreement supporting service provision has not yet been signed by MOPAC. The approval mechanism for GIS investments is not clearly stated in the shared service agreement. These arrangements will be documented in the Treasury Management Practices, which needs to be completed. The following actions that were highlighted in the original review have been taken: • A Treasury Management Strategy for the GLA Group Investment Syndicate (GIS) has been incorporated into the GLA's annual Treasury Management Strategy Statement (TMSS) outlining the common risk appetite of the syndicate; • A single Treasury Advisor has been appointed to advise the Shared Service; • The GLA have online access (view only) to the MPS bank accounts via Bankline; • Approvals for long term borrowing	The agreement between the GLA and MOPAC is to be finalised and signed by MOPAC. The approval mechanism for GIS investments is to be clearly stated in the Treasury Management Practices when they are updated as per the further recommendation at ref 7.4 **Target date** March 2014

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Ref.	Original Finding and Risk	Priority	Original Recommendation	Follow Up Finding	Further Recommendations and Management Response
				reside with MOPAC, short term investments are managed through the GIS, for which parties to the Shared Service have committed funds; • Reporting arrangements are in place in that the Shared Service report performance of the GIS funds to the MPS. These will be reviewed as part of the MOPAC Treasury Management review.	

GREATER LONDON AUTHORITY

INTERNAL AUDIT - PROGRESS REPORT

2 October 2013 to 25 November 2013

1.   **Summary**

1.1   This report summarises the work conducted by the Directorate of Audit, Risk and Assurance (DARA) under the shared internal audit service arrangement with the Mayor's Office for Policing and Crime (MOPAC). It identifies key areas of work carried out in the third quarter of 2013/14 and includes a summary of the planned audit work for the remainder of the financial year.

2.   **Audit Work Completed in the Third Quarter 2013/14**

2.1   The following reviews from the 2013/14 audit plan have been finalised:
        • Decision Making Framework - Mayoral and Directorate
        • ICT Desktop Management
        • ICT Internet Based - Network Security
        • General Ledger – Control Framework
        • Performance Management Framework
        • Mayor's Economic Development Strategy
        • Treasury Management – Follow Up

        (**Annex A** details the latest position on the implementation of recommendations and the assurance ratings).

2.2   Following agreement with senior management a series of fraud awareness training seminars have been arranged for all GLA staff. DARA has developed a fraud risk analysis which will assist in the delivery of the training programme which will begin in January 2014.

3.   **Key Work Planned for the Fourth Quarter 2013/14**

3.1   Planned risk reviews for the fourth quarter include the London Plan and Implementation, Energy and Environmental Policy Development and Implementation, Mayor's Recovery Fund, GLA Recruitment Control Framework, Sickness Monitoring and Control/ Attendance Management. DARA will also undertake the planned Material Systems reviews in consultation with External Audit.

3.2   Follow up reviews will include Gifts and Hospitality, Estate Strategy and Management of Assets, Risk Management and External Grant Funding – European Programmes.

4.   **Internal Audit Performance**

4.1   To date DARA have completed 255 days in respect of the 2013/14 internal
        audit plan (401 audit days). **Annex B** contains a summary of work completed
        to date and that planned for the remainder of the financial year.

4.2   Internal Audit is currently on target to complete 100% of the work programme
        to at least draft report stage by the year end.

Analysis of Assurance Rating and Recommendations

Risk Based Audits	Assurance Level	Total Recs	Priority 1	Priority 2	Priority 3	Priority 4	Not Accepted
Decision Making Framework - Mayoral and Directorate	Substantial	2			2		
ICT Desktop Management	Substantial	0					
ICT Internet Based - Network Security	Substantial	0					
General Ledger – Control Framework	Substantial	1			1		
Performance Management Framework	Adequate	4		2	2		
Mayor's Economic Development Strategy and Implementation Framework	Adequate	6		1	5		

Follow-up Audit	Assurance Level	Total Recs	Fully Implemented	Partly Implemented	Not Implemented	Additional Recs
Treasury Management	Adequate	3	1	1	1	

Key: P1=Priority 1

P2 = Priority 2

P3 = Priority 3

P4 = Priority 4

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RISK BASED REVIEWS	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Mayor's Mentoring Programme (2012/13)					C	C						
Estate Strategy and Management of Assets (2012/13)					C	C						
Mayor's Economic Development Strategy							C	C				
Housing Grants - Monitoring and Control Framework					C	C						
Housing Programmes (1) Affordable Homes						C	C					
Housing Programmes (2) Decent Homes						C	C					
Energy and Environmental Policy Development and Implementation								WIP	WIP			
London Plan and Implementation									P	P		
Mayor's Outer London Fund												P
Performance Management Framework							C					
Regeneration Funding Control Framework						C	C					
Decision Making Framework - Mayoral and Directorate							C	C				
GLA Recruitment Control Framework									P	P		
Sickness Monitoring and Control/Attendance Management										P	P	

MATERIAL SYSTEMS	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Members Allowances and Expenses Control Framework follow up				C								
Treasury Management Control Framework follow up								C				
General Ledger								C				
Creditor Payments									P			
Debtors Control									P			
Precepting Control Framework									P			
Payroll										P		
Financial Control Framework										P		
External Grants Control Framework follow up											P	

SPECIALIST REVIEWS - PROCUREMENT	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
ICT Procurement						C	C					
Contract Monitoring follow up					C							

SPECIALIST REVIEWS - ICT	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Network/Internet Security								C				
Desktop Management								C				
ICT Incident and Problem Management									P			

FOLLOW UP REVIEWS	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
2012 Employment and Skills Legacy Programme		C										
Cheque Handling Process			C									
Facilities Management			C									
Gifts and Hospitality										P		
Use of Agency Staffing and Consultants						C						
Capital Programme Monitoring and Control						C						
Estate Strategy and Management of Assets												P
Mayor's Mentoring Programme												P
Risk Management												P
External Grant Funding - European Programmes												P

Legend

Completed - C
Work in progress - WIP
Planned - P

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GREATER**LONDON**AUTHORITY   **LONDON**ASSEMBLY

Subject: London's European Programmes
Report to: Audit Panel
Report of: Executive Director of Resources	**Date: 17 December 2013**
This report will be considered in public.

1.   Summary

1.1   This report updates the Panel on audit issues relating to London's European programmes, responsibility for which transferred from the London Development Agency (LDA) to the Greater London Authority (GLA) in July 2011.

1.2   It restates for information some of the background provided in the previous October 2012 paper, updating where appropriate.

2.   Recommendation

2.1   **That the Committee notes the audit environment for European Programmes and note the work currently underway.**

3.   Background

3.1   The GLA acts as an 'Intermediate Body' managing European Regional Development Fund and European Social Fund programmes on behalf of the UK's Government, which is the 'Managing', 'Certifying' and 'Audit Authority' for these programmes. Details of these programmes can be found at **Appendix 1**.

3.2   European programmes are very heavily audited, in line with the requirements of the Commission's rules, which apply across all 27 European Union (EU) member states. The usual audit checks that any UK public sector-related expenditure might undergo - such as provision of an external audit certificate from an organisation's auditors - carry no weight from the perspective of EC regulations.

Project audits

3.3   The GLA's European Programmes Management Unit (EPMU) undertakes checks on projects' expenditure both before and after it pays claims to them (so-called 'Article 13' checks). DCLG auditors also undertake an annual series of checks after expenditure has been paid on a randomly-chosen sample of projects ('Article 16' checks). The payments team (the 'certifying authority' in DCLG for ERDF and DWP for ESF) also undertake checks. Projects can also be audited by European Commission auditors – and the European Court of Auditors (who audit the auditors).

3.4   If the EC is unhappy with the findings of UK or its own auditors, it can interrupt or suspend the payments it makes to the UK Government in respect of European programmes. Currently all ERDF and the ESF Programme in England are interrupted. On ERDF, EC auditors do not consider there is satisfactory compliance with the standardised processes introduced after abolition of the Regional Development Agencies. DCLG has put in place an intensive programme of work to review monitoring checks carried out under Article 13. GLA has participated in this exercise, and no particular problems have been identified as yet.

3.5   The GLA pay projects via web-based IT payments and monitoring systems; but the Government handles payments to and from the EC. The EC's payment 'interruptions' do not therefore affect the GLA or projects directly, as the Government continues to reimburse us, so we can pay projects.

3.6   3.6 Monitoring requirements constitute a time-consuming factor in the management of European programmes. Projects are liable to repay any ineligible expenditure - or 'irregularities' identified as part of these checks, and the amount of ineligible expenditure identified by an auditor as a percentage of the total amount of expenditure examined is known as the 'error rate'. Our overall aim is to keep error rates under 2% of the value of claims examined at any point in time, as the EC regard 2% as a 'tolerable' rate, above which they may have concerns that 'systemic' errors may be occurring, which can result in wider payment interruptions as noted above.

3.7   3.7 The European Commission stress that so-called 'irregularities' are not fraud; but mostly technical errors that relate to non-compliance with the EC's very complex rules on eligibility, procurement or publicity. These are sometimes overlaid with further complexity by a member state's own rules. For ERDF, an irregularity may typically relate to arithmetical errors in calculations of a project's overheads or staff time chargeable to ERDF; or evidence of compliance with procurement rules, which projects may not always have kept – especially in respect of smaller sums. ESF is typically much more straightforward – because public-sector organisations provide the required 50% of match funding upfront to would-be projects, who thus avoid getting bogged-down in providing evidence for their match funding package.

Project and systems audits

ERDF

3.8   DCLG's Audit Authority uses a methodology it has agreed with the EC for selection of project claims for audit under Article 16. Any irregularities detected in these claims count towards the error rate reported by the Audit Authority to the EC at the end of each calendar year for the previous July – June period. 9 projects were selected for Article 16 audits in London for 2102/13. The projected error rate for the claims selected across the 9 projects is likely to be within the EC's 2% tolerance threshold. A national error rate will be reported by the Audit Authority to the European Commission at the end of December 2013.

3.9   For 2013/14 the Audit Authority has, to date, selected claims over 5 projects. Visits are underway and the first reports are awaited.

3.10   DCLG's Internal Audit visited City Hall in October 2013 as part of a systems audit of desk based checks on ERDF claims for payment. The auditors also visited DCLG's Growth Delivery Teams in East and West Midlands. The draft report on the audit, submitted to the Managing Authority in DCLG on 13 November 2013, gave an unqualified opinion.

ERDF – London Green Fund

3.11   In November 2012, the European Commission (EC) Auditors (from Directorate-General for Regional Policy) carried out an audit of the London Green Fund (LGF) to obtain assurances that the management and control systems relating to the implementation of the fund are functioning effectively.

3.12   The auditors reviewed documents and interviewed staff from the GLA (EPMU), European Investment Bank , Department of Communities and Local Government and two of the sub-funds of the LGF. In June 2013, a draft interim report was issued by the EC, with preliminary conclusion that the systems are generally functioning effectively. However, further information was requested to clarify a few areas. A final report is expected shortly.

3.13   One of the actions included in the EC's draft interim report was for the Audit Authority (AA) to include the LGF as part of their audit programme. The AA has now visited all three of the LGF sub-funds and no significant issues were identified.

ESF

3.14   A systems audit of GLAs management and control of ESF in London was carried out by DWP's Audit Authority in September 2013. This is the first time that a full systems audit has been undertaken since responsibility for the management of European programmes transferred from the LDA to the GLA in July 2011. The scope of the review covered 7 key areas of responsibility including Intermediate Body functions, selection of operations, guidance to beneficiaries, management verifications, audit trail, reliable systems and preventative and corrective action. The outcome of the audit was extremely positive, with a category 1 level of assurance awarded (the highest).

London Development Agency ERDF and ESF activity

3.15   The LDA managed 22 2000-06 ERDF projects worth £30m, and seven 2007-13 projects worth £7m. It also acted as a co-financing organisation for both 2000-6 and 2007-13 ESF programmes, the latter programme receiving about £26m ESF.

3.16   The GLA has inherited responsibility for both this historic activity and also any liabilities that may arise from irregularities arising from further audits. For 2007-13, further audits have been undertaken. A report on an audit of LDA's Supply London ERDF project carried out in October 2013 is currently expected – we are aware of a potential irregularity involving redundancy payments. For 2000-6 activity, further audits are unlikely, though not impossible.

4.   Issues for Consideration

4.1   We propose to provide further regular updates to the Panel on European programmes' audit issues, along the lines of this paper; subject to any comments the Panel may have.

5.   Legal Implications

5.1   There are no legal implications for this report.

6.   Financial Implications

6.1   There are no financial implications for this report.

List of appendices to this report:

Appendix 1 – London's European Structural Fund programmes

Local Government (Access to Information) Act 1985
List of Background Papers: None

Contact Officer:	Alex Conway, European Programmes Director
Telephone:	020 7983 4600
Email:	alex.conway@london.gov.uk

London's European Structural Fund programmes

1. 'European Structural Funds' are a suite of seven-year programmes managed by regions and governments of the 27 EU member states. We are midway through the current '2007-13' programmes (which will close in 2016-17). Programmes are currently being negotiated for 2014-20 and GLA's role as an Intermediate Body is expected to be similar.

2. The funds' broad aim is to reduce inequalities between the wealthiest and poorest regions- though all regions receive funding. Expenditure on the 2007-13 programmes constitutes about a third of the EU's overall budget: **€347bn.** The UK is receiving **€10.6bn** of this, of which London receives **€660m**, split between two programmes – the European Regional Development Fund (ERDF) and European Social Fund (ESF).

3. Both programmes are augmented by a similar amount of match funding, provided by the six public sector 'co-financing organisations' (in the case of ESF); and projects themselves (in the case of ERDF). This translates to a London 2007-13 ERDF programme worth about £320m, and an ESF programme worth £820m. We therefore typically describe the programmes as being worth over £1bn to London, though actual amounts fluctuate with the exchange rate.

4. The usage of this funding is determined by 'Operational Programmes' (OPs) agreed by the European Commission (EC) and member states which set out outputs and results (jobs created, businesses supported etc) to be achieved over seven years in exchange for the funds; within a framework of complex monitoring and audit rules applied across the EU. The EC penalise programmes that fail to hit annual ERDF and ESF expenditure targets by clawing back unspent amounts. This has never happened in London.

5. The GLA manage and monitor the delivery of London's ERDF and ESF programmes on behalf of the Mayor through the European Programmes Management Unit (EPMU) in GLA's Resources Directorate.

6. Regional ESF and ERDF Committees are responsible for overseeing the ESF and ERDF Programmes in London and ensuring they meet their objectives. The Committees meet jointly at least twice a year and agree programme strategies, monitor performance and approve project selection criteria. The Committees are chaired by the GLA's Executive Director of Development, Environment and Enterprise, and members include representatives from public, private and voluntary sector organisations.

2007-13 London European Social Fund (ESF) Programme

7. The £820m London ESF programme supports revenue projects that will provide over 50,000 skills qualifications and get 40,000 people into work. Funding is split between projects to support:

  the workless (Priority 1 – 'extending employment opportunities' £580m),
  those in the workforce (Priority 2 – 'creating a skilled and adaptable workforce' £240m);

8. The 'Managing Authority' for ESF in England is the Department of Work and Pensions (DWP). The DWP have delegated responsibility for delivery of the programme in London to EPMU.

9. The 2007-13 ESF programme for London is worth £410 million at current exchange rates. It is delivered by six co-financing organisations (CFOs); which provide 50% of the match-funding (so the total programme size is ~ £820m).

10. Funding has now been fully committed to each CFO is set out in London's ESF 'Regional Framework' as follows:

CFO	Total ESF & match (£m)	% of programme value
	443	54%
Skills Funding Agency		
DWP	216	26%
LDA	53	6%
National Offender Management Service	41	5%
London Councils	51	6%
GLA	10	1%
Total	**8141**	100%

12. Each CFO produces its own prospectus/ITT, detailing the funding available and outputs expected to be achieved.

2007-13 London European Regional Development Fund (ERDF) programme

13. The English ERDF Managing Authority is the Department for Communities and Local Government (DCLG). It has delegated the responsibility of managing ERDF programmes in London to the GLA via a Statutory Instrument. The London programme is worth about £330m – approximately half EU funds, half matchfunding.

14. London ERDF Programme activities' targets include: assisting 20,000 businesses, creating or safeguarding 10,000 jobs, increasing GVA by €300m, reducing CO_2 emissions and waste going to landfill.

15. The four ERDF priorities set out in London's Operational Programme, and the number of projects supported are as follows:

Priority 1: Business innovation and research and promoting eco-efficiency **(£45m** revenue) – 46 projects

Priority 2: Access to new markets and access to finance **(£47m** revenue) – 37 projects

Priority 3: Sustainable places for business **(£65m** capital) - 8 projects, including £50m investment in the London Green Fund, which makes recyclable investments in green infrastructure projects.

Priority 4: Technical Assistance **(£6m** revenue) – 3 projects including 1to fund EPMU salaries.

16. ERDF bids are appraised through an open and competitive process agreed by the London ERDF Committee. Projects are appraised by EPMU, and recommendations to the Committee on which projects to support taken by a panel consisting of members of the Committee and chaired by the Mayor's office. Every project is also ultimately approved by the Mayor.

17. Bidders must provide their own match funding. 8 bidding rounds have been held and the funds will shortly be fully committed.

18. An independent mid-term evaluation of the programme, completed in August 2012, confirmed that the programme is being managed strongly and effectively, offers much good practice, and is on course to achieve or exceed most Programme targets.

Subject: Monitoring of Expenses and Taxable Benefits – Mayor, Elected Members and Senior Staff – 2013/14	
Report to: Audit Panel	
Report of: Executive Director of Resources	Date: 17 December 2013
This report will be considered in public	

1. Summary

1.1 This report sets out the taxable benefits and expenses incurred by the Mayor, London Assembly Members and senior staff for the period 1 September 2013 to 31 October 2013.

2. Recommendation

2.1 **That the Panel notes the taxable benefits and expenses incurred by the Mayor, London Assembly Members and senior staff for the period 1 September 2013 to 31 October 2013**.

3. Background

3.1 This report presents taxable benefits and expenses claimed, processed and approved during the period 1 September 2013 to 31 October 2013. The reporting and monitoring of taxable benefits and expenses in a public meeting supports the transparency and openness of GLA activity to ensure accountability to Londoners. **Appendix 1** provides details of expenses for the Mayor and Assembly Members, **Appendix 2** provides details of taxable benefits for the Mayor and Assembly Members, and **Appendix 3** provides details of expenses for senior staff. There were no taxable benefits for senior staff.

4. Issues for Consideration

Taxable benefits – Travel card

4.1 The Mayor and Assembly Members are entitled to an annual six-zone travel card. Members have the discretion to decide how many zones they require. The provision of a travel card is a taxable benefit and travel cards issued during the period from 1 April 2013 to 31 October 2013 totalled £39,120. Details are set out at **Appendix 2**.

Business Expenses

Use of taxis

4.2 Taxi expenses reported during the period 1 September 2013 to 31 October 2013 totalled £106 for the Mayor and £32 for an Assembly Member. Senior staff incurred £516 on taxi expenses during this period.

Other expense claims

4.3 In the course of their official duties the Mayor, Assembly Members and senior staff may incur business expenses. Wherever possible, the Authority books services in advance and all valid business expenses are reimbursed in accordance with the approved Expenses and Benefits Framework.

4.4 During the period 1 September 2013 to 31 October 2013, the Mayor claimed £197 on Foreign Travel, £880 on Other Expenses and £13 on Other Domestic Travel. Assembly Members claimed £102 on Other Domestic Travel, £1,007 on Foreign Travel and £176 on Other Expenses. Senior staff claimed £807 on Other Domestic Travel, £4,490 on Foreign Travel and £11,410 under Other Expenses. The category of Other Expenses includes subsistence, civic hospitality, hotel accommodation, eye tests, subscriptions and other miscellaneous expenses.

4.5 The GLA also provides mobile devices for the Mayor, Assembly Members and senior staff for business purposes as appropriate. The cost of these devices, which are paid direct by the GLA, is not included in this report.

Statistics

4.6 Summary totals for the periods April 2012 to October 2012 and April 2013 to October 2013 show an overall increase in expenses incurred by the Mayor and Assembly Members. Inevitably, any comparisons during the course of the year will be heavily influenced by the scheduling of foreign visits and this is particularly evident for the period under review as Mayoral and Assembly elections took place during the comparable period a year earlier. Accordingly variances will only be reported at the end of the financial year.

	April 2012 to March 2013 Total (£)	April 2012 to October 2012 Total (£)	April 2013 to October 2013 Total (£)
Taxi Expense Claims	306	203	414
Other Domestic Travel	394	243	324
Foreign Travel	10,195	1,278	5,335
Other Expenses	3,241	429	1,730
Total	**14,136**	**2,153**	**7,802**

4.7   Summary totals for the periods April 2012 to October 2012 and April 2013 to October 2013 show an overall increase in expenses incurred by Senior Staff. Inevitably, any comparisons during the course of the year will be heavily influenced by the scheduling of foreign visits. Variances will only be reported at the end of the financial year.

	April 2012 to March 2013 Total (£)	April 2012 to October 2012 Total (£)	April 2013 to October 2013 Total (£)
Taxi Expense Claims	2,080	567	1,925
Other Domestic Travel	3,718	1,997	2,229
Foreign Travel	22,613	477	20,101
Other Expenses	16,723	750	15,925
Total	**45,134**	**3,791**	**40,179**

Exceptions

4.8   All expenses and benefits have been authorised and paid in accordance with the Expenses and Benefits Framework. The Framework provides for exceptions to be approved and during the period from 1 September 2013 to 31 October 2013 there are six such expenses claims listed in the table below.

Claimant	Value (£)	Outside of the Framework	Reasons for approval
Chief of Staff and Deputy Mayor, Policy and Planning	559.50	Business entertaining dinner for 9 people - excess the limit of £50 per person	Expenses properly incurred on GLA business
Chief of Staff and Deputy Mayor, Policy and Planning	15.20	Working lunch abroad	Expenses properly incurred on GLA business
Chief Economic Advisor	1275.70	Business entertaining dinner for 20 people in Dubai - excess the limit of £50 per person	Expenses properly incurred on GLA business
Chief Economic Advisor	15.20	Working lunch abroad	Expenses properly incurred on GLA business
Chief Economic Advisor	143.98	Claims included expenses more than 3 months old	Expenses properly incurred on GLA business
Head of Media	15.20	Working lunch abroad	Expenses properly incurred on GLA business

Carbon Emissions

4.9   The Authority is committed to reducing its carbon footprint and this has been reflected in the Expenses and Benefits Framework and there is an expectation that all claimants will use public transport wherever possible. The Authority calculates the carbon emissions on all flights and in line with the Government Carbon Offsetting Fund formulae pays the offsetting costs.

5.   **Legal Implications**

5.1   Under section 127(2) of the Greater London Authority Act 1999 the Mayor is required to make arrangements for the proper administration of the financial affairs of the Authority and to secure that one of the Authority's officers, the Chief Finance Officer, has responsibility for the administration of those affairs. The Chief Finance Officer of the Authority is the Executive Director of Resources. The adoption of the Expenses and Benefits Framework is one of the arrangements made by the Mayor on the recommendation of the Chief Finance Officer for the good administration of the financial affairs of the Authority.

6.   **Financial Implications**

6.1   **EXPENSES –** Total expenditure on business expenses for the Mayor and Assembly Members for the period 1 September 2013 to 31 October 2013 totalled £2,514 and for Senior Officers it totalled £17,223. These costs have been met from respective budgets.

6.2   **TAXABLE BENEFITS –** Expenditure on travel cards for Elected Members for the period 1 April 2013 to 31 October 2013 totalled £39,120. These are taxable benefits and have been met from the relevant budget.

List of appendices to this report:
Appendix 1 - Details of expenses for the Mayor and Assembly Members;
Appendix 2 – Details of taxable benefits for the Mayor and Assembly Members; and
Appendix 3 – Details of expenses for senior staff.

Local Government (Access to Information) Act 1985   **List of Background Papers: None**
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APPENDIX 1: MAYOR AND MEMBERS EXPENSES 01 SEPTEMBER 2013 to 31 OCTOBER 2013

		Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	Reporting Period Total 1 Sep 2013 to 31 Oct 2013	Year to Date Total
Mayor	Johnson, Boris	-	105.75	13.18	197.48	880.28	**1,196.69**	**5,551.80**
Deputy Mayor	Borwick, Victoria	-	-	-	-	-	**-**	**-**
Current Assembly Members								
Assembly Member	Arbour, Tony	-	-	-	-	-	**-**	**-**
Assembly Member	Arnold, Jennette	-	-	-	-	-	**-**	**-**
Assembly Member	Bacon, Gareth	-	-	-	-	-	**-**	**-**
Assembly Member	Biggs, John	-	-	-	-	-	**-**	**-**
Assembly Member	Boff, Andrew	-	-	-	-	-	**-**	**-**
Assembly Member	Cleverly, James	-	-	-	-	-	**-**	**-**
Assembly Member	Copley, Tom	-	-	-	-	-	**-**	**-**
Assembly Member	Dismore, Andrew	-	-	-	-	-	**-**	132.84
Assembly Member	Duvall, Len	-	-	-	-	-	**-**	25.98
Assembly Member	Evans, Roger	-	-	-	-	-	**-**	**-**
Assembly Member	Gavron, Nicky	-	-	-	-	-	**-**	**-**
Assembly Member	Johnson, Darren	-	-	-	-	-	**-**	**-**
Assembly Member	Jones, Jenny	-	32.00	42.25	-	-	**74.25**	319.50
Assembly Member	Knight, Stephen	-	-	-	-	-	**-**	**-**
Assembly Member	Malthouse, Kit	-	-	13.18	1,006.65	176.47	**1,196.30**	1,725.30
Assembly Member	McCartney, Joanne	-	-	-	-	-	**-**	**-**
Assembly Member	O'Connell, Stephen	-	-	-	-	-	**-**	**-**
Assembly Member	Pidgeon, Caroline	-	-	-	-	-	**-**	**-**
Assembly Member	Qureshi, Murad	-	-	-	-	-	**-**	**-**
Assembly Member	Sahota, Onkar	-	-	-	-	-	**-**	**-**
Assembly Member	Shah, Navin	-	-	-	-	-	**-**	**-**
Assembly Member	Shawcross, Valerie	-	-	-	-	-	**-**	**-**
Assembly Member	Tracey, Richard	-	-	-	-	-	**-**	**-**
Assembly Member	Twycross, Fiona	-	-	47.00	-	-	**47.00**	47.00
Reporting Period Total - Sep 13 to Oct 13		**-**	**137.75**	**115.61**	**1,204.13**	**1,056.75**	**2,514.24**	
Year to Date Total - Apr 13 to Oct 13		**-**	**413.75**	**323.70**	**5,334.76**	**1,730.21**		**7,802.42**

Boris Johnson
Mayor of London

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
				21.08	21.08	27/11/12	Room tax at Taj Krishna Hyderabad during the Mayor's Official Trade Visit to India. This item was reported late due to delay in clarification with the hotel
			41.50		41.50	10/04/13	Cancellation fee for flight from Kuwait to Doha during the Mayor's Official Trade Visit to the Gulf.
			231.60		231.60	15/04/13	Accommodation costs from 13/04/13 to 15/04/13 in Dubai during the Mayor Official Visit to the Gulf
			181.20		181.20	15/04/13	Accommodation costs from 15/04/13 to 16/04/13 in Abu Dhabi during the Mayor Official Visit to the Gulf
			446.40		446.40	23/04/13	Accommodation costs from 18/04/13 to20/04/13 in Doha during the Mayor Official Visit to the Gulf
			155.98		155.98	25/04/13	Flight from London to Belfast and return to visit a factory manufacturing new bus for London in Ballymena in May 2013
	56.50				56.50	12/07/13	Taxi travel from Home to RAF Northolt to attend a soldier funeral
	49.25				49.25	17/07/13	Taxi travel from RAF Northolt to Home after attending a soldier funeral
		13.18			13.18	29/07/13	Travel from London Fenchurch Street to Laindon to visit London Gateway port and logistic park on 30.07.13
0.00	**105.75**	**13.18**	**197.48**	**880.28**	**1,196.69**		

Jenny Jones
Assembly Member

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
	16.00				16.00	24/07/13	Taxi from Guildhall to Home following the London Games Anniversary - late finish
	8.00				8.00	01/08/13	Taxi from Chepstow Station to Chepstow Racecourse to attend Green Gathering speaking engagement
		17.50			17.50	01/08/13	Train travel from London to Chepstow to attend Green Gathering speaking engagement
	8.00				8.00	02/08/13	Taxi from Chepstow Racecourse to Chepstow Station following Green Gathering speaking engagement
		24.75			24.75	02/08/13	Train travel from Chepstow to London following Green Gathering speaking engagement
0.00	**32.00**	**42.25**	**0.00**	**0.00**	**74.25**		

Kit Malthouse
Assembly Member

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
			326.15		326.15	15/04/13	Flight from London to Istanbul and return - Leading a UKTI trade mission in May 2013
			514.50		514.50	23/05/13	Return flights from London to Copenhagen - travelling as Chair of Hydrogen Energy Partnership
		13.18			13.18	29/07/13	Travel from London Fenchurch Street to Laindon to visit London Gateway port and logistic park on 30.07.13
			166.00		166.00	06/09/13	Eurostar travel from London to Brussels to meet EC Commissioner to promote "Smart Cities" funding for London
				176.47	176.47	09/09/13	Hotel accommodation in Brussels while meeting with EC Commissioner to promote "Smart Cities" funding for London
0.00	**0.00**	**13.18**	**1,006.65**	**176.47**	**1,196.30**		

Fiona Twycross
Assembly Member

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		47.00			47.00	07/06/13	Return travel from London to Derby to speak at the food poverty summit
0.00	**0.00**	**47.00**	**0.00**	**0.00**	**47.00**		

No expense claims were made by the following members between 01 September 2013 to 31 October 2013:

Tony Arbour	Roger Evans
Navin Shah	Darren Johnson
Gareth Bacon	Jennette Arnold
Andrew Boff	Joanne McCartney

Tom Copley

Nicky Gavron

John Biggs

James Cleverly

Stephen Knight

Tracey Richard

Andrew Dismore

Stephen O'Connell

Caroline Pidgeon

Murad Qureshi

Valerie Shawcross

Onkar Sahota

Len Duvall

Victoria Borwick

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APPENDIX 2: MAYOR AND MEMBERS TAXABLE BENEFITS 01 SEPTEMBER 2013

| | | Travel Card | |
		Reporting Period Total 1 Sep 2013 to 31 Oct 2013	Year to Date Total
Mayor	Johnson, Boris	-	-
Deputy Mayor	Borwick, Victoria	-	**2,224.00**
Current Assembly Members			
Assembly Member	Arbour, Tony	-	**2,224.00**
Assembly Member	Arnold, Jennette	-	**2,224.00**
Assembly Member	Bacon, Gareth	-	**2,224.00**
Assembly Member	Biggs, John	-	**2,072.00**
Assembly Member	Boff, Andrew	-	-
Assembly Member	Cleverly, James	-	**2,224.00**
Assembly Member	Copley, Tom	-	**2,224.00**
Assembly Member	Dismore, Andrew	-	**1,216.00**
Assembly Member	Duvall, Len	-	**2,224.00**
Assembly Member	Evans, Roger	-	**2,224.00**
Assembly Member	Gavron, Nicky	-	-
Assembly Member	Johnson, Darren	-	**1,744.00**
Assembly Member	Jones, Jenny	-	-
Assembly Member	Knight, Stephen	-	**2,224.00**
Assembly Member	Malthouse, Kit	-	-
Assembly Member	McCartney, Joanne	**1,744.00**	**1,744.00**
Assembly Member	O'Connell, Stephen	-	**2,224.00**
Assembly Member	Pidgeon, Caroline	**(536.20)**	**1,687.80**
Assembly Member	Qureshi, Murad	**2,224.00**	**2,224.00**
Assembly Member	Sahota, Onkar	-	**2,224.00**
Assembly Member	Shah, Navin	-	-
Assembly Member	Shawcross, Valerie	-	**1,744.00**
Assembly Member	Tracey, Richard	-	-
Assembly Member	Twycross, Fiona	-	**2,224.00**
Reporting Period Total - Sep 13 to Oct 13		**3,431.80**	
Year to Date Total - Apr13 to Oct13			**39,119.80**

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APPENDIX 3: SENIOR EMPLOYEES EXPENSES 01 SEPTEMBER 2013 TO 31 OCTOBER 2013

	Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	Reporting Period Total 1 Sep 2013 to 31 Oct 2013	Year to Date Total
Private Office							
Chief of Staff and Deputy Mayor, Policy and Planning	-	-	13.18	2,221.04	6,320.30	8,554.52	13,376.17
Deputy Mayor for Transport	-	-	-	155.98	245.38	401.36	5,061.88
Deputy Mayor for Housing, Land and Property	-	6.00	151.62	-	95.00	252.62	672.37
Deputy Mayor for Policing and Crime	-	-	-	-	-	-	-
Deputy Mayor for Education and Culture	-	-	-	-	-	-	525.27
Director of Communications & External Affairs	-	-	-	191.98	285.00	476.98	1,860.87
Advisor for Olympic and Paralympic Legacy	-	-	-	-	-	-	-
Environment and Political Advisor	-	-	-	546.85	-	546.85	744.58
Senior Advisor for Team London, Volunteering, Charities & Sponsorship	-	-	-	-	-	-	123.44
Senior Adviser - Mentoring	-	-	-	-	-	-	-
Chief Economic Advisor	-	166.45	52.20	159.95	2,979.42	3,358.02	7,749.37
Cycling Commissioner	-	-	-	-	-	-	1,078.09
Chair of London Food	-	185.00	273.74	-	24.64	483.38	483.38
Assembly & Secretariat							
Executive Director of Secretariat	-	-	14.50	-	-	14.50	14.50
Head of Special Projects and Elections	-	23.00	11.27	-	-	34.27	60.39
Head of Assembly External Relations	-	-	-	-	-	-	-
Head of Scrutiny and Investigation	-	-	-	-	-	-	-
Head of Committee and Member Services	-	-	-	-	-	-	-
External Affairs							
Assistant Director - London Engagement	-	-	-	-	-	-	175.00
Head of Public Liaison and Community	-	-	-	-	-	-	-
Head of Media	-	-	-	159.95	1,327.80	1,487.75	2,407.00
Commercial Director	-	-	-	-	-	-	-
Community & Intelligence							
Head of Paid Service and Executive Director - Communities & Intelligence	-	-	-	-	-	-	-
Assistant Director - Intelligence and Analysis	-	-	-	-	116.83	116.83	559.79
Assistant Director - Health and Communities	-	86.00	35.50	1,054.01	15.49	1,191.00	1,351.00
Head of Education and Youth	-	-	-	-	-	-	-
Head of Governance and Resilience	-	-	-	-	-	-	-
Programme Director, Team London and Sustainable Development Manager	-	-	14.60	-	-	14.60	14.60
Programme Director Team London	-	-	-	-	-	-	-
Development & Environment							
Executive Director of Development, Enterprise and Environment	-	-	13.18	-	-	13.18	13.18
Assistant Director - Business and Enterprise	-	-	-	-	-	-	-
Assistant Director - Environment	-	10.00	34.00	-	-	44.00	886.49
Head of Transport	-	-	-	-	-	-	-
Assistant Director - Regeneration	-	40.00	-	-	-	40.00	40.00
Assistant Director Capital Projects and Design	-	-	-	-	-	-	-
Assistant Director - Planning	-	-	-	-	-	-	102.10
Resources							
Executive Director - Resources	-	-	-	-	-	-	180.00
Assistant Director - Group Finance	-	-	31.50	-	-	31.50	64.40
Head of Financial Services	-	-	-	-	-	-	72.60
Head of Technology Group	-	-	-	-	-	-	-
Assistant Director - Human Resources & Organisational Development	-	-	-	-	-	-	-
Head of Facilities Management	-	-	-	-	-	-	-
European Programme Director	-	-	136.17	-	-	136.17	782.79
Housing and Land							
Executive Director of Housing and Land	-	-	25.90	-	-	25.90	1,107.78
Assistant Director - Programme Policy and Services	-	-	-	-	-	-	-
Head of Area, North East London	-	-	-	-	-	-	193.30
Head of Area, North West London	-	-	-	-	-	-	-
Assistant Director - Strategic Projects and Property	-	-	-	-	-	-	433.63
Head of Area, South London (Left 10/06/13)	-	-	-	-	-	-	45.30
Reporting Period Total - 01 September 2013 to 31 October 2013	-	516.45	807.36	4,489.76	11,409.86	17,223.43	
Year to Date Total - 01 April 2013 to 31 October 2013	-	1,924.59	2,228.73	20,101.13	15,924.82		40,179.27

Chief of Staff and Deputy Mayor, Policy and Planning

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
			41.50		41.50	28/03/13	Flight from Kuwait to Doha during the Mayor Official Visit to the Gulf. This flight was refunded with a cancellation fee of £41.50
			118.45		118.45	12/04/13	Change of flight time from Dubai to Doha during the Mayor Official Visit to the Gulf
				177.65	177.65	12/04/13	Accommodation cost at Taj Palace Hotel in Delhi to speak at an event
				463.20	463.20	15/04/13	Accommodation costs from 13/04/13 to 15/04/13 in Dubai during the Mayor Official Visit to the Gulf
				559.50	559.50	15/04/13	Business entertaining dinner in Dubai on 14 April 2013 during the Mayor Official Visit to the Gulf. Attendees include six member of the Mayoral team, British Consul General, L&P officer and a photographer
				181.20	181.20	15/04/13	Accommodation costs from 15/04/13 to 16/04/13 in Abu Dhabi during the Mayor Official Visit to the Gulf
				453.40	453.40	18/04/13	Accommodation costs from 16/04/13 to 18/04/13 in Dubai during the Mayor Official Visit to the Gulf
				15.20	15.20	18/04/13	Lunch at Emirates Towers Hotel in Dubai during the Mayor Official Visit to the Gulf. Cost was equally proportioned between six members of the Mayoral team
				595.20	595.20	23/04/13	Accommodation costs from 18/04/13 to 21/04/13 in Doha during the Mayor Official Visit to the Gulf
				1,080.66	1,080.66	23/04/13	Business entertaining dinner at Doha Hotel for 10 business delegates, two L&P staff, two representatives from British Embassy and five others GLA officers - Mayor Official Visit the Gulf
				890.44	890.44	04/06/13	Business entertaining for 22 people in Abu Dhabi during the Mayor Official Visit to the Gulf. Attendees include 15 business delegates, two L&P staff and five members of the Mayoral team. Cost per person £40.48
			2,061.09		2,061.09	02/05/13	Return flights to Kuala Lumpur to attend Coordination Meetings in preparation for London hosting World Islamic Economic Forum
				289.14	289.14	15/05/13	Accommodation to attend coordination meeting at Kuala Lumper of the World Islamic Economic Forum
				24.00	24.00	03/06/13	Hire of mobile phone to use in China during business trip in Beijing
				408.00	408.00	08/06/13	Accommodation costs from 06/06/13 to 08/06/13 at Kerry Hotel during business trip in Beijing
				1,182.71	1,182.71	03/07/13	Business entertaining lunch for Mayor of Kuala Lumpur and delegation visiting for ceremony at Battersea Power Station development - approximately 35 attendees
		13.18			13.18	29/07/13	Travel from London Fenchurch Street to Laindon to visit London Gateway port and logistic park on 30.07.13
0.00	**0.00**	**13.18**	**2,221.04**	**6,320.30**	**8,554.52**		

Deputy Mayor for Transport

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
			155.98		155.98	25/04/13	Flight from London to Belfast and return to visit a factory manufacturing new bus for London in Ballymena in May 2013
				235.38	235.38	01/06/13	Accommodation costs at Sheraton Tribeca - speaking at the New York
				10.00	10.00	18/06/13	Breakfast - speaking at CITY Age Summit New York
0.00	**0.00**	**0.00**	**155.98**	**245.38**	**401.36**		

Deputy Mayor for Housing, Land and Property

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
	6.00				6.00	13/06/13	Taxi from Hammersmith to River Café, W6 - Speaking engagement for media interview
		151.62			151.62	26/06/13	Travel from London Euston to Manchester Piccadilly for CIH conference
				95.00	95.00	26/06/13	Accommodation at Garden Hotel Manchester for CIH Conference
0.00	**6.00**	**151.62**	**0.00**	**95.00**	**252.62**		

Director of Communications and External Affairs

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
			191.98		191.98	07/05/13	Return flights from London to Belfast accompanying the Mayor to Ballymena visit the factory for the New Bus for London
				285.00	285.00	03/09/13	Hotel accommodation in Manchester while attending Conservative Party Conference

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
0.00	0.00	0.00	191.98	285.00	476.98		

Environment and Political Advisor

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
			546.85		546.85	03/05/13	Flight from London to New York and return to be part of the panel interviewing candidates for the role of Executive Director of C40
0.00	0.00	0.00	546.85	0.00	546.85		

Chief Economic Advisor

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
				44.15	44.15	07/01/13	Business entertaining lunch with Executive Director, Bank of England
	8.00				8.00	17/01/13	Taxi from Mansion House to London Bridge following Government Dinner due to late finish
		14.20			14.20	23/01/13	Travel from Oxted to City Airport for Davos flight
		10.80			10.80	25/01/13	Travel from City Airport to Oxted return from Davos
				4.89	4.89	28/01/13	Tea meeting with FT representative and member of press team
	6.00				6.00	29/01/13	Taxi from Talk and Dinner in City to London Bridge for Accumulation Society
				3.14	3.14	29/01/13	Tea meeting with Economic Consultant
		23.00			23.00	04/02/13	Travel from London to Cambridge and return for speaking at Cambridge University event on "Balance Economic and Financial Power"
	11.80				11.80	12/02/13	Taxi from opening of London Stock Exchange to Asia House for speaking event due to time constraints
	9.50				9.50	12/03/13	Taxi from City Hall to BA for speaking event due to time constrain
	8.50				8.50	12/03/13	Taxi from speaking event to station late evening
			41.50		41.50	28/03/13	Flight from Kuwait to Doha during the Mayor Official Visit to the Gulf. This flight was refunded with a cancellation fee of £41.50
			118.45		118.45	12/04/13	Change of flight time from Dubai to Doha during the Mayor Official Visit to the Gulf
				231.60	231.60	15/04/13	Accommodation costs from 13/04/13 to 15/04/13 in Dubai during the Mayor Official Visit to the Gulf
				181.20	181.20	15/04/13	Accommodation costs from 15/04/13 to 16/04/13 in Abu Dhabi during the Mayor Official Visit to the Gulf
				453.40	453.40	18/04/13	Accommodation costs from 16/04/13 to 18/04/13 in Dubai during the Mayor Official Visit to the Gulf
				1,275.70	1,275.70	18/04/13	Business entertaining dinner for 20 people in Dubai on 16 April 2013 during the Mayor Official Visit to the Gulf. Attendees include eight business delegates, two L&P staff, four representatives from the British Embassy and six members of the Mayoral team
				15.20	15.20	18/04/13	Lunch at Emirates Towers Hotel in Dubai during the Mayor Official Visit to the Gulf. Cost was equally proportioned between six members of the Mayoral team
				446.40	446.40	23/04/13	Accommodation costs from 18/04/13 to 20/04/13 in Doha during the Mayor Official Visit to the Gulf
	7.00				7.00	19/06/13	Taxi to station following late finish of Chancellor's dinner at Mansion House
		2.10			2.10	24/06/13	Travel to Lloyds of London for Mayoral visit
				323.74	323.74	25/06/13	Accommodation cost in Paris to attend Institute of International Finance conference as a speaker
		2.10			2.10	25/06/13	Travel to Kings Cross for train to Paris on work speaking engagement
	115.65				115.65	26/06/13	Taxi from Heathrow to Kent due to late arrival from a conference in Paris
0.00	166.45	52.20	159.95	2,979.42	3,358.02		

Chair of London Food

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		33.45			33.45	09/01/13	Travel from London to Wolverhampton - meeting with Pundland CEO
	20.50				20.50	09/01/13	Taxi from and back to Wolverhampton BR - meeting with Punland CEO
	14.00				14.00	16/01/13	Taxi from Home to SW1 - meeting with DWP advisors
				24.64	24.64	18/01/13	Business entertaining lunch with Kids's Company - discussion of food policy
	22.00				22.00	30/01/13	Taxi from Home to Leon Restaurant to discuss school food policy
	12.00				12.00	31/01/13	Taxi from City Hall to Holborn - meeting with Tesco Head of Communications
	13.50				13.50	12/02/13	Taxi from SW1 to City Hall for Harrison's school food meeting
	10.50				10.50	13/02/13	Taxi to Alexandra Rose charity for funding discussion
	15.00				15.00	14/02/13	Taxi from City Hall to meeting with FareShare, Deptford
	15.00				15.00	14/02/13	Taxi from Deptford to City Hall following meeting with FareShare

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
	13.00				13.00	19/02/13	Taxi from Westminster to City Hall - meeting with Member of Parliament for South Thanet
	14.00				14.00	06/03/13	Taxi from Home to Brasserie Blanc restaurant to launch apprenticeships programme
	18.00				18.00	19/03/13	Taxi from Home to Connaught Rooms at WC2 for Children's Food Conference
	17.50				17.50	20/03/13	Taxi from City Hall to Suffolk Place for lunch with Mary Robinson
		240.29			240.29	27/06/13	Flight from London to Glasgow for meeting this staff Caledonian University
0.00	**185.00**	**273.74**	**0.00**	**24.64**	**483.38**		

Executive Director of Secretariat

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		14.50			14.50	14/08/13	Travel from Euston to Milton Keynes - visit to Intel led for GLA Elections
0.00	**0.00**	**14.50**	**0.00**	**0.00**	**14.50**		

Head of Special Projects and Elections

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		11.27			11.27	14/08/13	Travel from London Euston to Milton Keynes return, meeting with IntElect re e-counting contract
	15.00				15.00	14/08/13	Taxi from Waterloo to Euston due to train cancellation
	8.00				8.00	14/08/13	Taxi from Milton Keynes Central to DRS site - No alternative means of transport
0.00	**23.00**	**11.27**	**0.00**	**0.00**	**34.27**		

Head of Media

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
			41.50		41.50	28/03/13	Flight from Kuwait to Doha during the Mayor Official Visit to the Gulf. This flight was refunded with a cancellation fee of £41.50
			118.45		118.45	12/04/13	Change of flight time from Dubai to Doha during the Mayor Official Visit to the Gulf
				231.60	231.60	15/04/13	Accommodation costs from 13/04/13 to 15/04/13 in Dubai during the Mayor Official Visit to the Gulf
				181.20	181.20	15/04/13	Accommodation costs from 15/04/13 to 16/04/13 in Abu Dhabi during the Mayor Official Visit to the Gulf
				453.40	453.40	18/04/13	Accommodation costs from 16/04/13 to 18/04/13 in Dubai during the Mayor Official Visit to the Gulf
				15.20	15.20	18/04/13	Lunch at Emirates Towers Hotel in Dubai during the Mayor Official Visit to the Gulf. Cost was equally proportioned between six members of the Mayoral team
				446.40	446.40	23/04/13	Accommodation costs from 18/04/13 to 21/04/13 in Doha during the Mayor Official Visit to the Gulf
0.00	**0.00**	**0.00**	**159.95**	**1,327.80**	**1,487.75**		

Assistant Director - Intelligence and Analysis

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
				116.83	116.83	27/06/13	Accommodation cost in Barcelona while attending ICity meetings
0.00	**0.00**	**0.00**	**0.00**	**116.83**	**116.83**		

Assistant Director - Health and Communities

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		1,012.91			1,012.91	20/06/13	Return flights from London to Shanghai 30/06/13 - 05/07/13 for Dao Xiang conference
	66.00				66.00	29/06/13	Taxi from Hever Castle to Heathrow - Shanghai Conference
		20.10			20.10	02/07/13	Taxi from Airport to Hotel - Shanghai conference
			10.00		10.00	02/07/13	Breakfast at Hotel - Shanghai Conference
		21.00			21.00	05/07/13	Taxi from Hotel to Airport following Shanghai conference
				5.49	5.49	01/07/13	Coffee meeting with Health Lead at GSK
	2.10				2.10	14/08/13	Travel from London Bridge to Victoria - NHS Meeting
	2.10				2.10	14/08/13	Travel from Victoria to Paddington - NHS Meeting
	2.10				2.10	21/08/13	Travel from Victoria to London Bridge - NHS England
	2.70				2.70	22/08/13	Travel from West Finchley to London Bridge - Meeting with CCG

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		2.70			2.70		22/08/13 Travel from London Bridge to West Finchley - Meeting with CCG
		2.10			2.10		28/08/13 Travel from London Bridge to Kennington - Managers training half day
		2.10			2.10		28/08/13 Travel from Kennington to London Bridge - Managers training half day
		2.10			2.10		04/09/13 Travel from Southwark to Paddington - Meeting for Health Commission
		2.10			2.10		04/09/13 Travel from St James Park to London Bridge - Meeting for Health Commission
		2.10			2.10		05/09/13 Travel from London Bridge to St James Park - NHS Meeting
		2.10			2.10		05/09/13 Travel from St James Park to London Bridge - NHS Meeting
	10.00				10.00		07/09/13 Taxi from Chislehurst to home from Macmillan cancer dinner
		2.10			2.10		17/09/13 Travel from London Bridge to Bond Street - Women in Health
		2.10			2.10		17/09/13 Travel from Bond street to London Bridge - Women in Health
		2.10			2.10		18/09/13 Travel from London Bridge to Bond Street - Kings Fund
		2.10			2.10		18/09/13 Travel from Bond street to London Bridge - Kings Fund
		2.10			2.10		18/09/13 Travel from London Bridge to South Kensington - V&A Exhibition
		0.70			0.70		18/09/13 Travel from South Kensington to Leicester Square - Dinner meeting
	10.00				10.00		18/09/13 Taxi from Chislehurst to home for Health dinner
0.00	**86.00**	**35.50**	**1,054.01**	**15.49**	**1,191.00**		

Programme Director, Team London and Sustainable Development Manager

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		7.30			7.30		17/06/13 Travel from London Bridge to Bond Street and return - Meet with Summer Streets
		7.30			7.30		10/07/13 Travel from London Bridge to St James Park and return - meet with TfL at Windsor House
0.00	**0.00**	**14.60**	**0.00**	**0.00**	**14.60**		

Executive Director of Development, Enterprise and Environment

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		13.18			13.18		29/07/13 Travel from London Fenchurch Street to Laindon to visit London Gateway port and logistic park on 30.07.13
0.00	**0.00**	**13.18**	**0.00**	**0.00**	**13.18**		

Assistant Director - Environment

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		34.00			34.00		12/03/13 Return travel from London to Heathrow to attend meeting at Heathrow Airport
	10.00				10.00		12/03/13 Taxi from Heathrow to Venue - No other means of transport
0.00	**10.00**	**34.00**	**0.00**	**0.00**	**44.00**		

Assistant Director - Regeneration

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
	40.00				40.00		09/09/13 Travel from SE19 to London Bridge - return to office following the meeting at Crystal Palace - meeting overran
0.00	**40.00**	**0.00**	**0.00**	**0.00**	**40.00**		

Assistant Director - Group Finance

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		2.10			2.10		18/06/13 St James' - London Bridge, meeting at TfL
		4.20			4.20		24/06/13 London Bridge - St James' and return, meeting at TfL
		4.20			4.20		17/07/13 London Bridge - St James' and return, meeting at TfL and Treasury
		2.10			2.10		18/07/13 London Bridge - St James', meeting at TfL
		2.10			2.10		19/07/13 St James' - Monument, meeting at TfL
		2.10			2.10		01/08/13 London Bridge - St James', meeting at TfL
		4.20			4.20		06/08/13 London Bridge - St James', meeting at TfL
		2.10			2.10		14/08/13 London Bridge - Green Park meeting at LPFA
		4.20			4.20		19/08/13 London Bridge - St James' and return, meeting at TfL
		4.20			4.20		21/08/13 London Bridge - Westminster and return, meeting at Treasury
0.00	**0.00**	**31.50**	**0.00**	**0.00**	**31.50**		

European Programme Director

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		63.24			63.24	26/06/13	Travel from London Paddington to Cardiff Central to attend the quarterly meeting of UK ERDF Managing Authorities on 18/07/13
		72.93			72.93	17/07/13	Travel from London St Pancras to Sheffield for meeting with Department for Work and Pensions on 31.07.13
0.00	**0.00**	**136.17**	**0.00**	**0.00**	**136.17**		

Executive Director of Housing and Land

Taxi Invoices	Taxi Expense Claims	Other Domestic Travel	Foreign Travel	Other Expenses	TOTAL	Date	Details
		4.30			4.30	14/08/13	Travel from London Bridge to Crystal Palace and Return -meeting at Crystal Palace
		5.40			5.40	27/08/13	Travel from Monument to LCA DLR and return to London Bridge - Meeting with London City Airport
		6.50			6.50	29/08/13	Travel from Kennington to Barking and return to Fenchurch Street - Housing Investment Board Meeting
		9.70			9.70	30/08/13	Travel from London Bridge to East Croydon and return - for meeting with LB Croydon Officers
0.00	**0.00**	**25.90**	**0.00**	**0.00**	**25.90**		

No expense claims were made by the following officers between 01 September 2013 to 31 October 2013:

Private Office
Deputy Mayor for Education and Culture
Advisor for Olympic and Paralympic Legacy
Senior Adviser - Mentoring
Cycling Commissioner
Senior Advisor for Team London, Volunteering, Charities & Sponsorship

Assembly & Secretariat
Head of Assembly External Relations
Head of Scrutiny and Investigation
Head of Committee and Member Services

External Affairs
Assistant Director - London Engagement
Head of Public Liaison and Community
Commercial Director

Community & Intelligence
Head of Paid Service & Executive Director, Communities and Intelligence
Head of Education and Youth
Head of Governance and Resilience
Programme Director Team London

Development & Environment
Assistant Director - Business and Enterprise
Head of Transport
Assistant Director Capital Projects and Design
Assistant Director - Planning

Resources
Executive Director - Resources
Head of Financial Services
Head of Technology Group
Assistant Director - Human Resources & Organisational Development
Head of Facilities Management

Assistant Director - Programme Policy and Services
Head of Area, North East London
Head of Area, North West London
Assistant Director - Strategic Projects and Property
Head of Area, South London

GREATER**LONDON**AUTHORITY   **LONDON**ASSEMBLY

Subject: Work Programme for the Audit Panel 2013/14

Report to: Audit Panel

| **Report of: Executive Director of Secretariat** | **Date: 17 December 2013** |

This report will be considered in public

1.   Summary

1.1   The Audit Panel is requested to approve its draft work programme for 2013/14. The Panel receives an update on its work programme at each meeting.

2.   Recommendation

2.1   **That the Panel approves its work programme for the remainder of the 2013/14 Assembly year and identifies any additional issues it wishes to consider at future meetings.**

3.   Background

3.1   The Panel was established in line with the CIPFA (the Chartered Institute of Public Finance and Accountancy) guidance recommending the establishment of audit committees. The Audit Panel's terms of reference, as agreed at the Annual Meeting of the Assembly on 1 May 2013, are as follows:

1.   The Audit Panel will be concerned with ensuring the security of and monitoring of financial systems, ensuring that there is an anti-fraud culture, and promoting probity and good practice within the core GLA.

2.   To liaise with the external auditors over their annual programme and, with the Mayor as appropriate, to approve the annual internal audit programme.

3.   To deal as appropriate with matters raised by the external auditors' management letters and reports and, where a report is made in respect of the GLA, to make recommendations to the Assembly at the meeting at which the report is to be formally considered in the presence of the Mayor in accordance with Schedule 8 in the 1999 Act.

4. To deal as appropriate with matters arising from the internal auditors' reports and to comment to the Mayor on matters relevant to his/her responsibilities.

5. To review the GLA's Risk Management Policy and comment to the Mayor as appropriate.

4. Issues for Consideration

4.1 The Panel meets four times per year to receive and comment upon a range of reports, including:

- internal audit reports;
- external audit reports;
- the GLA Expenses and Benefits Framework;
- the GLA's Anti-Fraud and Corruption Strategy, Policy and Response Plan;
- future audit arrangements;
- GLA Risk Management Framework;
- the Annual Governance Statement;
- monitoring of expenses – Mayor, Elected Members and Senior Staff;
- register of gifts and hospitality – Mayor and Assembly Members;
- register of gifts and hospitality – senior staff; and
- Annual Report of the Monitoring Officer regarding the complaints against elected
  Members with which he has dealt.

4.2 CIPFA stresses that audit committees have a key role in corporate governance and should be clearly integrated into an authority's governance framework. An audit committee should be able to improve corporate focus on the issues arising from risk management, internal control and reporting. In the past year the Audit Panel has considered reports on the Annual Governance Statement and it will continue to play an active part in corporate governance in the future.

4.3 The table set out below sets out the business for the remaining meetings of the Panel in the 2013/14 Assembly year.

Date of meeting	Agenda Items

20 March 2014	External Audit Reports
	    - Audit Plan 2014/15;
	Internal Audit Reports
	    - Internal audits
	        Energy and Environmental Policy Development;
	        ICT Incident and Problem Management;
	        GLA Recruitment Framework;
	        Precepting Control Framework;
	        Financial Control Framework;
	        Sickness Monitoring and Control/ Attendance Management;
	        Creditor Payments;
	        Debtors Control;
	        Payroll
	    - Follow-up Audits
	        External Grants Control Framework;
	        Estate Strategy and Management of Assets;
	        Mayor's Mentoring Programme;
	        Risk Management;
	        External Grant Funding – European Programmes
	        Gifts and Hospitality
	    - Progress Report
	    - Draft Internal Audit Plan 2014/15;
	Draft Annual Governance Statement
	Monitoring of Expenses and Taxable Benefits – Mayor, Elected Members and Senior Staff;
	Register of Gifts and Hospitality – Mayor and Assembly Members;
	Register of Gifts and Hospitality – senior staff;
	Annual Report of the Monitoring Officer regarding the complaints against elected Members with which he has dealt; and
	Work Programme for the Audit Panel for 2014/15.

5. Legal Implications

5.1   The Assembly has the power to establish committees to discharge its functions, and the Audit Panel is one such committee. The work programme is in accordance with the Panel's terms of reference, as agreed by the Assembly at its Annual Meeting on 1 May 2013.

6. Financial Implications

6.1   There are no financial implications for the purposes of this report.

List of appendices to this report: None.

Local Government (Access to Information) Act 1985

List of Background Papers: There are none

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