

## GMCA Audit Committee

Date: 24 January 2024

Subject: Audit Action Follow up

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

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### PURPOSE OF REPORT

This report advises Audit Committee of the progress made in implementing the agreed actions from internal audit assignments.

### RECOMMENDATIONS:

Members are asked to review the progress of the implementation of Internal Audit actions.

### CONTACT OFFICERS:

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### Equalities Impact, Carbon, and Sustainability Assessment:

N/A

### Risk Management

N/A

### Legal Considerations

N/A

### Financial Consequences - Capital

N/A

## Financial Consequences - Revenue

N/A

Number of attachments included in the report:

### BACKGROUND PAPERS:

N/A

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	No	
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?	No	
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

## 1 Introduction

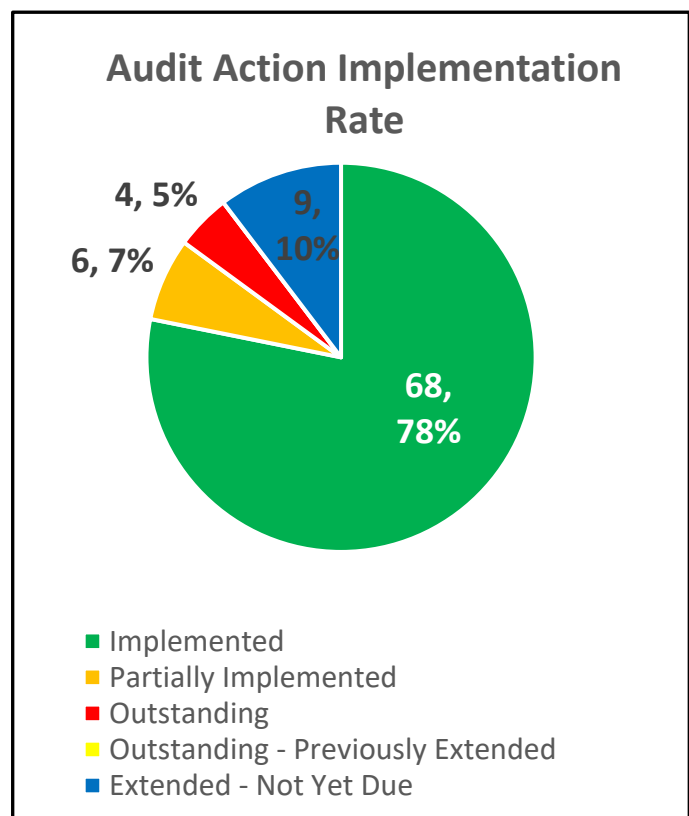
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation date.
- 1.2 Internal Audit has responsibility for the follow up of all audit actions and reporting to Audit Committee on progress made.
- 1.3 This report provides an overview on the status of outstanding of Internal Audit actions.

## 2 Agreed Process

- 2.1 It is the responsibility of management to implement audit actions on time and provide updates for the tracker. To aid facilitation of this, Internal Audit maintains the action tracker to capture updates on progress of outstanding actions.
- 2.2 GMCA Senior Leadership Team retains responsibility for overseeing the timely implementation of all audit actions and assessing the impact on risk.

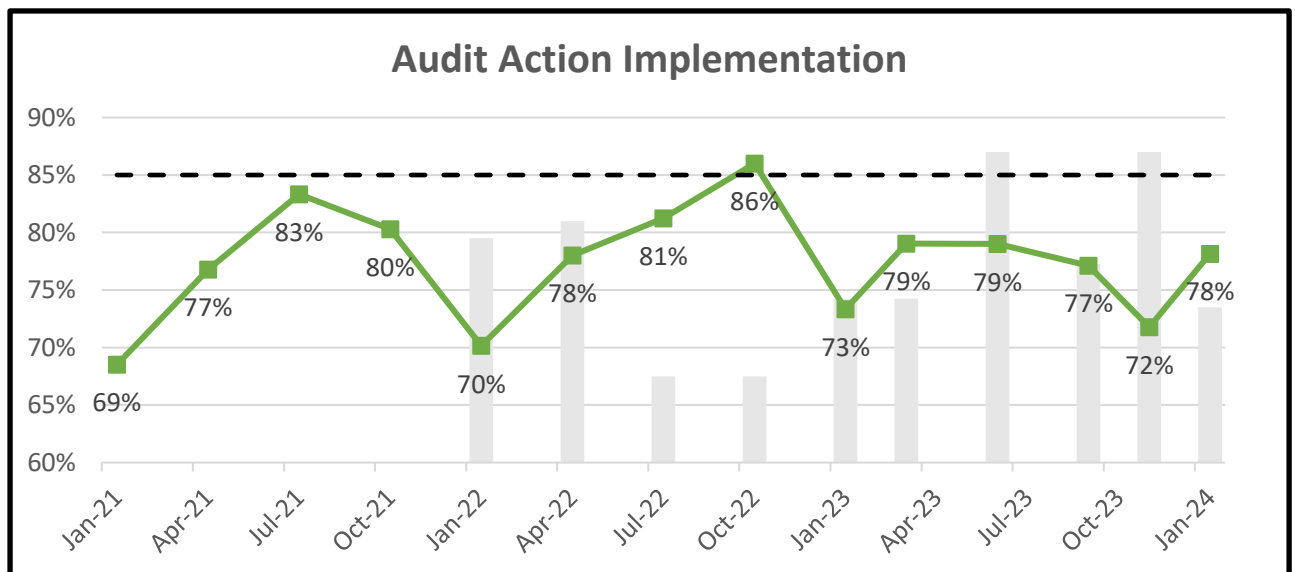
## 3 Current Status

- 3.1 As of January 2024, **78%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.



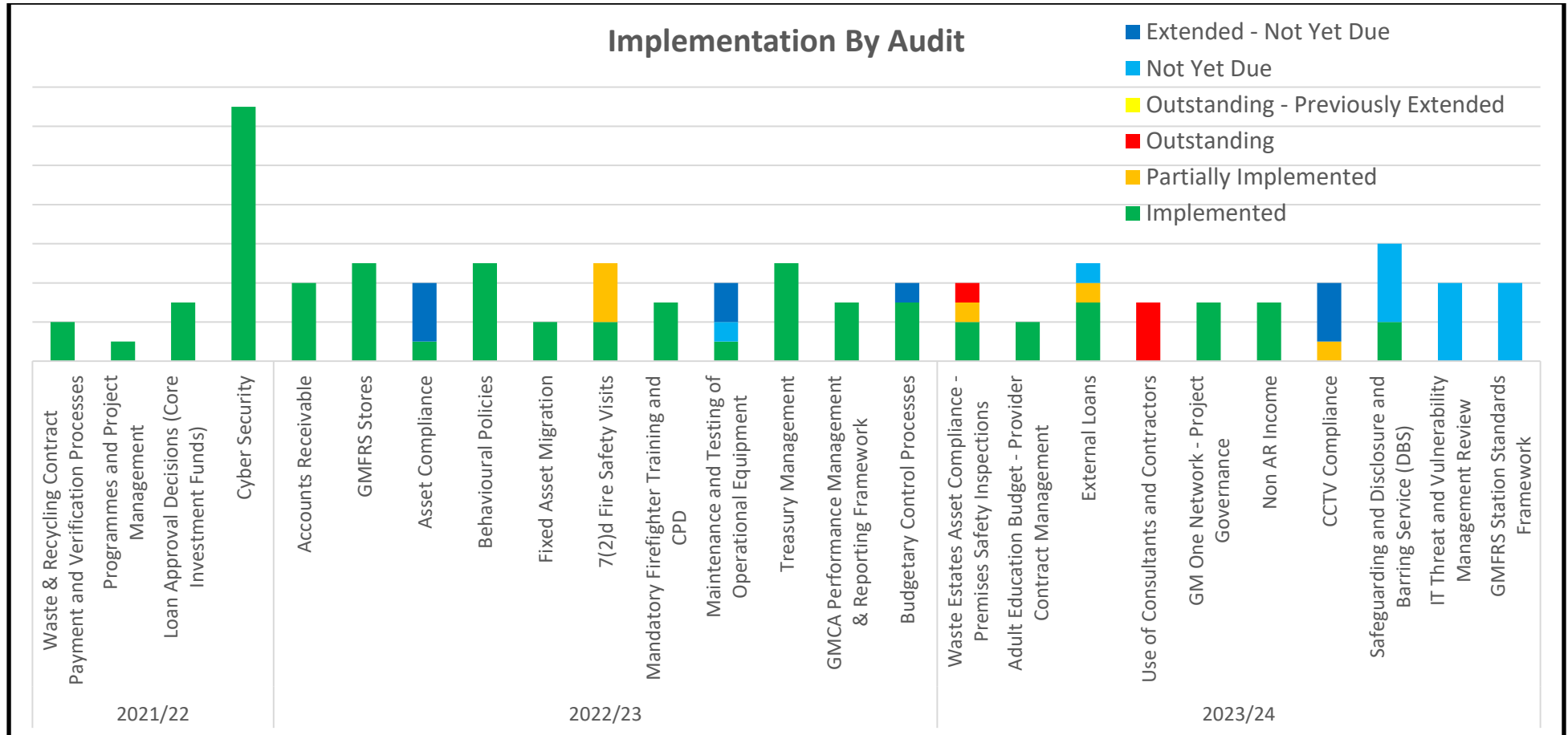
3.2 The chart below shows that implementation rates have increased slightly on those previously reported in November 2023.

3.3 The bars in the chart represent the number of actions actively tracked in the period (previously reported as outstanding or partially implemented or those falling due within the current period). This has dropped since November reflecting the number of actions implemented or where target dates had been extended in the previous period.



## 4 Analysis of Audit Actions – by Audit

4.1 The chart below shows the status of implementation of audit actions by audit.



- 4.2 Since our last report, eight outstanding actions are now considered fully implemented. Four new actions have become due relating to Audit reports previously shared with Audit Committee.
- 4.3 Several actions remain overdue from the 7(2)d audit, and we are actively tracking progress on these. There are several recent outstanding actions from limited assurance opinion reports relating to the Waste Estates Asset Compliance, and Use of Consultants. Whilst recent updates have demonstrated some progress made to address some actions, these remain outstanding.
- 4.4 Details of all overdue actions and management updates on progress have been included at **Appendix A** to allow Members opportunity to consider and comment on these.

## 5 Analysis of Audit Actions – by Risk Rating

5.1 The table below shows the status of audit actions by the risk rating of the associated audit finding.

Action Status	Total	Critical	High	Medium	Low
Implemented	68	1	10	36	21
Partially Implemented	6	0	0	4	2
Outstanding	4	0	1	2	1
Not Yet Due	14	0	4	9	1
Extended - Not Yet Due	9	0	6	1	2
Outstanding - Previously Extended	0	0	0	0	0
<b>Total</b>	<b>101</b>	<b>1</b>	<b>21</b>	<b>52</b>	<b>27</b>

5.2 The total number of actions being tracked this quarter is 101. One completed action over two years old has been removed from the tracker in the current period.

5.3 Any actions that are over two years old but have not been fully implemented will remain on the tracker until these have been completed and reported as implemented for at least one period.

## 6 Recommendation

6.1 Recommendations are set out at the front of the report.

## Status of Overdue Actions at 31 December 2023

The list is sorted and colour coded by the “age” of each audit action.

Current Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Status	Audit Committee Update
Jan 2023	7(2)d Fire Safety Visits	Reasonable	Implement QA process for 7(2)d visits	Medium	Partially Implemented	The Assurance Strategy has not yet been finalised as different approaches to assurance are still being trialled. The initial assurance process to be undertaken by Station Managers has been refined following feedback and a reporting mechanism been developed within the AMS system to allow for identification of common issues. A thematic review to assure consistency of information between Site Specific Risk Information and Initial Considerations Forms has been undertaken across a sample of records. This has resulted in the development of a ‘peer assurance’ process which is planned to be undertaken across all records which have an Initial Considerations form. The outcome of both of these reviews and feedback from the most recent HMICFRS inspection (due in February) will inform the final Assurance Strategy which will be published in April 24.
Jan 2023	7(2)d Fire Safety Visits	Reasonable	Develop KPIs to support consistent management of performance	Low	Partially Implemented	Risk Footprint Guidance is still in development in part due to delays in the pilot but primarily as we explore the use of our systems to identify future risk sites through our Technical and Consultations Team – this has been trialled for Battery Energy Storage Sites and is being looked at for other building types.



Apr 2023	7(2)d Fire Safety Visits	Reasonable	Review resource for OI policy	Medium	Partially Implemented	Backlog of OIS visits cleared through temporary resource on fixed term contracts which have now concluded. Developing projections for resourcing future visits.
Sep 2023	Waste Estates Asset Compliance - Premises Safety Inspections	Limited	Compliance Monitoring and Reporting (Cat A sites)	Medium	Partially Implemented	An initial review has been completed to identify all work recently undertaken. Work is ongoing with Suez to ensure that all required monitoring is included and to determine how results of these checks will be shared going forward.
Sep 2023	Waste Estates Asset Compliance - Premises Safety Inspections	Limited	Record actions arising from compliance checks and follow up	Low	Outstanding	This action will follow on from completion of the risk assessments and maintenance schedules. We expect work to have progressed on this by the end of the Calander year.
Sep 2023	External Loans	N/A	Completion of responsibility matrix	Low	Partially Implemented	Agreed responsibility matrix form is now in place and has been completed for one of the funds. Work is ongoing to complete for all externally managed funds.
Oct 2023	Use of Consultants and Contractors	Limited	Develop procedure for appointing consultants	<b>High</b>	Outstanding	These actions remain outstanding. Work is being undertaken to define the different types of contractors and establish processes to identify use of these at the point of engagement.
Nov 2023	Use of Consultants and Contractors	Limited	Ensure contract agreements & documentation is in place and reviewed.	Medium	Outstanding	
Dec 2023	Use of Consultants and Contractors	Limited	Improve oversight and reporting on use of contractors.	Medium	Outstanding	