

GMCA Audit Committee

Date: 15 March 2023

Subject: Audit Action Follow up

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

PURPOSE OF REPORT

This report advises Audit Committee of the progress made to date 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

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

1 Introduction

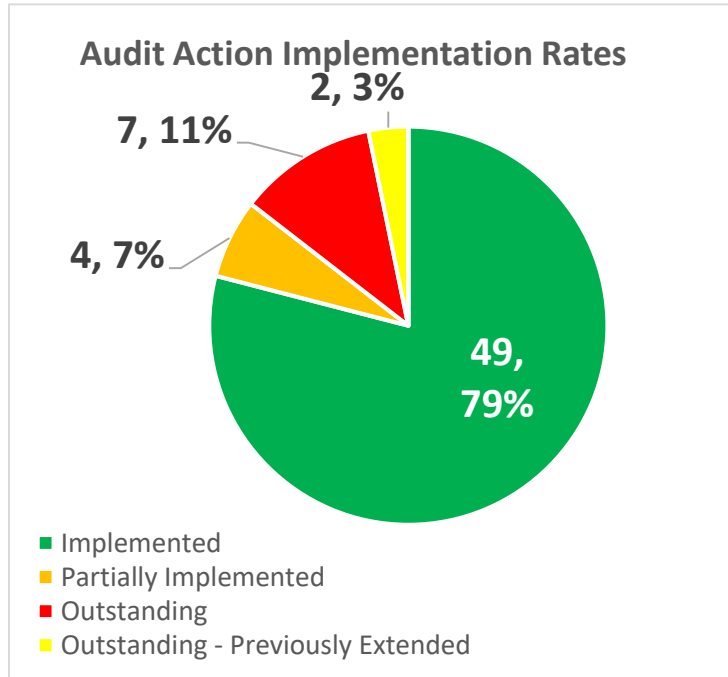
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation 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

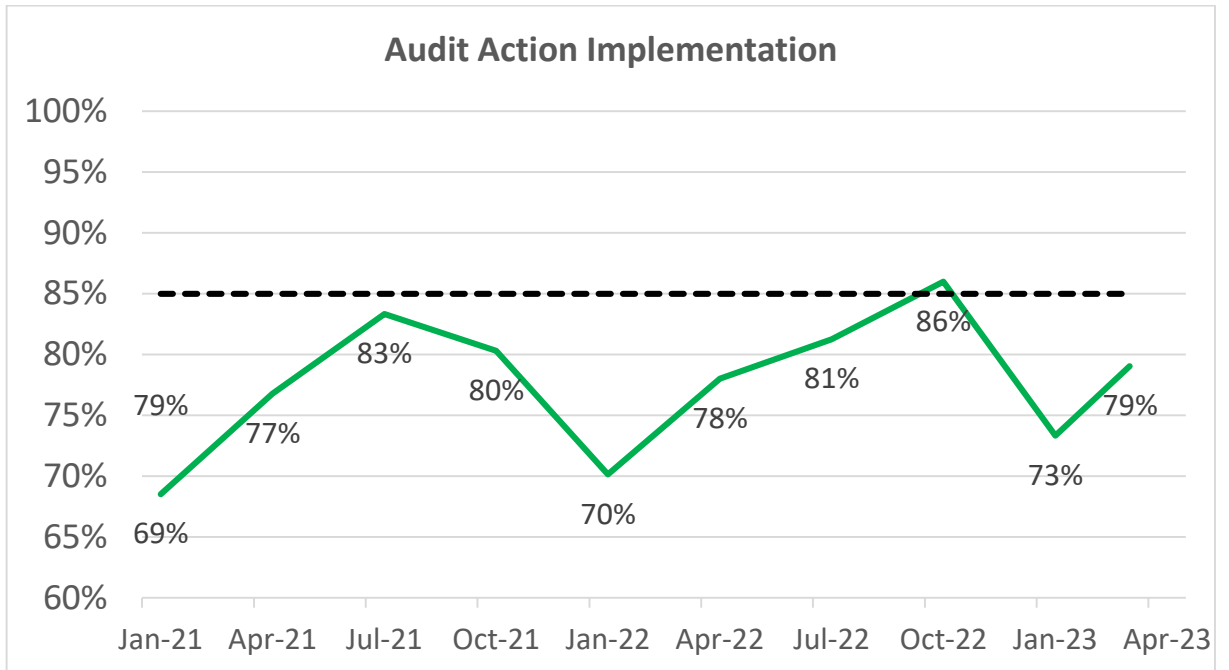
- 2.1 It is the responsibility of management to implement audit actions on time and provide updates for the tracker. To aid facilitation of this, Internal Audit maintains the action tracker which is shared with risk owners to capture updates on progress of outstanding actions.
- 2.2 GMCA Senior Leadership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

3 Current Status

3.1 As at March 2023, **79%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.

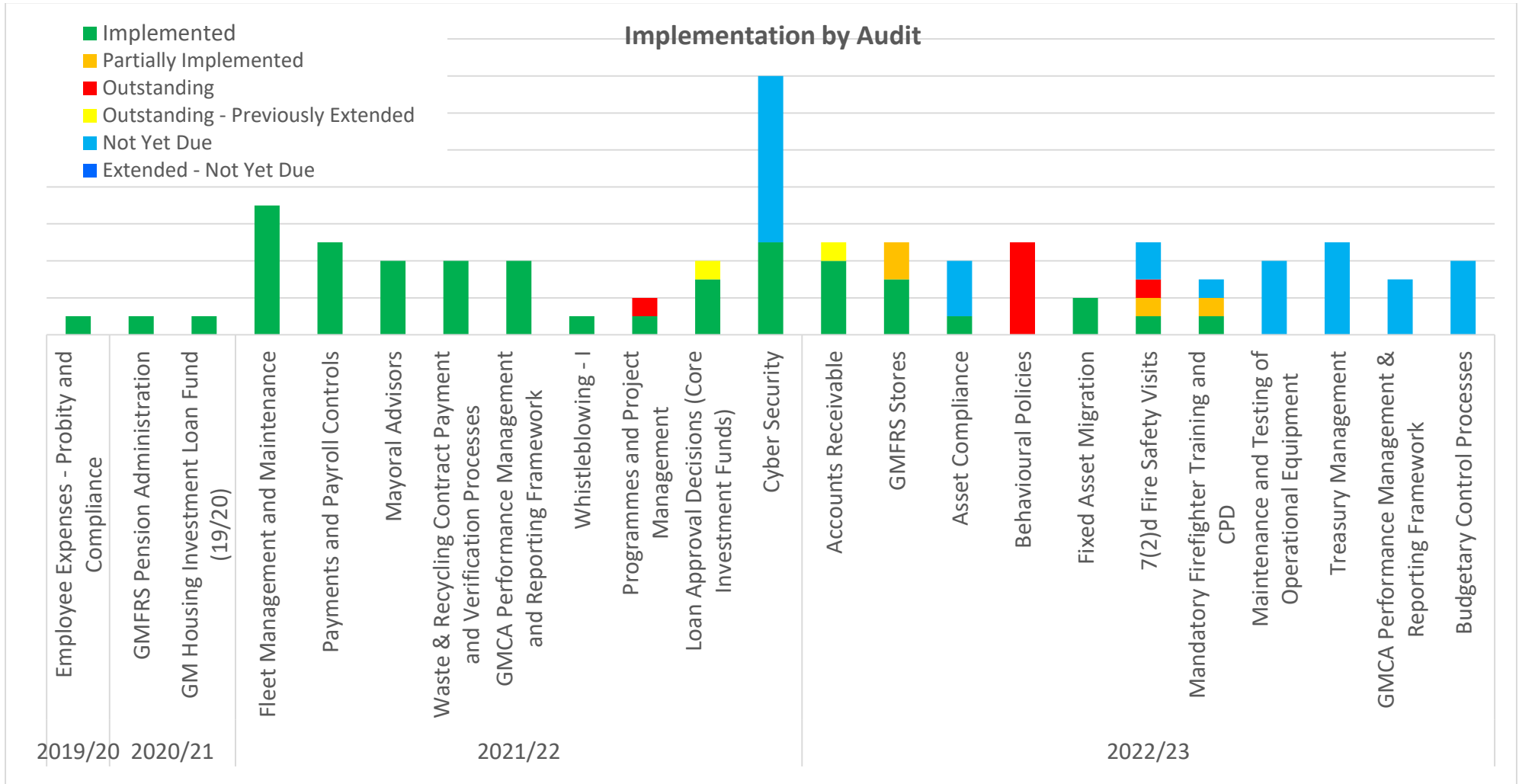


3.2 As expected, this represents a slight increase on implementation rates since our report in January.



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 six outstanding actions are now considered fully implemented including LTSC Fleet Services actions. Three new actions have become due relating to Audit reports previously shared with Audit Committee.
- 4.3 There are five actions from the Behavioural Policies and Procedures Audit and two related outstanding actions. There is work which is being led by the People Services Team to explore a systems-based solution for the reporting, recording and storing all declarations of interest and gifts and hospitality returns within MiPlace. We have met with action owners to understand the reason for delays and requested a Management update paper for Audit Committee in June 2023. There remain some actions outstanding which relate to LTSC Central Stores, but we are satisfied that good progress is being made to implement these.
- 4.4 Details of all overdue actions and management updates on progress have been included at **Appendix A** to allow Members opportunity to consider these.
- 4.5 External Audit recommendations are excluded from the calculation of implementation rates but they are captured in the action tracking process to ensure these remain visible and allow External Audit to monitor progress.
- Appendix B.**

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	49	1	7	27	14
Partially Implemented	4	0	1	1	2
Outstanding	7	0	1	5	1
Not Yet Due	31	0	9	15	7
Extended - Not Yet Due	0	0	0	0	0
Outstanding - Previously Extended	2	0	0	0	2
Total	93	1	18	48	26

- 5.2 The number of actions being tracked this quarter has increased from 87 to 93 based on final reports issued. Our policy is to remove from the tracker any completed actions over two years old. One completed action has been removed 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 the actions have been completed and reported as implemented for at least one period.

6. Recommendations

- 6.1 The recommendations are set out at the front of the report.

Status of Overdue Actions at February 2023

Audit Title.	Risk Rating	Audit Finding and Agreed Management Action (Summarised version from Audit Report)	Target Date	Responsible Officer	Internal Audit Status	Audit Committee Update (March 2023)
Programmes and Project Management 18/11/2021	Medium	<p>Audit Finding: There is no consistent suite of programme and project management guides, process flows, tools, and templates</p> <p>Management Action: We will develop and produce a project control framework against which programmes, and projects would expected to be delivered. In the first instance this should consist of a simplified but robust methodology for delivery and include a suite of guidance and process flow documents, including templates for key stages such as Business Cases and approval, project delivery, risk escalation, monitoring of progress, and performance reporting. These should be developed and made available centrally to all PMs across the organisation.</p>	October 2022	Extended Leadership Team (via Core Process Review)	Outstanding	Action owner to be reassigned - Management update to follow.

Loan Approval Decisions (Core Investment Funds) 7/12/2021	Low	<p>Audit Finding: Any declarations of interests by CEX ASG members and CIT staff are made as and when they arise. There is no formal register of personal or business interests maintained.</p> <p>Management Action: A declaration of interests register will be put in place for CIT and CEX ASG to record any personal, pecuniary, or business-related conflicts of interest. This will include annual declarations being made by Officers and External Members of the group to ensure identified interests can be managed.</p>	January 2022 (Extended to March 2023)	Investment Director	Outstanding To review as part of the work on Behavioural Policies.	<p>A template for this has now been drafted and the team are awaiting confirmation with HR that there are no issues with the form.</p> <p>This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.</p>
Accounts Receivable 12/4/2022	Low	<p>Audit Finding: Declaration of Interest forms are not completed by Finance Staff.</p> <p>Management Action: A declaration of interests register will be put in place for Finance, Commercial and Internal Audit staff to record any personal, pecuniary, or business-related conflicts of interest. This will include annual declarations being made by all Officers to ensure identified interests can be managed.</p>	April 2022 (Extended to March 2023)	Deputy Treasurer	Outstanding To review as part of the work on Behavioural Policies.	This is linked to a wider IA review of GMCA Behavioural policies and codes of conduct.
GMFRS Stores 8/6/22	High	<p>Stores Strategy and overarching management requires review. Management will review the delivery model for the operation of LTSC Central Stores to</p>	30 September 2022	Head of Fleet and Logistics	Partially Implemented	Review of Stores and Logistics Delivery Model is currently underway and will be

		<p>demonstrate robust governance is in place and value for money at critical points in core processes and activities. This will include:</p> <ul style="list-style-type: none"> • Setting out in the business development plan the aims and objectives for Central stores aligned to wider service requirements. Including a review of current key operational activities and practices. • Develop written procedures to support consistent processes. This will build on the initial work undertaken by BWO Systems Team to document systems. • Develop performance measures against which the quality and competency of the service can be measured. • Re-examine workplace risk assessments to ensure these are sufficient. • Review delegated authority and workflow within BWO to ensure there is appropriate separation of duties within key financial processes, so staff don't have autonomy to make buying decisions. • Develop performance measures against which the quality and competency of the service can be measured. • Re-examine workplace risk assessments to ensure these are sufficient. • Review delegated authority and workflow within BWO to ensure there is appropriate separation of duties within key financial processes, so staff don't have autonomy to make buying decisions. 				<p>presented as part of an update on the Fleet and Stores review to the Fire Project Board in April 2023. The model itself is due for completion by mid-March.</p>
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		<ul style="list-style-type: none"> • Review of overtime usage and any capacity issues for key activities. • Identify any disruption to supply chain around critical product lines, stock management and re-order levels as part of BCM arrangements. 				
GMFRS Stores 8/6/2022	Low	<p>Audit Finding: Improvements are need to the control and secure disposal of branded firefighter uniform to prevent potential misuse.</p> <p>Management Action: Use of individual officer uniform records held in BWO will be reviewed to ensure that records are accurately maintained and used effectively.</p> <p>We will trial a system of recording the number and type of items sent for destruction to determine the level of work involved against the benefits of tracking branded items through to disposal.</p>	<p>September 2022</p> <p>Revised target date of June 2023 agreed to allow current trial to be completed and results reviewed</p>	Stores and Logistics Manager	Outstanding	The trial around the way uniform is distributed and collected is nearing completion and the results are being collated. Final results will be shared with Senior Management to determine the way forward with this.

<p>GMCA Behavioural Policies and Codes (July 2022)</p>	<p>High</p>	<p>Codes of Conduct - Employee behavioural policies and Codes of Conduct require review and update to address weaknesses in process and consistency.</p> <p>Audit Finding: Existing behavioural policies and codes of conduct including procedures and rules around declaration of financial, pecuniary, business, and personal related interests and the acceptance of gifts and hospitality lacked detail in some areas and these were not widely accessible or promoted across the organisation. There is no requirement for staff to confirm compliance with the Code of Conduct. There was no standardised format or consistent approach for gathering and holding this information for all GMCA Employees (including GMFRS Grey book staff) and responsibility for policy ownership in this area remained unclear.</p> <p>Management Action To review the existing Codes of Conduct for GMCA as part of the annual review of the GMCA Constitution. The review will seek to introduce a proportionate approach which reflects best practice. The aim is to:</p> <p>i) Implement a single overarching employee Code of Conduct for GMCA/GMFRS staff which incorporates the key principles of conduct and behaviour which apply to all staff. Below this will sit specific rules or</p>	<p>Dec 2022</p> <p>Revised target date of March 2023</p>	<p>i) Assistant Director – Workforce Strategy and Talent (Rules covering Green/Grey Book)</p> <p>ii) As above: (Information on Code of Conduct and expectations on officers to be included in new Starter Induction training).</p> <p>iii) As above, Policy</p>	<p>Outstanding</p>	<p>Work is underway exploring a systems-based solution for reporting, recording, and storing all declarations of interest, gifts and hospitality within MiPlace.</p> <p>It is anticipated that once this systems solution is in place, we will be able to cover both GMCA and GMFRS staff in a consistent way.</p>
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		<p>actions relating to both Green and Grey book staff.</p> <ul style="list-style-type: none"> ii) Consider how staff confirm compliance with this on induction and at regular intervals. iii) Establishing ownership and responsibility for the registers and processes. iv) Establishing responsibility for review and oversight for Officer Code of Conduct and the effectiveness of these arrangements (e.g. Standards Committee/Resources Committee) v) GMFRS – In a Fire context, the development and roll out of the GMFRS Code of Conduct and Ethics policy for Grey book staff to be completed in 2022. 		<p>Development Area belongs to the People Team.</p> <p>iv) As above Head of Organisational Development leading on the roll out of GMFRS Ethics Policy. Will also explore options for the introduction of an GMFRS Ethical Pledge June/July 22.</p>		
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<p>GMCA Behavioural Policies and Codes (July 2022)</p>	<p>Medium</p>	<p>Audit Finding: Gifts and Hospitality registers are not maintained in all areas (Employees & Members).</p> <p>Management Action To develop a stand-alone policy and procedural guidance for the acceptance of Gifts and Hospitality – Employees and Members. This will include:</p> <ul style="list-style-type: none"> i) Publicising procedures and rules for managing the acceptance of Gifts and Hospitality. ii) Introducing a standardised process and format for recording information across the organisation. iii) Ensuring sufficient oversight is maintained over the appropriateness of Gifts and Hospitality accepted and any emerging trends. iv) Ensuring registers are openly available (Elected Members only – checking with other CA’s re Senior Officers) v) In addition, a protocol is being developed around International visits for Members and Officers, with the intention of implementing this during 2022. <p>Note: Elected Members</p> <ul style="list-style-type: none"> o To establish stand-alone G&H Register for circulation to all members undertaking 	<ul style="list-style-type: none"> i) Dec 2022 ii) Dec 2022 iii) Dec 2022 iv) July 2022 v) July 2022 	<ul style="list-style-type: none"> i) Assistant Director-Workforce Operations (Employee Policy Area) & Head of Governance and Scrutiny (Members Policy area). ii) As above iii) As Above iv) Head of Governance and Scrutiny (Members Policy area). 	<p>Outstanding</p>	<p>Employees: A policy for employees is in draft for Gifts and Hospitalities currently under review. Once complete we will then roll out an e-learning module for this.</p> <p>Elected Members: Standard Form, including guidance from the Constitution produced for all Elected Members undertaking duties of behalf of the GMCA – Completed June 2022.</p> <p>Elected Members Registers of Gifts & Hospitality have been established and registers have been published on the website against</p>
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		<p>work behalf of GMCA & AGMA. This will be completed at least bi-annually.</p> <ul style="list-style-type: none"> ○ We will include a procedure for Mayoral Advisors. <p>Employees</p> <ul style="list-style-type: none"> ○ To establish G&H registers for Senior Leadership and Directorate Functional areas. (linked to feasibility of managing these in MiPlace). 				<p>individual members. A quarterly reminder is also sent to Elected Members – Completed June 2022.</p> <p>Protocol produced and with GMCA legal team for review.</p>
GMCA Behavioural Policies and Codes (July 2022)	Medium	<p>Audit Finding: Declarations of Interest (Employees) -There is no standardised or consistent approach for recording or managing declarations in compliance with the GMCA employee code of conduct.</p> <p>Management Action: The development of a stand-alone declaration of interest policy and procedural guidance will:</p> <ul style="list-style-type: none"> • Introduce a requirement to complete annual declarations of Interest return for all staff. This is to be managed at Directorate level with responsibility placed on Directors to ensure completed returns are submitted and any declared interests managed. • Introduce a standardised process and format for recording information across the organisation. 	Dec 2022 Revised target date of March 2023	Assistant Director-Workforce Operations.	Outstanding	See comments on development of a systems-based solution.

		<ul style="list-style-type: none"> • Ensuring sufficient oversight is maintained over declared interests and where conflicts arise • SLT will take responsibility for improving awareness amongst staff, and ensuring staff understand what they need to declare. • Link and refer to the declaration process within the annual staff PRA process. 				
GMCA Behavioural Policies and Codes (July 2022)	Medium	<p>Audit Finding: Promoting Awareness (Employees) - Further work is required to raise awareness of GMCA behavioural policies and codes to strengthen compliance with process and rules.</p> <p>Management Action: Officers and Operational Firefighters will be made aware of the relevant Code of Conduct/Code of Ethics, what they are expected to declare, and the process for doing so.</p> <ol style="list-style-type: none"> SLT/ELT will have responsibility for taking this forward and raising awareness amongst staff in their Directorates. It will be incorporated into the new starter/firefighter recruit induction process and contracts of employment. Consideration of online training session delivered through Mi-Learning portal. Referenced in consultant contracts. 	Dec 2022	<p>Assistant Director- Workforce Operations. (Employee Behavioural policies to be made available on the Intranet – supported by e-learning and new starter induction training)</p> <p>Head of Organisational Development. (GMFRS</p>	Outstanding	<p>See comments on development of a systems- based solution.</p> <p>A code of Ethics E-learning module was launched at the beginning of October 2022. Completion rate for GMFRS staff as of the 30</p>

				<p>Code of Ethics – Policy aspects)</p>	<p>November 2022 stands at 61%. The slight delay to the launch of the e-learning was to allow time to incorporate staff feedback. In addition, awareness raising of the Core Code has been incorporated into other Learning opportunities, for example the Inclusive Culture Training. An Ethical Pledge for GMFRS Supervisory Managers is in final draft, with a view to launching early 2023. http://insidegmca.gmfs.local/key-info/new-starters/welcome-pack/our-values-and-code-of-conduct/ Induction now includes a section on our code of conduct see attached.</p>
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<p>GMCA Behavioural Policies and Codes (July 2022)</p>	<p>Low</p>	<p>Audit Finding: System & Process (Employees) - There is no single central repository for holding DoI and G&H information which would allow for easy access, monitoring and reporting.</p> <p>Management Action: To develop a simple system which will allow for this information to be held digitally. To consider the use of MiPlace for the uploading and storing of relevant Declaration of Interest and Gifts and Hospitality returns. This will provide:</p> <ul style="list-style-type: none"> • A secure and confidential space for collation of records from across the Authority. • Standardised design format for returns. • issue prompts to staff at regular intervals (linked to the PRA process). • Allow responsibilities to be managed by line managers • Greater transparency to meet management oversight and reporting requirements. 	<p>Dec 2022</p>	<p>Assistant Director-Workforce Operations. In conjunction with HR Systems and Information Manager & Digital Solutions Manager ICT. (Note: To look at the feasibility of utilising MiPlace for self-declaration and approval).</p>	<p>Outstanding</p>	<p>Review of creating forms on MiPlace currently underway.</p>
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7(2)d Fire Safety Visits 29/9/2022	Medium	<p>Audit Finding: Underlying Assurance Strategy required</p> <p>Management Action: To implement and embed the quality assurance process for 7 (2)(d) visits as part of the policy roll out.</p> <p>GMFRS will produce an underlying assurance strategy or mapping process on an annual basis, where audit sampling is based on an assurance programme which covers contemporary, thematic, and recurring topics.</p>	January 2023	<p>Head of Protection and Building Safety Reform</p> <p>OIS and Water Manager</p>	Outstanding	Awaiting Management update
7(2)d Fire Safety Visits 29/9/2022	Low	<p>Audit Finding: Monitoring of Performance</p> <p>Management Action: To ensure that guidance is updated to promote consistent management of performance across station areas. This will be achieved through the implementation and embedding of the underlying assurance strategy.</p>	January 2023	<p>Head of Protection and Building Safety Reform</p> <p>OIS and Water Manager</p>	Partially Implemented	Guidance has been updated but the risk footprint guidance is currently undergoing a trial period in the Rochdale Oldham and Bury Boroughs ahead of being rolled out across all station areas.
Mandatory Firefighter Training and CPD 29/9/2022	Medium	<p>Audit Finding: No clear policy implemented around promotion or Progression</p> <p>Management Action: (i) We will launch and implement the Promotions Framework. (ii) We will consider introducing a mechanism</p>	October 2022	<p>(i) Talent and Resourcing Manager</p> <p>(ii) OD and Culture Manager</p>	Partially Implemented	<p>Promotions Framework has been launched.</p> <p>Awaiting management response on remaining actions.</p>

		<p>to formally and objectively identify high potential individuals through the PRA process.</p> <p>(iii) We will continue to develop the People Strategy, ensuring that this is aligned to key areas of the NFCC's People Strategy. This will facilitate collaboration between resourcing, training, talent and learning and development teams to work effectively in partnership to achieve GMFRS's strategic objectives and priorities.</p>		<p>(iii) Assistant Director of Workforce Strategy and Talent</p>		
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External Audit Action Tracking

To streamline the process for audit action tracking, internal audit has included external audit actions in the tracking spreadsheet and process. External Audit will provide their own assessment of the completion of those recommendations but as an indicator until such time that formal work is undertaken as part of the external audit, Internal Audit provide an informal assessment of the status of those actions where they have been able to obtain a view.

Audit Title.	Risk Rating	Audit Finding and Agreed Management Action (Summarised version from Audit Report)	Target Date	Responsible Officer	Internal Audit Status	Audit Committee Update (Jun 2022)
External Audit 20-21 accounts 24/11/2021	Medium	<p>Audit Finding: Segregation of Duties in Accounts Receivable weak as individuals can both raise and approve sales invoices on the system</p> <p>Management Action: We will review roles following the recent restructure and ensure this is in place, this will be assessed as part of an upcoming internal audit review of accounts receivable</p>	March 2022	Head of Finance Corporate and Technical	Implemented (subject to EA verification)	<p>IA View: New role profiles have been set up within the Accounts Receivable system and were launched at the beginning of March. This ensures that there is both segregation and approval of invoices within the system.</p> <p>IA testing in the quarter has shown that the system now has segregated roles in place and utilised.</p>

External Audit 20-21 accounts 24/11/2021	Medium	<p>Audit Finding: No disaster recovery test had been performed by the organisation within the period.</p> <p>Management Action: We will consider the GMCA approach to disaster recovery testing alongside the creation of a backup policy and EBS.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: The disaster recovery procedures were also picked up as part of the recent Cyber Security audit, as part of this management provided a detailed plan of action with a target date of Mar 2023.</p>
External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: Testing of journals identified a write off processed to clear an imbalance between petty cash records and the financial systems, this could not be matched to supporting documents. Amount written off was of low value (£311)</p> <p>Management Action: We will ensure petty cash policies and procedures reflect this as well as commencing a review of the requirement for petty cash to be held by the CA.</p>	March 2022	Head of Finance Capital and Treasury Management	Outstanding	

External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: No formal back up policy in effect at the Authority</p> <p>Management Action: GMCA will produce a formal back-up policy and is currently developing proposals for an Enterprise Back Up Solution (EBS) to be implemented in early 2022 if agreed.</p>	March 2022	Digital Solutions Manager	Implemented (subject to EA verification)	<p>IA View: This was also picked up as part of the recent Cyber Security audit and action has now been completed. A policy has been put in place and has been published to the organisation.</p>
External Audit 20-21 accounts 24/11/2021	Low	<p>Audit Finding: No formal change management policy in effect at the organisation.</p> <p>Management Action: Whilst there is no formal change management policy in place the external auditor acknowledged that the GMCA change management controls are very strong. We will consolidate the process into a formal policy.</p>	March 2022	Digital Solutions Manager	Outstanding	<p>IA View: The recent Cyber Security audit identified the need to update several corporate policies in this area. Management had also recognised the need to do this and had set a target date of March 2023 for completion of all required policy updates.</p>