

GMCA Audit Committee

Date: 13 March 2024

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 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 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

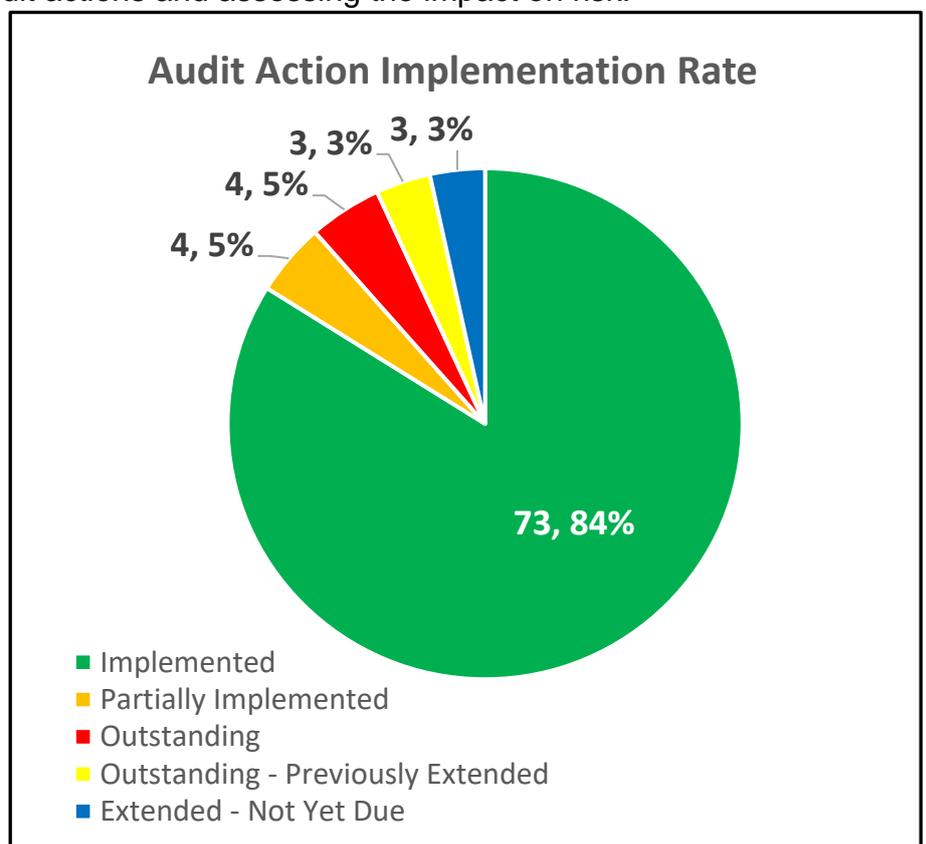
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation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

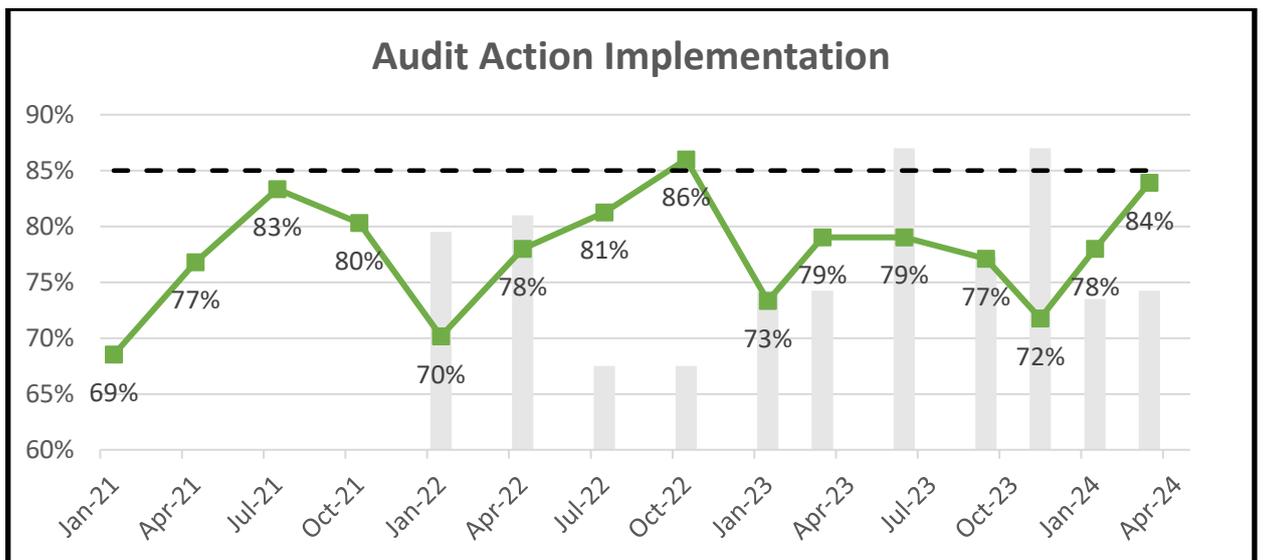
- 2.1 It is the responsibility of management to implement audit actions on time and provide updates for the tracker. To aid facilitation of this, Internal Audit maintains the action tracker to capture updates on progress of outstanding actions.
- 2.2 GMCA Senior Leadership Team retains responsibility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

3 Current Status

- 3.1 As of March 2024, **84%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.

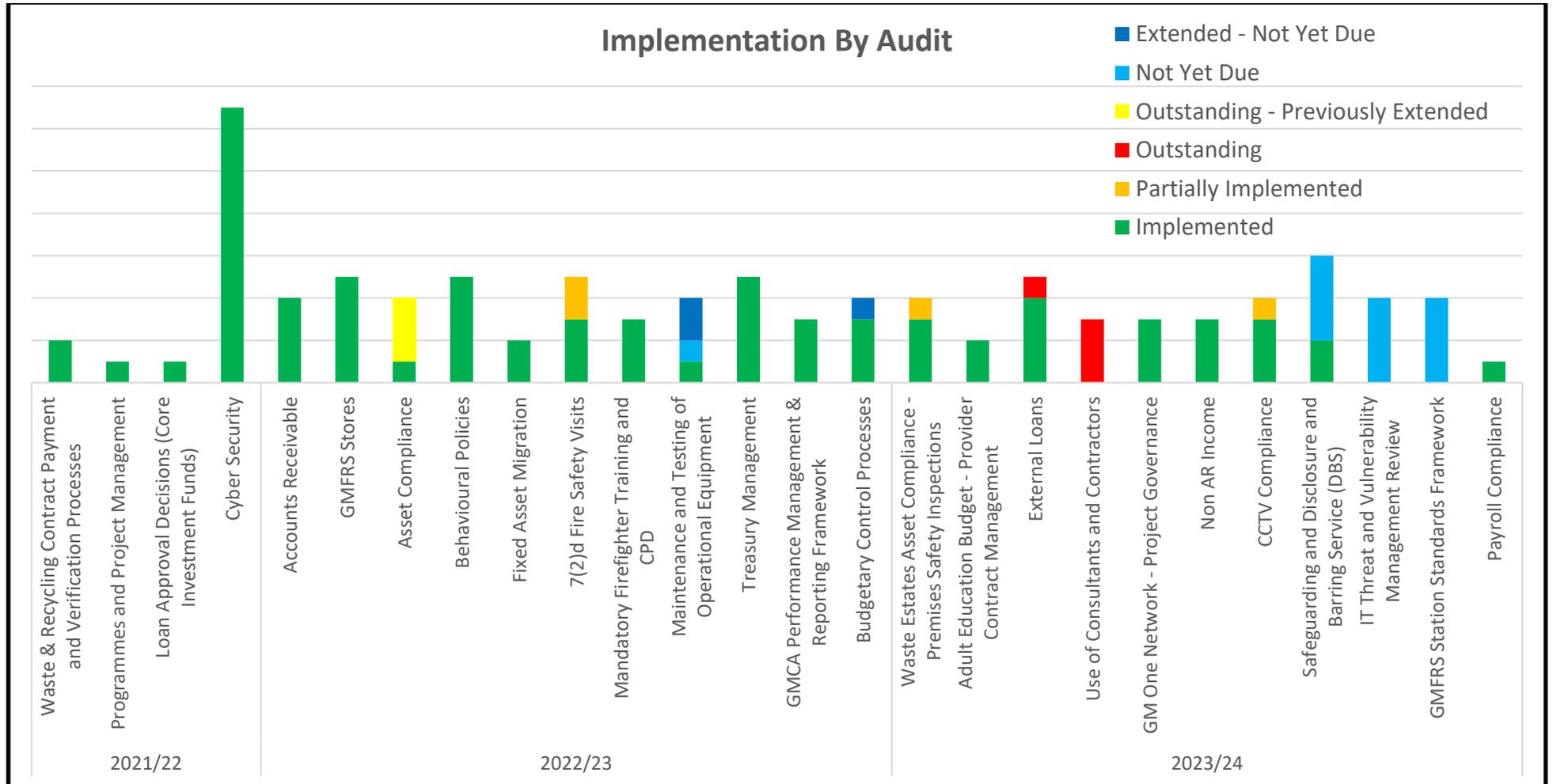


- 3.2 The chart below shows that implementation rates have increased on those previously reported in January 2024.
- 3.3 The bars in the chart represent the number of actions actively tracked in the period (previously reported as outstanding or partially implemented or those falling due within the current period). This has increased slightly since January reflecting the number of actions where target dates have become due in the current 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 The overall position for implementation of audit actions remains positive. Since our last report, eight outstanding actions are now considered fully implemented. Two new actions have become due relating to Audit reports previously shared with Audit Committee. Six actions where an extended timescale for implementation was agreed are now overdue.
- 4.3 Two actions remain overdue from the 7(2)d audit; however, progress has been made in period and management are confident that these will be completed by the end of March 2024.
- 4.4 There are several actions which remain outstanding despite extended timescales previously being agreed. Estates Asset Compliance, the completion of these actions relates to the ongoing service development work within the Estates Team and further extensions are being sought to align with this work.
- 4.5 Members previously asked about the progress being made to implement revised procedures relating to the use of consultants. This has not yet been actioned due to capacity issues within the Commercial team and revised timescales will be agreed.
- 4.6 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	73	1	12	38	22
Partially Implemented	4	0	1	2	1
Outstanding	4	0	1	3	0
Not Yet Due	13	0	4	8	1
Extended - Not Yet Due	3	0	2	1	0
Outstanding - Previously Extended	3	0	1	0	2
Total	100	1	21	52	26

5.2 The total number of actions being tracked this quarter is 100. Three completed actions over two years old have 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.

Status of Overdue Actions at 29 February 2024

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	Internal Audit Implementation Status	Audit Committee Update
Jan 2023	7(2)d Fire Safety Visits	Reasonable	Implement QA process for 7(2)d visits	Medium	Partially Implemented	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. The outcome of both of these reviews and feedback from the most recent HMICFRS inspection will inform the final Assurance Strategy which will be published in April 24.
Jan 2023	7(2)d Fire Safety Visits	Reasonable	Develop guidance to support consistent management of performance	Low	Partially Implemented	Risk Footprint Guidance has now been drafted and is currently being reviewed with the expectation that it will be published on the CDC by the end of March.

Current Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
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 by Suez. An exercise is now being undertaken to identify all work required on each site and the current status of each (requiring individual site visits). Work is also being taken forward with Suez to ensure that going forward completion of these actions is reported in a consistent manner so that spot checks can be carried out centrally.
Oct 2023	Use of Consultants and Contractors	Limited	Develop procedure for appointing consultants	High	Outstanding	Work is being undertaken to agree formal definitions of how we define a contractor and processes are being put in place to make it easier to identify a contractor at the point they are engaged and ensure all appropriate information is recorded. This is not yet finalised but is going through early review processes.
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	
						PROPOSAL TO EXTEND - TBA

Current Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
Jan 2024	Asset Compliance	Limited	Reprocure statutory compliance contracts	High	Outstanding - Previously Extended	<p>An initial evaluation of contractor performance has been conducted, leading to the removal of several contractors from the department's supply chain. Those contractors who have continued their service contracts have been evaluated for Value for Money and performance levels. A new procedure for the payment and approval of completed tasks has been implemented, supported by the verification of documents and inspection of works. Due to the lack of Computer Aided Facilities Management systems and a reliable asset database, the department faces challenges in confirming the suitability of the service contracts. To overcome this, an asset mapping initiative has been launched to accurately assess the department's asset inventory.</p> <p>A review of the department's operating model is to be completed in April 2024. Once a decision has been made on how the department will deliver its required services going forwards, service contracts will be reprocured in line with the revised strategy.</p>

Current Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
						PROPOSAL TO EXTEND TO SEPTEMBER 2024
Jan 2024	Asset Compliance	Limited	System to record fire alarm (and other onsite) tests	Low	Outstanding - Previously Extended	<p>No Active Monitoring system is currently in place for Fire Alarm Testing or any other specific testing that is currently undertaken on sites. A paper system is in place across all sites as a short-term solution until a Monitoring Service can be put in place.</p> <p>Paper System will continue to be the method for recording tests, Active Monitoring Service quotes to be requested to provide this service. Active Monitoring system in place by September 24.</p> <p>PROPOSAL TO EXTEND TO SEPTEMBER 2024</p>
Jan 2024	Asset Compliance	Limited	Procedure notes to be developed that explain use of BWO estates	Low	Outstanding - Previously Extended	<p>The recording of Premise Safety Inspections will be completed within the Statutory Compliance monitoring, providing documented processes and procedures.</p> <p>As part of the Compliance Review. End of August 24</p>

Current Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
						PROPOSAL TO EXTEND TO AUGUST 2024
Jan 2024	External Loans	N/A	Creation of a GMCA register of significant partnerships to which details of External Loan Partnerships would be added.	Medium	Outstanding	Work is ongoing to pull together a corporate register of significant partnerships. Once this is launched the External Loan partnerships will be added.
Jan 2024	CCTV Compliance	Limited	Publish up to date CCTV Policy	High	Partially Implemented	<p>The CCTV Policy has been updated to cover the requirements of all current statutory legislation, including the Freedom of Information Act 2000, the Environmental Information Regulations 2004, and the Data Protection Act 2018 (Inc. UK GDPR). This includes appropriate reference to roles and responsibilities for the operation and maintenance of CCTV systems and guidance around storage, sharing and retention of data.</p> <p>SUBJECT TO APPROVAL - The policy was passed at the latest functional board meeting and is now due to be discussed at Improvement board prior to being adopted.</p>