

## **GMCA Audit Committee**

Date: 13 March 2024

Subject: Internal Audit Progress Report

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

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### **Purpose of Report**

The purpose of this report is to inform Members of the Audit Committee of the progress made on the delivery of the Internal Audit Plan for 2023/24. It is also used as a mechanism to seek approval of changes to the internal audit plan.

### **Recommendations:**

Audit Committee is requested to:

- Consider and comment on the Internal Audit progress report.
- Approve any changes to the Audit Plan (Appendix C)

### **CONTACT OFFICERS:**

**Sarah Horseman, Deputy Director of Audit and Assurance, GMCA**  
[sarah.horseman@greatermanchester-ca.gov.uk](mailto:sarah.horseman@greatermanchester-ca.gov.uk)

**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 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 Internal Audit annual plan for GMCA was presented to the Audit Committee in March 2023 and this set out the planned assurance activity to be conducted during 2023/24 based on our understanding of the organisation’s strategic and operational risks.
- 1.2 There are separate audit plans approved by Transport for Greater Manchester (TfGM) and Greater Manchester Police (GMP) / Police and Crime Functions with reporting to their respective Audit, Risk and Assurance Committee (ARAC) and Joint Audit Panel (Police and Crime).
- 1.3 The purpose of this progress report is to provide Members with an update against the GMCA Internal Audit Plan for 2023/24 and summary of final reports presented to Committee.

# 2 Progress against the Internal Audit Plan 2023/24.

- 2.1 Since the last meeting in January 2024, we have issued six reports (two in Draft) from the 2023/24 plan and certified two grants. The Executive Summaries from these reports are shown at Appendix D.

Audit Report	Opinion
Payroll Compliance	Substantial
This report provided a Substantial Assurance opinion over payroll processes and key controls in place for the processing of starters, leavers, and changes to the payroll. There was appropriate segregation of duties in the system and from our testing we were able to verify information had been correctly input. Controls around the processing of monthly payroll runs were robust ensuring these were completed on-time and checked and reconciled.	

There was one identified area for improvement relating to the process around the checking of bank details input by the payroll team.

<b>Occupational Health Contract – effectiveness</b>	<b>Reasonable</b>
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This report provided a Reasonable Assurance opinion with six proposed actions including four medium risk areas. The report concluded that there was generally an informal approach being taken to contract management and monitoring and, in our opinion, this would benefit from a more structured approach to help drive improvements in contract delivery. The audit took into consideration feedback obtained from the Wellbeing maturity assessment, on-station visits, and FBU representative. The main improvement areas related to:

- Improved governance and oversight at a Senior level on how the contract is performing and a higher visibility beyond Service level Managers. This is a key area for improvement if Executive want to be assured that the best possible service is being received.
- Ensuring there is a robust performance mechanism for holding the provider to account and which covers qualitative measures as well as process compliance.
- Improved training and awareness amongst staff, including new managers coming into the service. Focus should be on ensuring Line Managers fully understand how to access the OH service and manage referrals.
- The opportunity to develop a more joined up and coordinated approach between H&W Team and People Team to allow more timely intervention and support on known cases and linked to Occupational Health Strategy and sickness absence statistics.

<b>Freedom of Information Act (FOIA) and Subject Access Requests (SAR)</b>	<b>Reasonable</b>
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The report provided a Reasonable Assurance opinion over the adequacy of controls in place for processing Freedom of Information and Subject Access Requests, with three agreed audit actions.

The report concluded that appropriate systems, policies, and procedures for the handling of requests for information were in place and made available to staff. There is a range of training packages available and the iCasework system is used to acknowledge, approve, and respond to information requests. Metrics relating to information are reported to SLT on a quarterly basis and to the Information Governance board monthly.

The main areas for improvement related to improving engagement and communication between service areas and the Information Governance team; the timeliness of final responses to FOI and EIR and SAR requests within the statutory timeframe, and use of reporting functionalities on the iCasework system.

**ICT Critical System Review - Gartan Roster (External)**

**Limited**

This report provided a Limited Assurance opinion over controls in place for the Gartan Roster system and six recommended improvement actions including two high risk areas. Although there was found to be a well-established system in place with clear processes and extensive demonstrable good practice being implemented, several areas were identified where improvements were required. These related to the robustness of security arrangements for the application and password management controls; a lack of documented business continuity plans and failover support; the use of generic and administrator accounts which may result in unauthorised user access or privillages; and general system governance including logging and monitoring.

We are coordinating a response with ICT Digital and the Service to allocate responsibility and set up a remediation plan to capture specific actions to allow us to track and report on progress.

2.2 There are several audits at the fieldwork and draft reporting stage, and we remain on track to deliver these by the end of April 2024. We continue to flex the plan to take account of changing assurance needs and staff capacity.

2.3 A summary on the status of ongoing audit work is as follows:

<b>Planning Stage</b>	
GMFRS - JESIP Operating Principles	Initial scoping discussions have taken place for these two audits, and we aim to commence both in the coming weeks.
Recruitment and Attraction	

<b>Fieldwork Stage</b>	
Net Zero Achievement	Fieldwork is ongoing to provide assurance over GMCAs arrangements to support the delivery of the regional carbon neutrality target by 2038.
Anti-Money Laundering Policy review	A review and update of the AML policy and procedures is underway.

<b>Reporting Stage</b>	
Brownfield Housing Fund Grant 2022/23 (Section 31/6408)	Letter of certification completed, and Internal Position Statement over Grant Fund Usage (DRAFT) issued to Management – awaiting sign off.
Corporate Recharge Model	These reports are at the Draft report stage and will be finalised before the end of March 2024.
GM Waste Fleet Assets	

2.4 **Grant Certifications** – Two grants were certified during the period.

LEAD to Net Zero (Local Energy Advice Demonstrator Grant) £213k. There is a requirement to certify these quarterly.

Net Zero Junior Officer £22.5k

Details of our progress in respect of the 2023/24 Audit Plan is shown in **Appendix B**.

### 3 **Changes to the Internal Audit Plan**

3.1 In line with the Internal Audit Charter, any significant changes to the approved Internal Audit Plan must be approved by the Audit Committee.

3.2 Since the last meeting there are two audits, we propose to deprioritise the Estates Management Audit and Adult Education Budget performance Management – follow up review. We have brought forward audits on the Supporting Families Programme and GMFRS JESIP Operating Principles, which will commence during quarter 4.

3.3 A cumulative record of changes to the plan for the current financial year, with the rationale for each, is shown as an **Appendix C** to this report.

### 4 **Resourcing**

4.1 We are recruiting to a vacancy at Principal Auditor level, and interviews have taken place during February. It remains important that the available resource and capacity within the team is kept under review to provide adequate support to deliver the Internal audit programme.

## 5 Other Activities

- 5.1 Aside from delivery of the internal audit plan, since the last meeting internal audit have undertaken the following additional activities.
- 5.2 **Whistleblowing and Counter Fraud Activities** – There are no new whistleblowing cases received by Internal Audit since the last Audit Committee.
- 5.3 **GMCA Next Phase – Senior Leadership Workstreams** – Internal Audit are involved in several workstream reviews as the organisation sets out its future ways of working in readiness for the new trailblazer devolution deal from April 2025. Internal Audit are leading on the assurance workstream and contributing to the policy making; and programme and project workstreams.
- 5.4 **Senior Leadership Team Engagement** – The Deputy Director, Audit and Assurance has joined the SLT, and we continue to hold regular engagement discussions with Directors to understand emerging risks/issues and to help inform future audit planning.

**Appendix A - Summary of Internal Audit Reports issued 2023/24**

The table below provides a summary of the internal audit work completed. This will inform the annual Internal Audit opinion for the year 2023/24.

Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	Waste
Brownfield Housing Fund Grant	N/A – Internal Position Statement Only	We made no recommendations in this audit.					✓		
ICT – Threat and Vulnerability Assessment	Limited	-	2	2	-	-	✓	✓	✓
		Individual actions being tracked via the Remediation Plan							
Purchase Card Compliance	Broadly Compliant	We made advisory actions only in this audit.					✓	✓	
ICT Critical System Review - Gartan Roster (External)	Limited	-	2	3	2	-	✓	✓	
Occupational Health Contract - Effectiveness	Reasonable	-	-	4	2	-	✓	✓	
GMFRS Station Standards Framework	Reasonable	-	-	4	-	-		✓	
Corporate Recharge Model (DRAFT)	Reasonable	-	-	1	3	3	✓	✓	✓

Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	Waste
Freedom of Information Act (FOIA) and Subject Access Requests (SAR)	Reasonable	-	-	1	2	-	✓	✓	✓
Payroll Compliance	Substantial	-	-	1	-	-	✓	✓	✓

Grant Certifications				
BEIS Growth Hub Funding 2022/23	Positive	✓		
Brownfield Housing Fund Grant 2022/23	Positive	✓		
Local Energy Market: Period October 2021 – March 2023	Positive	✓		
Made Smarter Adoption NW 2022-25	Positive	✓		
GMCA Innovator Accelerator Seedcorn Funding 2022/23	Positive	✓		
LAEP to Net Zero £19k 2022/23	Positive	✓		
LEAD to Net Zero £60k (Q2)	Positive	✓		
LEAD to Net Zero £213k (Q3)	Positive	✓		
Net Zero Junior Officer £22.5k	Positive	✓		

The following tables show definitions for the Assurance Levels provided to each audit report and the ratings attached to individual audit actions.

**Assurance levels**

	<b>DESCRIPTION</b>	<b>SCORING RANGE</b>	<b>DESCRIPTION</b>
	<b>SUBSTANTIAL ASSURANCE</b>	1-6	A sound system of internal control was found to be in place. Controls are designed effectively, and our testing found that they operate consistently. A small number of minor audit findings were noted where opportunities for improvement exist. There was no evidence of systemic control failures and no high or critical risk findings noted.
	<b>REASONABLE ASSURANCE</b>	7-19	A small number of medium or low risk findings were identified. This indicates that generally controls are in place and are operating but there are areas for improvement in terms of design and/or consistent execution of controls.
	<b>LIMITED ASSURANCE</b>	20-39	Significant improvements are required in the control environment. A number of medium and/or high-risk exceptions were noted during the audit that need to be addressed. There is a direct risk that organisational objectives will not be achieved.
	<b>NO ASSURANCE</b>	40+	The system of internal control is ineffective or is absent. This is as a result of poor design, absence of controls or systemic circumvention of controls. The criticality of individual findings or the cumulative impact of a number of findings noted during the audit indicate an immediate risk that organisational objectives will not be met and/or an immediate risk to the organisation's ability to adhere to relevant laws and regulations.

## Audit Finding Classification

Risk Rating	Description/characteristics	Score
<b>Critical</b>	<ul style="list-style-type: none"> <li>• Repeated breach of laws or regulations</li> <li>• Significant risk to the achievement of organisational objectives / outcomes for GM residents</li> <li>• Potential for catastrophic impact on the organisation either financially, reputationally, or operationally</li> <li>• Fundamental controls over key risks are not in place, are designed ineffectively or are routinely circumvented.</li> <li>• Critical gaps in/disregard to governance arrangements over activities</li> </ul>	<b>40</b>
<b>High</b>	<ul style="list-style-type: none"> <li>• One or more breaches of laws or regulation</li> <li>• The achievement of organisational objectives is directly challenged, potentially risking the delivery of outcomes to GM residents.</li> <li>• Potential for significant impact on the organisation either financially, reputationally, or operationally</li> <li>• Key controls are not designed effectively, or testing indicates a systemic issue in application across the organisation.</li> <li>• Governance arrangements are ineffective or are not adhered to.</li> <li>• Policies and procedures are not in place</li> </ul>	<b>10</b>
<b>Medium</b>	<ul style="list-style-type: none"> <li>• Minor risk that laws or regulations could be breached but the audit did not identify any instances of breaches.</li> <li>• Indirect impact on the achievement of organisational objectives / outcomes for GM residents</li> <li>• Potential for minor impact on the organisation either financially, reputationally, or operationally</li> <li>• Key controls are designed to meet objectives but could be improved or the audit identified inconsistent application of controls across the organisation.</li> <li>• Policies and procedures are outdated and are not regularly reviewed</li> </ul>	<b>5</b>
<b>Low</b>	<ul style="list-style-type: none"> <li>• Isolated exception relating to the full and complete operation of controls (e.g., timeliness, evidence of operation, retention of documentation)</li> <li>• Little or no impact on the achievement of strategic objectives / outcomes for GM residents</li> <li>• Expected good practice is not adhered to (e.g., regular, documented review of policy/documentation)</li> </ul>	<b>1</b>
<b>Advisory</b>	Finding does not impact the organisation's ability to achieve its objective but represent areas for improvements in process or efficiency.	<b>0</b>

## Appendix B – Progress against the Internal Audit Plan 2023/24

The table below shows progress made in delivery of the Internal Audit Plan.

Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
GMFRS	Service Support	Occupational Health Contract	Q1	20	Completed	March 2024
GMFRS	Service Delivery	Station Standards Framework	Q2	30	Completed	January 2024
GMFRS	Service Delivery	Operational Assurance and Organisational Learning Frameworks	Q2	10	Ongoing engagement and support	
GMFRS	Service Delivery	JESIP Operating Principles	Q4	15	Planning Q4	
Corporate Services	People Services	Payroll Compliance	Q2	30	Completed	March 2024
Corporate Services	Waste and Recycling	Fleet Assets – Maintenance	Q2	30	Draft Report	
Cross Cutting	Governance	Business Continuity Planning	Q2	20	Full Audit Postponed until 2024/25	
Corporate Services	Finance	Purchase Card Compliance	Q3	5	Completed	January 2024

Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
Corporate Services	Finance	Corporate Recharge Model	Q3	20	Draft Report	
Corporate Services	People Services	Recruitment and Attraction	Q4	30	Planned for Q4	
Education, Work and Skills	Adult Education Budget	Performance Management	Q4	30	Cancelled	
Corporate Services	ICT/Digital	Threat and Vulnerability Assessment (External)	Q2	5	Completed	November 2023
Corporate Services	ICT/Digital	Critical Business System – Gartan Roster (External)	Q3	5	Completed	March 2024
Corporate Services	IG/Governance	FOIA/SAR	Q2	15	Completed	March 2024
Corporate Services	ICT/Digital	IT Asset Management	Q4	5	Defer to 2024/25	
Mayoral Priorities	Governance / Assets	Bus Franchising	Q3	20	Preliminary Discussions held - Defer to 2024/25	
Environment	Low Carbon	Net Zero achievement	Q3	20	Fieldwork to commence in Q4.	

Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
Place	Land and Property	Estates Management	Q3	30	Defer to 2024/25	
Policy and Strategy	Governance	Trailblazer Programme Readiness	Q3	30	Ongoing work to support SLT workstreams	
Public Sector Reform	Compliance	Supporting Families Programme	Q4	10	Planned for Q4	
<b>Grant Certifications</b>				60		
Corporate Services	BEIS Growth Hub Funding 2022/23		Q1	-	Completed	September 2023
Corporate Services	Local Energy Market: Period October 2021 – March 2023		Q1	-	Completed	September 2023
Corporate Services	Brownfield Housing Grant		Q1	-	Completed - Awaiting Sign off	
Corporate Services	Made Smarter Adoption NW 2022-25		Q2	-	Completed	September 2023
Corporate Services	GMCA Innovator Accelerator Seedcorn Funding 2022/23		Q2	-	Completed	September 2023

Directorate	Audit Area	Audit	Timing	Plan Days	Status	Audit Committee
Corporate Services	LAEP to Net Zero £19k 2022/23		Q2	-	Completed	September 2023
Corporate Services	LEAD to Net Zero £60k		Q3	-	Completed	January 2024
Corporate Services	LEAD to Net Zero (Local Energy Advice Demonstrator Grant) £213k		Q4	-	Completed	March 2024
Corporate Services	Net Zero Junior Officer £22.5k		Q4	-	Completed	March 2024
Total Plan Days				470		

<b>Other Audit Activity</b>		<b>Quarter</b>
Information Governance	Deputy Director of Audit and Assurance is a member of the Information Governance (IG) Board and the Serious Information Governance Incident (SIGI) Panel. Ongoing advice, and oversight of IG risks is undertaken through these forums.	All
Audit action tracking	Internal audit monitor and report on a quarterly basis the implementation of agreed audit actions.	All
Counter Fraud Activity	Maintenance of counter fraud policies, training and organisational awareness as well as response to reports of fraud.	All
Whistleblowing investigations	Receipt and investigation of whistleblowing reports	As needed
Ad-hoc advice and support	Advice and reviews requested in-year in response to new or changing risks and activities.	As needed
Contingency days	Days reserved to address new or emerging risks	N/A

## Appendix C - Changes to the Internal Audit Plan

The internal audit plan is designed to be flexible and can be amended to address changes in the risks, resources and/or strategic objectives. Similarly, management and the Committee may request additional audit work be performed to address particular issues. In line with Public Sector Internal Audit Standards (PSIAS) the Audit Committee should approve any significant changes to the plan.

This Section records any changes to the current internal audit plan since it was originally approved in March 2023.

Audit Area	Audit	Days	Change requested	Rationale	Approved by Audit Committee
Corporate Services: Procurement and Commercial	Social Value Model Subsidy Control Act	40	Deprioritise	Assessed as medium risk, given available resources, focus on audits in high-risk areas.	Sept 2023
Corporate Services: Finance	BWO access rights	20	Deprioritise	Revised IT Audit Plan based on assessment from new IT Audit Provider.	Sept 2023
Corporate Services: Information Governance	Information Governance Processes	20	Deprioritise	IG is a shared service with TfGM. An IG audit was undertaken at TfGM in 2022/23 which covers the same team, processes and controls. The findings around the control design would therefore be similar. Actions from that audit will be applied to GMCA as well as TfGM and monitored through IG Board – where IA is represented to monitor progress of actions.	Sept 2023
Waste	Behavioural Change and	20	Deprioritise	Audit of Waste Fleet Assets included in the audit plan, propose to deprioritise this audit for this year to be reconsidered in future plans.	Sept 2023

<b>Audit Area</b>	<b>Audit</b>	<b>Days</b>	<b>Change requested</b>	<b>Rationale</b>	<b>Approved by Audit Committee</b>
	Communication Plan				
Economy and Strategy	Shared Prosperity Fund	20	Deprioritise	Focus for this plan will be on Trailblazer preparedness.	Sept 2023
Information Governance	Freedom of Information and Subject Access Request Processes	15	Addition	In response to recent high profile data breaches in other organisations.	Sept 2023
ICT/Digital	IT Asset Management	5	Defer	Digital Service are unable to support this audit at present due to capacity and resourcing issues.	Sept 2023
Governance	Business Continuity Planning	20	Defer	Request from Management to defer until April 2024 to allow a full internal review of BC policies, systems and processes to take place.	Nov 2023
Public Sector Reform	Supporting Families Framework	10	Defer	The previous audit was completed in May 2023, as such we propose to defer until 2024/25, however this is dependent on expectations from Government that we undertake work in Q4.	Nov 2023
Finance	Continuous Auditing	20	Addition	A series of proactive transactional based audits	Nov 2023
Land and Property	Estates Management	30	Defer	Capacity of the team to support the review – to pick up as part of Estates Compliance audit in 2024/25	March 2024
Ed, Work & Skills	AEB Performance Mgt – Follow up	30	Cancel	Capacity to support and not seen as significant risk area	March 2024
GMFRS	JESIP Principles	15	Addition	Assurance work requested by GMFRS SLT	March 2024

## Appendix D – Executive Summaries

### PAYROLL COMPLIANCE



### Internal Audit Report

### Payroll Compliance

**FINAL**

**Issue Date 18 January 2024**

Audit Team	
Sarah Horseman	Deputy Director Audit and Assurance
Damian Jarvis	Head of Internal Audit
Jessica Jordan	Principal Auditor
Stuart Richardson	Principal Auditor

Report Distribution	
For Action	
Amanda Stevens	Assistant Director People Services (Workforce Operations)
Penny Wright	Payroll & Pensions Manager
Lisa Boylin	Deputy Payroll & Pensions Manager
For Information	
Audit Committee - <b>Executive Summary Only</b>	
Eamonn Boylan	Chief Executive
Andrew Lightfoot	Deputy Chief Executive
Dave Russel	Chief Fire Officer
Ben Norman	Deputy Chief Fire Officer
Steve Wilson	GMCA Treasurer
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Mallicka Mandal	Director – People Services
Mazars	External Auditor

1. EXECUTIVE SUMMARY													
<b>AUDIT OBJECTIVE</b>	<b>ASSURANCE LEVEL</b>												
The audit objective was to provide assurance over the systems, processes, and controls in place to ensure an accurate and efficient payroll process is in place.													
<b>KEY RISKS IF CONTROLS ARE NOT IN PLACE AND/OR OPERATING</b>													
<ul style="list-style-type: none"> <li>Inadequate controls over starters, leavers and changes to payroll may lead to incorrect payments being made.</li> <li>Non-compliance with payroll processes leads to an increased risk of fraud or error.</li> <li>Monthly payroll is not processed on time leading to employee dissatisfaction and reputational damage.</li> </ul>	<b>AUDIT FINDINGS</b>												
	<table border="1"> <thead> <tr> <th>Critical</th> <th>High</th> <th>Medium</th> <th>Low</th> <th>Advisory</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td></td> <td></td> <td style="text-align: center;">1</td> </tr> </tbody> </table>	Critical	High	Medium	Low	Advisory	Total			1			1
Critical	High	Medium	Low	Advisory	Total								
		1			1								
	<b>BASIS OF AUDIT OPINION</b>												
	This is based on the scoring mechanism outlined in Section 5 & 6 of this report.												
<b>AUDIT OPINION AND SUMMARY CONCLUSION</b>													
<p>We provide a <b>Substantial Assurance opinion</b> over payroll processes and key controls in place for the processing of starters, leavers, and changes to the payroll. There was appropriate segregation of duties in the system and from our testing we were able to verify information had been correctly input. Controls around the processing of monthly payroll runs were robust ensuring these were completed on-time and checked and reconciled.</p> <p>There was one identified area for improvement relating to the process around the checking of bank details input by the payroll team.</p>													
<b>AREAS OF GOOD PRACTICE</b>													
<ul style="list-style-type: none"> <li>i) A processing timetable is in place and followed to ensure that payments are made on time.</li> <li>ii) We examined two payslips for each of 25 employees in our sample and confirmed that:</li> </ul>													

- Statutory deductions, salary sacrifice schemes and pensions deduction are correctly processed and in line with the relevant scheme and statutory guidelines.
  - Monthly payroll variations are processed in line with supporting authorised paperwork and relevant policies.
  - Basic pay is correct based on the role and contract in place for the individual.
- iii) We examined a sample of 13 starters, leavers and transfers and confirmed:
- Payroll was being promptly updated for each of these events.
  - Adjustments to payments for mid-month events were being appropriately adjusted.
  - Payments were made correctly and in line with the underlying documents.
- iv) We examined three completed Payroll runs in detail and confirmed:
- Numerous checks are undertaken to verify the content of the payroll is correct ahead of authorisation.
  - There is appropriate segregation of duties in the verification and authorisation of the payroll.
  - The payroll is correctly imported into the BWO financial management system.

**AREAS FOR IMPROVEMENT**

There was one identified area for improved control relating to the following:

- Whilst most bank details are processed by individuals using the MiPlace system a small number of staff in the Payroll Team have the ability to amend bank details in the system to allow new starter details to be input. A report is generated each payroll to show the changes made to bank details by all users, but checks are not undertaken on this report.

**2. SUMMARY OF AGREED ACTIONS**

Finding	Risk Rating	Action	Target Date
1 Limited checks are undertaken on changes made to individuals bank account details	MEDIUM	<ul style="list-style-type: none"> <li>• A Report will be produced and checked showing where the same bank account is linked to multiple employee accounts.</li> <li>• The bank account changes list will be filtered to show where an individual's bank account has been changed multiple times within the month and</li> </ul>	January 2024

	input by the payroll team.		independent checks completed and evidenced over the accuracy of these changes.	
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<b>AUDIT SPONSOR COMMENTS</b>
An excellent audit and we will ensure that the agreed actions highlighted will be implemented by the team with immediate effect.  GMCA Payroll & Pensions Manager

**This audit has been undertaken in conformance with Public Sector Internal Audit Standards**

## OH Contract - Effectiveness



### Internal Audit Report

### Occupational Health Contract – Effectiveness

**FINAL**

Report Issue Date	
Draft Report Issued	31 January 2024
Management Response Received	1 March 2024
<b>Final Report Issued</b>	<b>4 March 2024</b>

Audit Team	
Sarah Horseman	Deputy Director Audit and Assurance
Damian Jarvis	Head of Internal Audit

Report Distribution	
For Action	
Amanda Stevens	Assistant Director People Services
Julia Morrison	Employee Relations and Wellbeing Manager
Angela Garside	OH, and Wellbeing Contracts Coordinator
For Information	
Audit Committee - <b>Executive Summary Only</b>	
Eamonn Boylan	Chief Executive
Andrew Lightfoot	Deputy Chief Executive
Steve Wilson	GMCA Treasurer
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Dave Russel	Chief Fire Officer
Ben Norman	Deputy Chief Fire Officer
Andrea Heffernan	GMFRS Director of Corporate Support
Mallicka Mandal	Director of People Services
Mazars	<b>External Auditor</b>

1. EXECUTIVE SUMMARY																		
AUDIT OBJECTIVE		ASSURANCE LEVEL																
The audit objective is to assess the effectiveness of the Occupational Health provision at GMFRS which is provided by PAM Occupational Health.		REASONABLE ASSURANCE																
KEY RISKS IF CONTROLS ARE NOT IN PLACE AND/OR OPERATING			AUDIT FINDINGS															
There are no recorded risks in the GMCA Corporate Risk Register relating to the operation of this contract. There are related risks which include:		<table border="1"> <thead> <tr> <th>Critical</th> <th>High</th> <th>Medium</th> <th>Low</th> <th>Advisory</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td>4</td> <td>2</td> <td></td> <td>6</td> </tr> </tbody> </table>					Critical	High	Medium	Low	Advisory	Total			4	2		6
Critical	High	Medium	Low	Advisory	Total													
		4	2		6													
<ul style="list-style-type: none"> <li>• DIR-FIN-04 – a failure to improve corporate performance through Corporate Services. This relates to risks around assurance in contract management activity.</li> <li>• GMFRS RR8 – Staff Wellbeing - In an emergency service there are a range of reasons why people may be impacted by mental health and wellbeing issues, whilst the Service has a range of existing mechanisms in place there is scope to further develop both managerial and staff support.</li> </ul>		BASIS OF AUDIT OPINION																
		This is based on the scoring mechanism outlined in <b>Section 5 &amp; 6</b> of this report.																
AUDIT OPINION AND SUMMARY CONCLUSION																		
We provide a <b>reasonable assurance opinion</b> over the effectiveness of the Occupational Health Contract with the current service provider. GMCA are in the final year of a three-year contract (with an option to extend) and despite a significant number of complaints and issues received during the first 12-18 months over the quality of the service provision, indications are that substantial improvements have been made. Many of the issues related to the transition from the previous provider, step changes in service and the move to 'virtual' appointments rather than face to face.																		

From management discussions held, the general opinion was that the provider underestimated the complexity of dealing with a large FRS. There has been a lack of staff continuity on the provider side, with three different Contract Managers and multiple changes in Team Leaders which has impacted on the effectiveness of the contract relationship. Some improvements have been reported following the recent involvement of a director from the service provider in contract discussions which has allowed more timely and proactive measures to be taken.

There were no significant ongoing areas of concern raised with us by the Health & Wellbeing team (H&W). Some issues were raised with us directly by the FBU representative over the responsibility for delays in some ill health retirement and IQMP cases and whether the provider was meeting their contractual obligations in these areas. Without reviewing in detail these specific individual cases, we are unable to provide assurance on these. However, it was acknowledged that the service provider was unable to offer specific types of assessment (psychiatric and PTSD diagnosis) and alternative procured provision had recently been sought.

Whilst anecdotally, we were told that a negative perception existed from Station staff, our visits to ten Stations as part of our Station Standards Audit provided no significant areas of concern raised by station staff, and most found that the quality of the service had improved. Some specific process issues were raised relating to booking and keeping track of appointments. Internal Audit also sought wider feedback obtained from the recent Wellbeing Maturity Assessment survey in October 2023. This provided a mixed response to questions raised around the effectiveness of Occupational Health provision provided by the contractor and user experience. Whilst this was the first organisational survey of its kind, there was a low response rate (48), and the service should continue to seek further stakeholder/staff satisfaction feedback in the future.

There was generally an informal approach being taken to contract management and monitoring and, in our opinion, this would benefit from a more structured approach to help drive improvements in contract delivery. The launch of the new GMCA Contract management framework provides a corporate approach to managing contracts and the application of these principles should ensure that the right level of contract governance is in place to ensure the provider fully meets its contractual obligations. There were several identified areas of contract management which required improvement, and these are outlined in **Section 3**. In summary these areas included:

- Improved governance and oversight at a Senior level on how the contract is performing and a higher visibility beyond Service level Managers. This is a key area for improvement if Executive want to be assured that the best possible service is being received.
- Ensuring there is a robust performance mechanism for holding the provider to account and which covers qualitative measures as well as process compliance.

- Improved training and awareness amongst staff, including new managers coming into the service. Focus should be on ensuring Line Managers fully understand how to access the OH service and manage referrals.
- The opportunity to develop a more joined up and coordinated approach between H&W Team and People Team to allow more timely intervention and support on known cases and linked to Occupational Health Strategy and sickness absence statistics.

The contract is in its final year, with an option to extend on a +1 +1 basis. A full evaluation should be undertaken taken in early 2024 prior to any decision taken to extend.

**Audit Limitations:**

The basis of this report is weighted toward interview feedback and discussions with Service Leads and testing compliance against contract management standards.

There was no testing of individual caseload.

Discussions were held with FBU and Unison representatives to understand their perception OH contract delivery.

**AREAS OF GOOD PRACTICE**

- Roles and responsibilities for day-to-day management of the contract are clear, with experienced internal staff able to provide the right level of support. The Assistant Director of People Services is the named contract owner, but in practice, responsibility for operational delivery is delegated to the ER and Wellbeing Manager.
- There is a focus on the commercial aspects of the contract and controlling costs.
- There was recognition at Service Manager level that contract management could be improved.
- We noted several service improvements made by the service provider in response to concerns raised, with the introduction of the OHIO IT referral system upgrade and new telephony system, despite some initial teething issues during implementation.
- The development of the Wellbeing and Occupational Health intranet pages which provide a good level of information.

**AREAS FOR IMPROVEMENT**

The main areas for improvement related to the following:

- Having a signed version of the contract agreement which clearly sets out the agreed contractual obligations and operational delivery. It was unclear what had been agreed at the start of the contract and there were gaps in what the specification set out and the providers submitted tender and actual delivery.

- The main performance concerns related to Physio onward referrals (face to face appointments) and independent Psychiatric assessments as these were not included in the original contract offer.
- Strengthening contract management, monitoring, and reporting arrangements. There is no formal assurance reporting to Senior Managers on contract performance, compliance, and value for money.
- Ensuring the performance management framework against which the contract will be measured is sufficient to drive improvements. Currently this is very much focussed on process compliance rather than qualitative measures.
- Issues are not always being flagged to the H&W Co-ordinator to allow timely intervention where problematic cases arise. E.g., delays in getting appointments or quality of service provision.
- Training – delivering awareness training to staff which ensures those accessing Occupational Health understand the process and the setting of expectations over what service users can expect to receive as part of the process. Line manager referrals was raised as an ongoing area of concern, these can relate to delays in referring staff, the timeliness and quality of referrals made and expectations around the different types of referrals.
- There were no social value elements built into the contract.

## 2. SUMMARY OF AGREED ACTIONS

Finding	Risk Rating	Action	Target Date
1 Baseline Contract Documentation.	<b>MEDIUM</b>	i) Confirm that a signed and sealed copy of the contract and schedules exists and using this to ensure contractual obligations are being met. ii) Revisit the existing contract and performance framework prior to any decision taken on contract renewal during 2024. iii) Manage the contract against the principles set out in the new GMCA corporate contract management framework.	<b>31/03/2024</b>
2 Formalisation of Contract Management Review Meetings	<b>MEDIUM</b>	i) Formalise the structure to discuss contract delivery issues. This should include both strategic and operational contract management meetings. ii) Development of an improvement action plan to get resolution and improvement actions on aspects of the contract the service is not satisfied with.	<b>30/04/2024</b>

3	Contract Performance Management and Benchmarking of Service	MEDIUM	<ul style="list-style-type: none"> <li>i) Review the SLA and performance KPI's for the contact to ensure these are relevant and adequately reflect the main service targets (linked to 4i).</li> <li>ii) Undertake some quality assessment over the accuracy of monthly performance information provided by the contractor.</li> <li>iii) Ensure that there is a shared understanding of how the provider is performing.</li> </ul>	30/06/2024
4	Service Provider Performance - Qualitative Feedback	MEDIUM	<ul style="list-style-type: none"> <li>i) Review the performance mechanisms (KPIs and SLAs) to ensure these drive the improvements and outcomes required (linked to action 3i).</li> <li>ii) Seek greater transparency from the service provider over the results of user feedback surveys conducted.</li> <li>iii) Conduct more regular internal stakeholder feedback surveys from those accessing OH provision.</li> </ul>	30/06/2024
5	OH awareness training for Managers and Staff.	LOW	<ul style="list-style-type: none"> <li>i) Develop a training schedule which can be consistently rolled out to raise awareness across GMCA/GMFRS.</li> <li>ii) Raise awareness amongst staff on how to raise concerns if issues arise and the mechanisms for doing so.</li> <li>iii) Resetting of service user expectations over the OH offer provided by the service provider</li> </ul>	30/06/2024
6	Third Party Supplier Assurance over DPA responsibilities.	LOW	<ul style="list-style-type: none"> <li>i) Re-confirming that the provider has appropriate cyber security and GDPR policies and procedures and these have been independently tested and verified.</li> </ul>	30/04/2024

**AUDIT SPONSOR COMMENTS**

Provided by the Assistant Director People Services  
 This is a reasonable assessment of the current arrangements and processes, associated with the occupational health provision. A number of the issues had previously been identified and actions in train, however this report has consolidated the required actions with timelines. I would like to thank the Auditors for a thorough and fair evaluation.

**This audit has been undertaken in conformance with Public Sector Internal Audit Standards**

## FOIA/SAR Policy and Process Review



### Internal Audit Report

### Freedom of Information (FOIA) and Subject Access Requests (SAR): Policy and Process Review

#### FINAL

Report Issue Date	
Draft Report Issued	16 February 2024
Management Response Received	4 March 2024
<b>Final Report Issued</b>	<b>5 March 2024</b>

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Eamonn Boylan	Chief Executive
Andrew Lightfoot	Deputy Chief Executive
Steve Wilson	GMCA Treasurer
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Mazars	<b>External Auditor</b>

1. EXECUTIVE SUMMARY													
<b>AUDIT OBJECTIVE</b>	<b>ASSURANCE LEVEL</b>												
The audit objective is to provide assurance over the adequacy of controls in place for the processing of Freedom of Information (FOI), EIR and individual rights requests (including Subject Access Requests) which ensures compliance with legislation and minimises the risk of a potential data breach.													
<b>KEY RISKS IF CONTROLS ARE NOT IN PLACE AND/OR OPERATING</b>													
<p><b>OR10 - Data Protection Act</b> - Failure to comply with the requirements of the Data Protection Act 2018 (inc. GDPR).</p> <ul style="list-style-type: none"> <li>Inability of the organisation to ensure that personal data is used fairly and lawfully, is accurate and up to date, and is used only for explicitly stated purposes and is handled in an appropriately secure manner.</li> <li>Upcoming Data Protection and Digital Information Bill changes legal compliance rules.</li> </ul> <p>In addition to this, without good governance processes for managing FOIA and individual rights requests in a compliant way, GMCA may be subject to potential legal, financial, and reputational risks arising from the mishandling of these and any significant data breach.</p>	<b>AUDIT FINDINGS</b>												
	<table border="1"> <thead> <tr> <th style="background-color: #d9e1f2;">Critical</th> <th style="background-color: #d9e1f2;">High</th> <th style="background-color: #d9e1f2;">Medium</th> <th style="background-color: #d9e1f2;">Low</th> <th style="background-color: #d9e1f2;">Advisory</th> <th style="background-color: #d9e1f2;">Total</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td></td> <td style="text-align: center;">3</td> </tr> </tbody> </table>	Critical	High	Medium	Low	Advisory	Total		0	1	2		3
Critical	High	Medium	Low	Advisory	Total								
	0	1	2		3								
	<b>BASIS OF AUDIT OPINION</b>												
	This is based on the scoring mechanism outlined in Section 5 & 6 of this report.												

**AUDIT OPINION AND SUMMARY CONCLUSION**

We provide a **Reasonable Assurance opinion** over the adequacy of controls in place for processing Freedom of Information and Subject Access Requests. We have concluded that there are appropriate systems, policies, and procedures for the handling of requests for information, and these are published and available to view on staff intranet or GMCA/GMFRS webpages. There are a range of training packages available to staff of Freedom of Information Requests, Information Governance and GDPR and the iCasework system is used to acknowledge, approve, and respond to requests. Metrics relating to information are reported to SLT on a quarterly basis and to the Information Governance board on a monthly basis.

GMCA receive around 30 FOI and EIR requests per month. There is a corporate KPI to respond to 95% of requests within 20 working days. As of Q3 2023/24, 90% of requests were responded to within this timeframe. The ICO regards a response rate of 90-95% of requests as being 'Adequate', with a rate above 95% regarded as 'Good'. As of February 2024, there are 4 overdue cases per the dashboard on iCasework relating to Information Rights requests and 58 open cases in progress.

We identified three areas of improvement relating to improving engagement and communication between service areas and the Information Governance team, timeliness of final responses to FOI and EIR and SAR requests within the statutory timeframe and use of reporting functionalities on the iCasework system. The Information Governance Team are currently in the process of further developing arrangements around information rights requests through the introduction of a new business partnering model and refreshed Freedom of Information policies, which are being presented to the Information Governance board for approval in February 2024.

**AREAS OF GOOD PRACTICE**

- There are appropriate systems, policies, and procedures in place for the handling of freedom of information, environmental information and individual rights requests and there is a central log of all requests received.
- There is mandatory training for all staff on Information Governance and there is a learning package available for staff to access on Freedom of Information, though this is not mandatory.
- A cross-functional FOI, EIR and Transparency User Group is in place and meets quarterly to discuss relevant topics, increase knowledge, and share best practice.
- Appropriate identity checks are performed prior to the commencement of Subject Access Requests.
- Testing of a sample of 25 FOI and EIR requests, found all requests were responded to within 20 working days, exemptions had been applied appropriately and checks were undertaken by a separate officer before a response was issued for each request.

- Testing of a sample of 10 Subject Access Requests found that 9 requests had been responded to within the required timeframe, with one response being issued late by one day. Where required, extensions were issued in line with the provisions in section 12 of GDPR guidance in the Data Protection Act 2018. For 9 of the 10 cases, it was confirmed they had been checked by a separate officer before being issued.
- Statistics on FOI requests are reported on a quarterly basis via reporting to as part of the GMCA Directorate Performance and Corporate Health Metrics and performance relating to FOI requests and SARs are reported to Information Governance Board on a regular basis.

#### AREAS FOR IMPROVEMENT

The main areas for improvement related to the following:

- From testing and discussions with staff, it was identified that there is an expectation gap between service areas and the Information Governance team regarding roles and responsibilities in responding to Freedom of Information, Environmental Information and Subject Access Requests, as there is an expectation that the Information Governance team has responsibility and ownership for the content of requests, which is not the case. Introduction of the business partnering model and closer communication should assist in clarifying expectations and enable more proactive discussions of ongoing requests to minimise delays **(Finding 1)**.
- From our sample of 25 FOI requests, we found that in 5 instances, service areas did not provide all information required within the timeframe suggested by the Information Governance team, although the overall timeframe to respond was by GMCA was ultimately met in all these cases.
- We found that in the most recent quarterly statistics presented to SLT for Q3 of 2023/24, 90% of requests had been completed within 20 working days per Section 10 the Freedom of Information Act 2000 against a corporate KPI target of 95%. The most recent figures reported to the Information Governance Board in January 2024 showed 92% achievement against this target. **(Finding 2)**
- We noted one instance where a response had been issued in relation to a Subject Access Request without a check by another officer recorded on iCasework, however the underlying documentation did refer to this taking place.
- The monitoring and reporting process within the information governance team is currently maintained manually- there is a spreadsheet used to track progress on cases and produce statistics for reports. The iCasework system has functionality to enable reporting of this area but this is not currently utilised. Use of this functionality may streamline the monitoring and reporting process. **(Finding 3)**.

**2. SUMMARY OF AGREED ACTIONS**

Finding	Risk Rating	Action	Target Date
1 Communication, Engagement and Ownership	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>Consider arrangements to improve communication and engagement between the information governance team and service area to ensure expectations are clearly understood by service areas and ownership is taken over requests for information.</li> <li>Through introduction of the business partnering model, further develop communication between service areas and the information governance team.</li> <li>Explore mechanisms through which overdue requests can be escalated to prevent responses exceeding statutory timeframes.</li> </ul>	<b>September 2024</b>
2 FOI Responses within the statutory timeframe	<b>LOW</b>	<ul style="list-style-type: none"> <li>Improve response times to FOI requests to meet the corporate KPI of 95% where possible.</li> </ul>	<b>September 2024</b>
3 Use of reporting functionality on iCasework	<b>LOW</b>	<ul style="list-style-type: none"> <li>Explore the use of iCasework to automate and streamline the reporting process around Freedom of Information and Individual Rights Requests.</li> </ul>	<b>June 2024</b>

<b>AUDIT SPONSOR COMMENTS</b>

This audit has been undertaken in conformance with Public Sector Internal Audit Standards