

GMCA Audit Committee

Date: 31 July 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.

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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

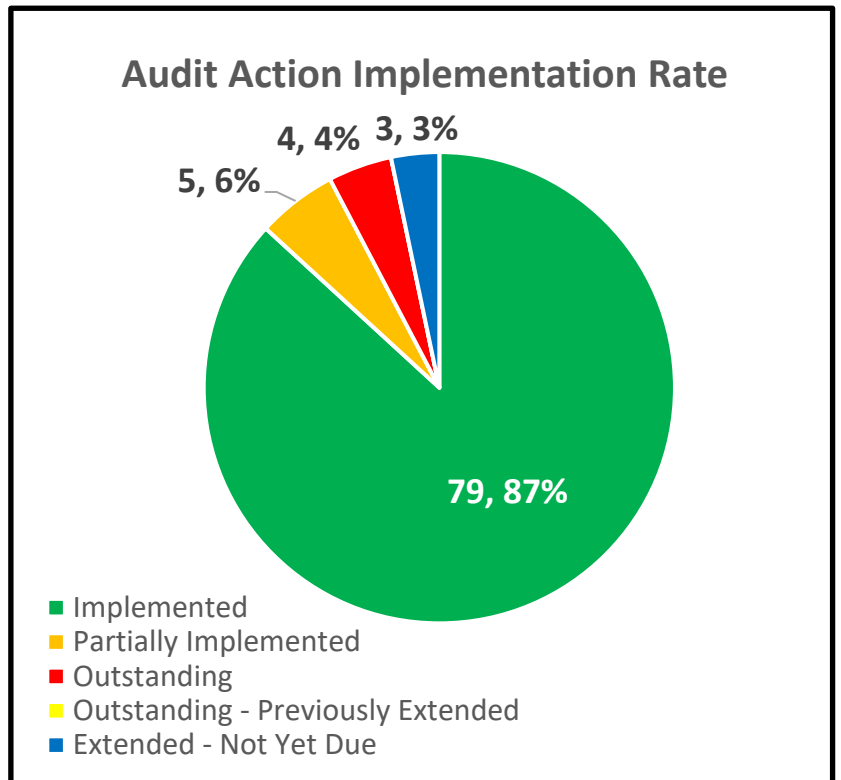
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by GMCA Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation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

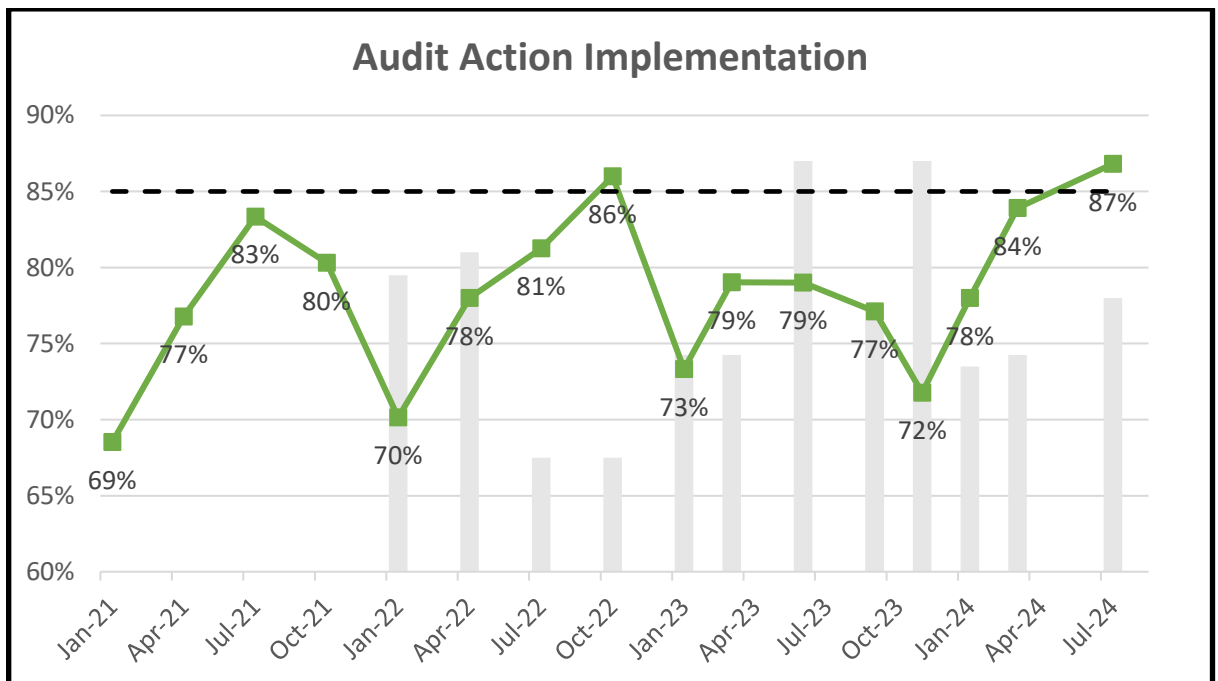
3 Current Status

3.1 As of March 2024, **87%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.



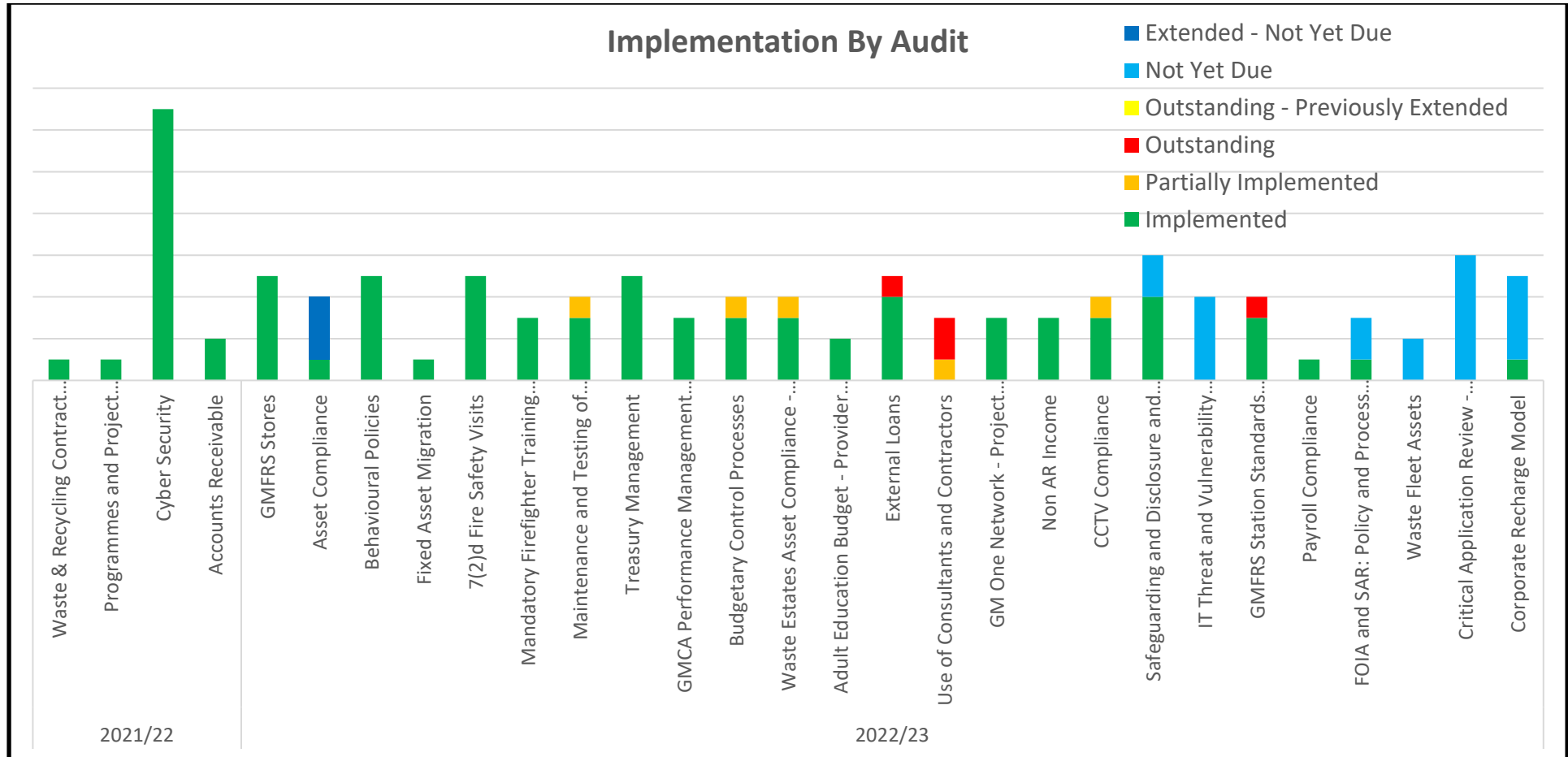
3.2 The chart below shows that implementation rates have increased on those previously reported in March 2024.

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 since March 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 title.



4.2 The overall position for implementation of audit actions remains positive. Since our last report, fifteen outstanding actions are now considered fully implemented. Nine new actions have become due relating to Audit reports previously shared with Audit Committee.

4.3 We are currently tracking several outstanding high-risk actions. These include:

Use of Consultants and Contractors: These actions remain outstanding, but progress has been made recently in the development of draft policy and procedural guidance to support the engagement of contractors by hiring managers. The aim is to finalise and implement this during quarter 3.

Maintenance and Testing of Operational Equipment: One action remains outstanding which is linked to the rollout of the new Papertrail equipment monitoring system to Stations. A trial at six Stations is due to start in July 2024 and this will determine the timescales for roll out to all Stations.

CCTV Compliance: The policy for CCTV usage has been drafted subject to an equality impact assessment taking place. It is anticipated that this policy will be in place by August 2024.

4.4 ICT/Digital – Cyber Security Threat and Vulnerability Management. An independent follow up audit will be conducted during quarter 3 which will assess progress against the four actions (2 High risk / 2 Medium) and the 40+ individual actions contained in the ICT/Digital remediation plan reported to Audit Committee in January 2024.

4.5 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	79	1	14	43	21
Partially Implemented	5	0	3	2	0
Outstanding	4	0	0	4	0
Not Yet Due	20	0	4	9	7
Extended - Not Yet Due	3	0	1	0	2
Outstanding - Previously Extended	0	0	0	0	0
Total	111	1	22	58	30

5.2 The total number of actions being tracked this quarter is 111. Nine 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.

6 Analysis of Audit Actions by Theme

6.1 In line with the new incoming Global Internal Audit Standards and comments made previously by Audit Committee Members, we have sought to categorise by

theme/rating each of the actions that currently form part of our action tracker report. The results of this exercise are shown below.



6.2 This shows that whilst actions encompassed a broad range of factors, most actions relate to the following thematic areas:

- The development or update of procedural guidance.
- The development or implementation of business systems.
- Data quality, integrity and protection.
- Performance management and monitoring.

- 6.3 Based on risk ratings, our most significant findings relate to ICT/Digital technical areas and the implementation and update of systems.
- 6.4 We will keep this under review to understand any underlying factors or opportunities for proactive work in these areas.

7 Action Tracking Escalation Process

- 7.1 In response to Member comments at the last Audit Committee on the development of a protocol for management of high-risk actions, Internal Audit will bring a paper to the next meeting which sets out this process. In principle this will apply to all individual critical or high-risk actions, and reports with a limited or no assurance opinion. This update will be tied into the publication of the new Global Internal Audit Standards and CIPFA public sector recommendations.
- 7.2 Currently there are no significant issues with management implementation of audit actions with no critical actions outstanding and three overdue and partially implemented high-risk actions being tracked. Officers have attended Audit Committee previously to explain progress on these.

Status of Overdue Actions at 30 June 2024

The list is sorted by the “age” of each audit action and colour coded based on the risk rating of the action and how long it has been outstanding for.

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
Sept 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 being undertaken to identify all work required on each site and the status of each (requiring individual site visits). Work is also being taken forward with Suez to ensure that completion of these actions is reported consistently to allow spot checks to be carried out centrally. Anticipated Completion Date: September 2024
Sept 2023 (Extended to Mar 2024)	Budgetary Control Processes	Reasonable	Service Engagement and financial management training for budget holders.	Medium	Partially Implemented	A set of training slides have been put together for Finance, Audit and Commercial which will be piloted with a selection of budget holders in July 2024 with wider roll out during Q3. Anticipated Completion Date: October 2024
Oct 2023	CCTV Compliance	Limited	Publish up to date CCTV Policy	High	Partially Implemented	The CCTV Policy has been drafted and is currently working its way through the

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(Extended to Jan 2024)						approval process. Awaiting an Equality Impact Assessment (EIA) on the draft policy. Anticipated Completion Date: August 2024.
Oct 2023	Use of Consultants and Contractors	Limited	Develop procedure for appointing consultants	High	Partially Implemented	These actions remain outstanding. Draft policy and procedural guidance for the engagement of contractors has recently been produced but has yet to be finalised. This will incorporate the requirements around written agreements and monitoring and reporting on usage. Anticipated Completion Date: September 2024
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	
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	The requirement to hold a register of significant partnerships was recently included in the revisions made to the GMCA Constitution (July 2024). The GMCA Governance and Scrutiny Team will lead on the initial compilation of this this register. Anticipated Completion Date: TBC
Mar 2024	Maintenance and Testing	Limited	All fleet and equipment will be	High	Partially Implemented	A process for identifying and recording all equipment alongside their relevant

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	of Operational Equipment		uniquely identifiable and recorded on a digital cloud-based system. This will include identifying all equipment for inclusion and the roll out of software to stations.			<p>maintenance records has been put in place via the Papertrail system and in use at Leigh Technical Services. User trials across 6 Stations from July 2024 to test functionality, with a phased approach to roll out.</p> <p>Anticipated Completion Date: September – December 2024 (Dependent on outcome of trial)</p>
June 2024	GMFRS Station Standards Framework	Reasonable	Improvements required to station audit process, action plan monitoring, and AMS system.	Medium	Outstanding	<p>Most identified areas for improvement implemented. However, following a review of the AMS system, a decision was taken to implement a new system to improve functionality including monitoring of station compliance, incident reporting and COSHH.</p> <p>Proposal to extend target date to Jan 2025 to allow for purchase and implementation of new system.</p>