

GMCA Audit Committee

Date: 22 October 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

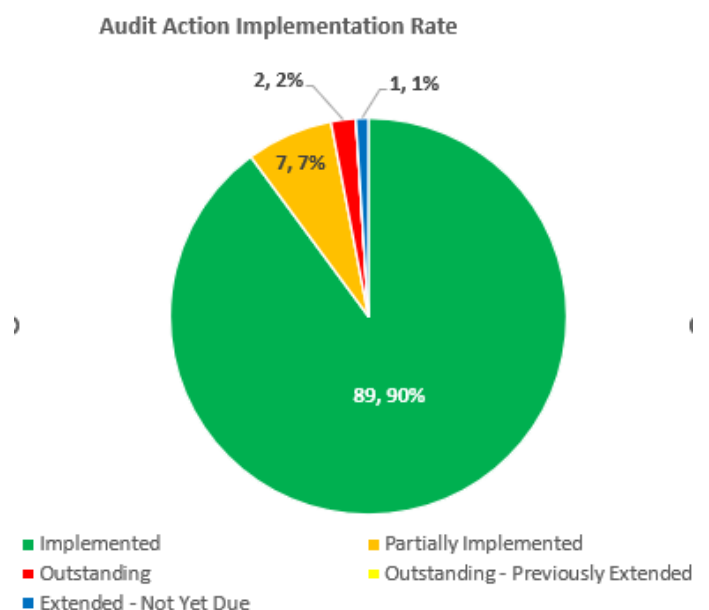
- 1.1 The GMCA Internal Audit Plan comprises a range of audits agreed by GMCA Senior Leadership Team and Audit Committee. Each audit assignment concludes with the issue of an audit report and agreed actions for implementation. Each action has a named responsible officer and an agreed target implementation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

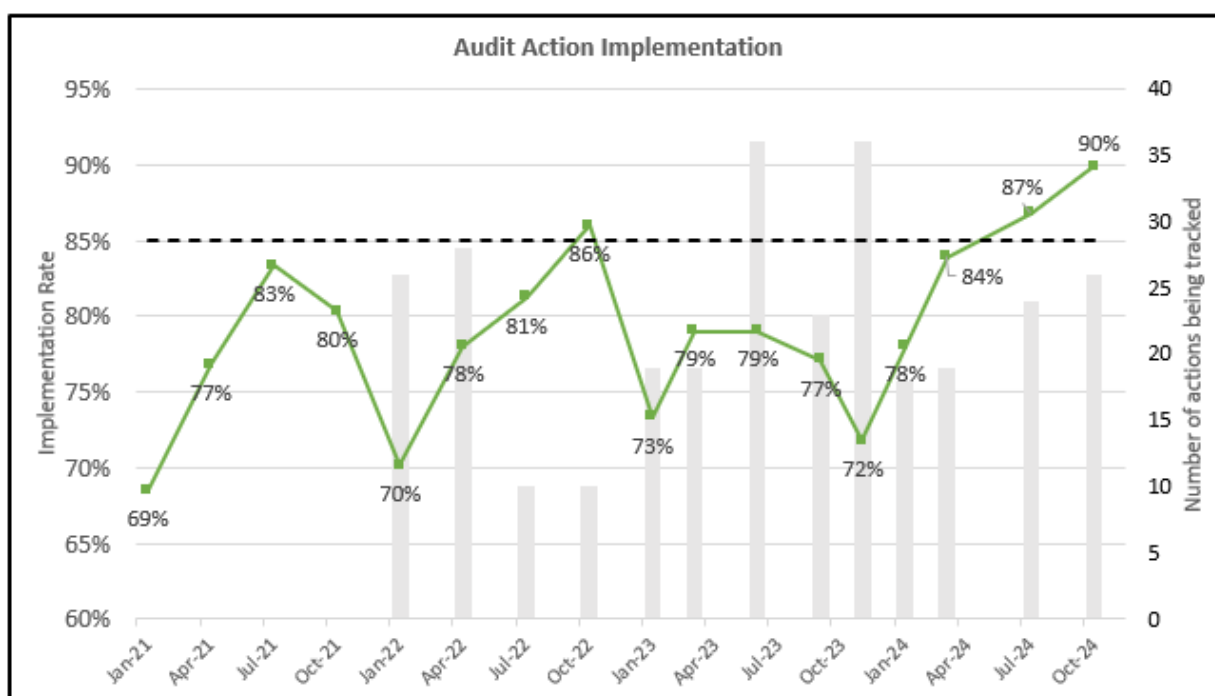
- 2.1 It is the responsibility of management to implement audit actions on time and provide updates for the tracker. To aid facilitation of this, Internal Audit maintains the action tracker to capture updates on progress of outstanding actions.
- 2.2 GMCA Senior Leadership Team retains responsibility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

3 Current Status

- 3.1 As of September 2024, **90%** of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%.

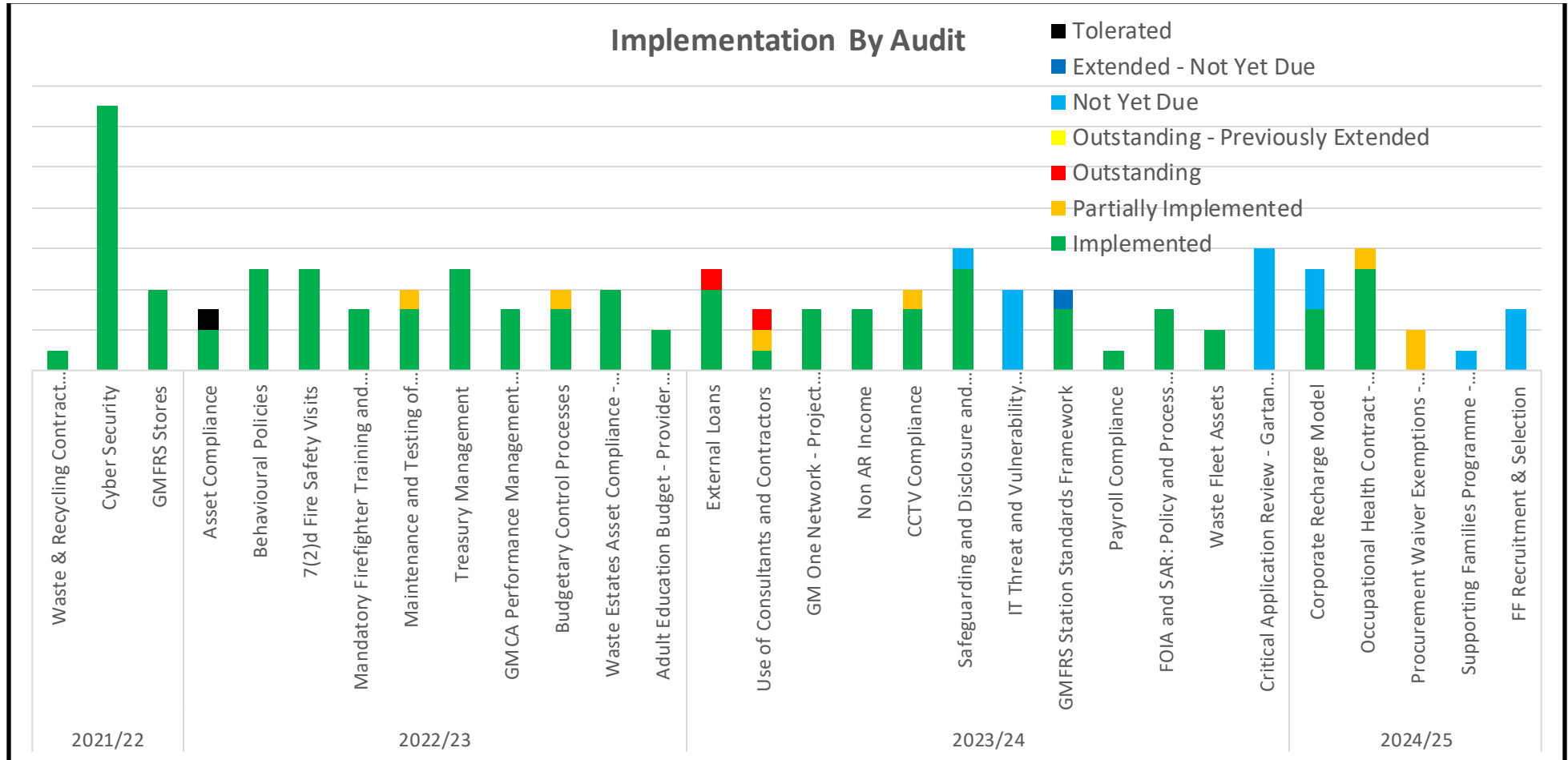


- 3.2 The chart below shows that implementation rates of audit actions along with the number of actions being actively tracked.
- 3.3 The green line on the chart plots the implementation rate, as the chart shows this has increased from 87% in July 2024 to 90% at the end of September 2024. This is the highest the implementation rate has been since we started tracking it.
- 3.4 The grey bars in the chart represent the number of actions actively being tracked in the period. This fluctuates depending on the actions agreed as a result of audit work undertaken but has increased during the current financial year, 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, seventeen outstanding actions are now considered fully implemented. Fourteen 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 and are pleased to note good progress is being made. These include:

Use of Consultants and Contractors: The new Engaging Contractors Policy and procedural guidance was approved by SLT in October and the new system for requesting approval to recruit a contractor has now gone live. Training for the Commercial team will take place at the end of the month to ensure that they can direct hiring managers to the correct approval pathway. Work remains ongoing to improve monitoring and reporting arrangements on use of contractors and spend.

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 was due to start in July 2024 however this has been delayed due to requirements linked to rolling out of the technology and the trial will now commence during quarter 3.

Asset Compliance: One low level action in this area has been accepted as a tolerated risk, this related to the storage of fire safety check records on station being moved to an centralised electronic system, at the current time funding is not available to support this and exploration of current systems have not revealed a solution so there are no further plans to take this action forward and management have accepted the risk.

- 4.4 ICT/Digital – Cyber Security Threat and Vulnerability Management. An independent follow up audit will be conducted during quarter 4 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	89	0	13	48	27
Partially Implemented	7	0	3	3	1
Outstanding	2	0	0	2	0
Not Yet Due	17	0	5	9	3
Extended - Not Yet Due	1	0	0	1	0
Outstanding - Previously Extended	0	0	1	0	0
Tolerated	1	0	0	0	1
Total	117	0	22	63	32

5.2 The total number of actions being tracked this quarter is 117. Seven 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 30 September 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
Mar 2023 (Extended to Aug 2024)	Asset Compliance	Limited	Reprocure statutory compliance contracts	High	Implemented – subject to verification	All contracts have been reviewed and reprocured on short term contracts while a wider plan for the service is determined. Anticipated Completion Date: Awaiting evidence to confirm action implemented.
Sept 2023 (Extended to Mar 2024)	Budgetary Control Processes	Reasonable	Service Engagement and financial management training for budget holders.	Medium	Partially Implemented	Following the initial draft run in June the training plan was significantly reworked and a second test run has recently taken place with the Learning Team, the next stage is to incorporate their feedback and develop a roll out plan to all budget holders. Anticipated Completion Date: December 2024
Oct 2023 (Extended to Jan 2024)	CCTV Compliance	Limited	Publish up to date CCTV Policy	High	Partially Implemented	The policy has been subject to an Equality Impact Assessment and the policy approved in principle by Corporate Services Functional Board. To seek final approval at the next GMFRS CLT meeting prior to roll out. Anticipated Completion Date: October 2024.
Nov 2023	Use of Consultants	Limited	Ensure contract agreements &	Medium	Partially Implemented	The new Engaging Contractors policy formalises these requirements. As part of the policy roll out hiring managers will be asked to review

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	and Contractors		documentation is in place and reviewed.			<p>current agreements to ensure that contract documentation is in place.</p> <p>The new approval system is now live and requires the submission of a business case to support contractor engagement. Commercial Team training to take place in October to support the approval process.</p> <p>Anticipated Completion Date: October 2024</p>
Dec 2023	Use of Consultants and Contractors	Limited	Improve oversight and reporting on use of contractors.	Medium	Outstanding	<p>KPI reporting is still currently focused around IR35 contractors. The new approval process will provide more oversight over the number of non-IR35 contractors in place. Further work is taking place to consider options within the financial management system (BWO) to better identify consultant/contractor spend in readiness for New Procurement Act requirements.</p> <p>Anticipated completion date: Dependent on technical capacity.</p>
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	<p>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.</p> <p>Anticipated Completion Date: TBC</p>

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
Mar 2024	Maintenance and Testing of Operational Equipment	Limited	All fleet and equipment will be 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.	High	Partially Implemented	The system is now set up and ready to be trialled on a small number of stations subject to completion of a DPIA. Trial scheduled for Q4. Anticipated completion March 2025
Mar 2024	Occupational Health Contract: Effectiveness	Reasonable	Reconfirm cyber security and GDPR surrounding the contract.	Low	Partial Implemented	Assurances being sought around provider cyber security and GDPR accreditations. Anticipated Completion Date: TBC
Jul 2024	Procurement Waiver Exemptions – Compliance	Broadly Compliant	Review and clarify the requirements for sign off and approval of waiver exemptions and ensure this is consistently applied.	Medium	Partially Implemented	The Commercial team have updated the waiver exemption approval form, and a final version is available. To be published in October. Anticipated Completion Date: October 2024.
Sep 2024	Procurement Waiver Exemptions – Compliance	Broadly Compliant	To implement written procedural guidance to support the use of waiver exemptions. Maintenance of the central contracts register as the 'single version of truth'	Medium	Partially Implemented	The Commercial team have produced a waiver 'code of practice' document, and this guidance will be published in October. Anticipated Completion Date: October 2024