

## **GMCA Audit Committee**

Date: 19 March 2025

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 2024/25 and the implementation of agreed audit actions. 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 and implementation of agreed audit actions.
- Approve any changes to the Audit Plan (Appendix C)

### **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

<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 2024 and this set out the planned assurance activity to be conducted during 2024/25 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 2024/25 and a summary of final reports presented to Committee. The report also provides an update on progress made in implementing the agreed actions from internal audit assignments **Appendix B**.

## 2 Progress against the Internal Audit Plan 2024/25.

- 2.1 Since the last meeting in January 2025, we have finalised and published four reports, with three further reports at the draft reporting stage. The Executive Summaries from these reports have been shared with Audit Committee. A summary of all reports issued is shown at **Appendix A**.

Audit Report	Assurance Opinion
<b>2024/25</b>	
<b>Joint Emergency Service Interoperability Principles (JESIP)</b>	<b>Reasonable</b>
We provided a <b>Reasonable Assurance Opinion</b> on GMFRS understanding over JESIP key principles and levels of embeddedness across the service. On station discussions with fire crews showed that a good level of awareness existed and how this applied to their role. Whilst JESIP is fundamentally seen as applying to ‘blue light’ emergency response services, there was recognition that the principles of joint	

<p>working do extend beyond this. The principal action is to conduct a broader assessment with multi-agency GM partners (Local Authority / Transport etc.) to assess JESIP thinking across GM structures and opportunities for further learning at this level.</p>	
<p><b>Equality Impact Assessments (EIA)</b></p>	<p><b>Limited</b></p>
<p>We provided a <b>Limited Assurance opinion</b> over the arrangements in place within GMFRS for conducting Equality Impact Assessments (EIA) and the overall level of compliance with the process. A good approach has been taken to develop the EIA framework within GMFRS with several areas of good practice identified, but the process required further maturity and embedding. We made seven recommendations for improved control, with an overarching action to review the corporate approach to conducting EIA assessments across both GMFRS and GMCA which had less mature arrangements in place.</p>	
<p><b>Net Zero Carbon Achievement</b></p>	<p><b>Position Statement</b></p>
<p>This report assessed the arrangements in place for meeting the GM Region’s 2038 carbon neutrality target and provided our summary observations on the progress made against some of the headline targets and commitments set out in the GM regional 5 Year Environmental Plan (5YEP) 2019-24.</p> <p>Since the report was issued, a new 5YEP 2025-30 was published in December 2024 which sets out the policy aims and commitments over the next phase.</p>	
<p><b>IT Follow Up Reports</b></p>	<p><b>Progress Update</b></p>
<p>These reports provided an update on progress against previously agreed management actions for four reports: IT Threat and Vulnerability management, Gartner Critical Application Audit, IT Supplier Management, and Leaver Process Compliance.</p>	

2.2 A summary on the status of ongoing audit work at the start of quarter 4 is as follows:

<b>Planning Stage (Q4)</b>	
Promotion Pathway (Grey Book)	Grey Book Recruitment (Promotions Pathway) – an audit of the Promotions Pathway and recruitment to Crew, Watch, Group Manager roles. This work is linked to the recruitment & selection audit completed earlier in the year.

<b>Fieldwork Stage</b>	
GMFRS Emergency Response Hub	A review of procedures for the allocation of overtime for front line service delivery.
NEW - Fire Fighter Recruitment and PPE	To review the procedures for the provision of personal protection equipment (PPE) as part of the firefighter recruitment process.

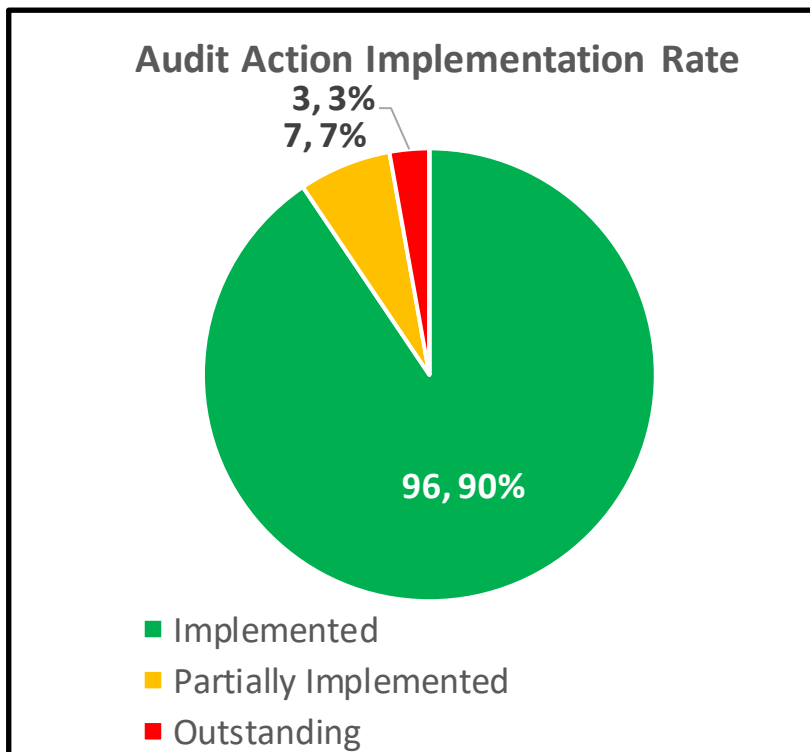
<b>Reporting Stage</b>	
NFCC Fire Standards	Work is ongoing to provide assurance over the methodology adopted to implement NFCC Fire standards across GMFRS and the processes for ongoing monitoring and review.
New Public Procurement Act – Readiness	This work is to provide assurance over the transitional arrangements and organisational readiness for the implementation of the new public procurement act requirements.
Responsive caseload work	Internal Audit has completed initial fact-finding work in response to 2/2 cases of potential fraud, irregularity and wrongdoing.

2.3 **Grant Certifications** – We have certified 3 grants in the period.

Grant	Value Signed Off	Assurance Level	Date Completed
Net Zero Junior Officer (Y2 Q3)	£8k	Positive	January 2025
Net Zero Programme Delivery (Y2 Q3)	£84k	Positive	January 2025
Local Energy Advice Demonstrators (LEAD) – Y2 Q3	£249k	Positive	February 2025

### 3 Audit Action Tracking

3.1 We are pleased to report that the implementation rate of audit actions remains above target. As of February 2025, 90% of Internal Audit actions due in the last 2 years have been implemented, against the target rate of 85%. The overall position for implementation of audit actions remains positive.



- 3.2 As reported previously, we are tracking several high-risk actions relating to ICT audit reports published during the year. The agreed actions from these reports are being managed separately through individual remediation plans with ownership assigned to several stakeholders including ICT/Digital, People Services, Commercial Services, and Information Governance teams.
- 3.3 Audit Committee received a separate progress update report from the Chief Information Officer in January 2025 on the Leavers process and IT Asset management.
- 3.4 A breakdown of the progress made in the implementation of agreed actions is shown at **Appendix B**.

#### **4 Other Internal Audit Activities**

- 4.1 **Counter Fraud and Whistleblowing:** Internal Audit continues to hold regular caseload discussions with People Services to advise/monitor on the outcome of any new whistleblowing cases. Since the last Audit Committee in January 2024, we have received no new cases. A summary on the outcome of all whistleblowing cases will be presented to Audit Committee at a future meeting as a Part B item.
- 4.2 **Integrated Settlement Readiness** In advance of the Integrated Settlement, MHCLG commissioned a readiness assessment to be undertaken. This has now been completed and at the time of writing we are awaiting the final report but have had initial feedback from the assessors and are aware that there will be some recommendations coming out of that report. We are also awaiting the approval of the Single Assurance Framework which was presented to Audit Committee in January 2025 by MHCLG. We will continue our involvement with the readiness process and report back to Audit Committee on any Assurance Framework or Internal Audit related actions and activities.
- 4.3 **Training** - Financial management training for budget holders is being delivered in conjunction with colleagues from Finance, Commercial and Internal Audit. This provides an overview of financial management principles, with input from Internal Audit

and the Commercial team on the role of Internal Audit and general procurement practices.

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

- 5.1 In line with the Internal Audit Charter, any significant changes to the approved Internal Audit Plan must be agreed by the Audit Committee. Changes are shown at **Appendix C**.

## **6 Team Resourcing**

- 6.1 The team is resourced to 2.8FTE. We are seeking to recruit to two additional roles in the structure for a Principal Auditor (fixed term 1-year) and Internal Auditor. These are aimed at providing additional capacity given the increasing breadth and complexity of GMCA activities. As in previous years, we utilise external support for our technical ICT/Digital assurance work.



**Appendix A - Summary of Internal Audit Reports issued 2024/25**

The table below provides a summary of the internal audit work completed during the year. This will inform the annual Internal Audit opinion for the year 2024/25.

Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	GM Waste
Leavers Process - Compliance	No Assurance	-	4	1	-	1	✓	✓	✓
ICT Asset Management	Limited	-	2	3	-	-	✓	✓	✓
ICT Supplier Management	Limited	-	1	3	-	-	✓	✓	✓
Equality Impact Assessments	Limited	-	2	3	-	2	✓	✓	✓
Procurement Waiver Exemptions – Compliance	Broadly Compliant	We made advisory actions only in this audit.					✓	✓	✓

Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	GM Waste
JESIP (Joint Emergency Service Interoperability Principles) GMFRS embeddedness	Reasonable	-	-	3	-	1	-	✓	-
Trainee Firefighter Attraction, Recruitment and Selection	Reasonable	-	-	2	1	1	-	✓	-
Supporting Families Programme - Compliance	Reasonable	-	1	-	-	-	✓	-	-
Net Zero Achievement – Position Statement	Positive	We made advisory actions only in this audit.					✓	✓	-
IT Follow up Work	N/A	This provides an update on progress made in implementing previously agreed actions					✓	✓	
Reactive caseload Work	N/A	This links to confidential caseload work led by Internal Audit: 2/2 Reports completed.					✓	✓	

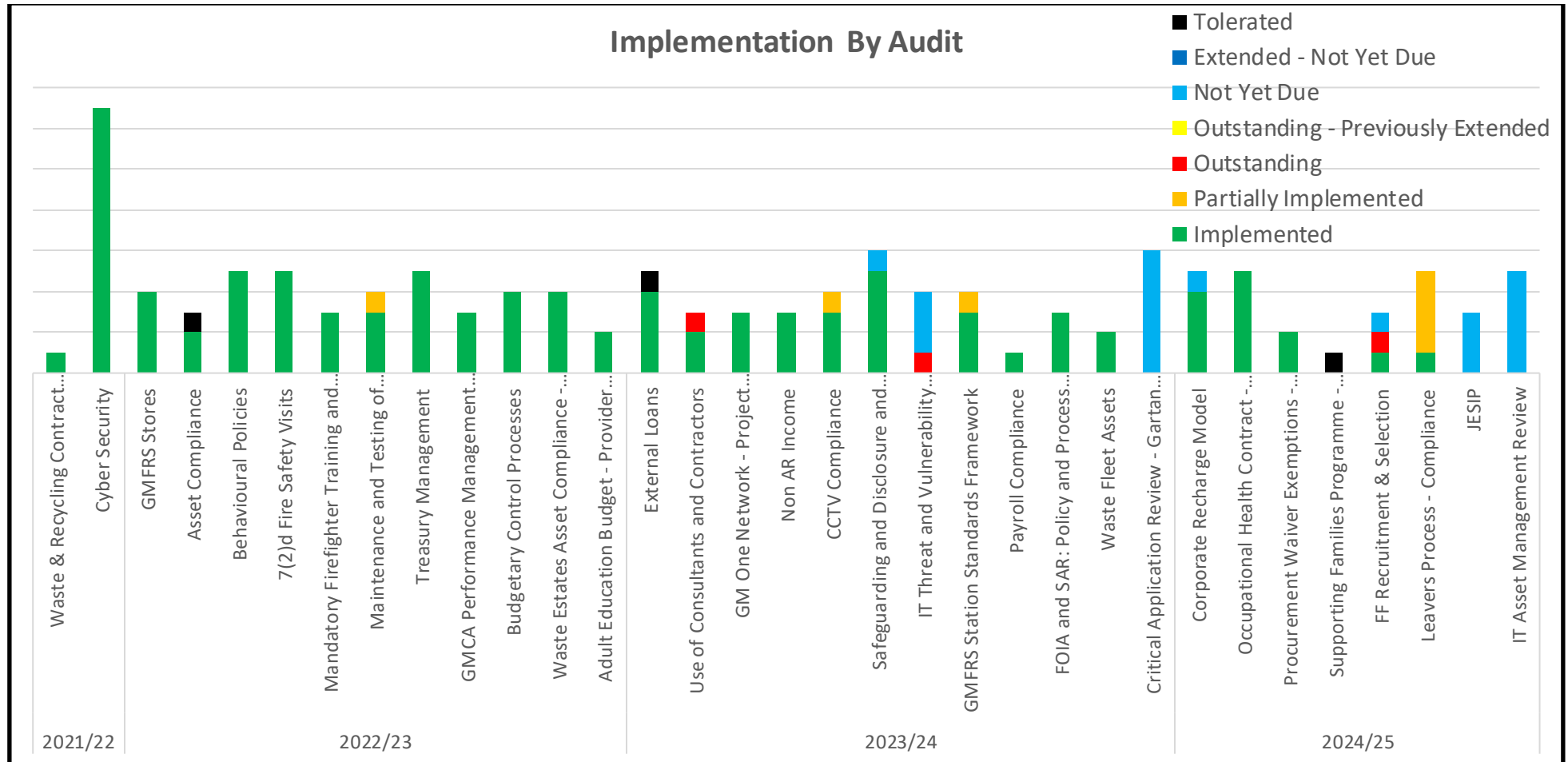
Audit	Assurance Level	Audit Findings					Coverage		
		Critical	High	Medium	Low	Advisory	GMCA	GMFRS	GM Waste
NFCC Fire Standards	Due June 2025							✓	
New Procurement Act Readiness Assessment	Due June 2025						✓	✓	✓
FF Recruitment and PPE Provision	Due June 2025							✓	
Promotion Pathway (Grey Book)	Due June 2025							✓	

Grant Certifications					
GFA: Strategic Project Development (Schools Solar Toolkit)	£50k	Positive	✓		
GFA: Project Development (Schools Solar Engagement)	£20k	Positive	✓		
Net Zero Green Retrofit Finance	£39.5k	Positive	✓		
Net Zero Junior Officer (Y1 Q4)	£7.2k	Positive	✓		

Net Zero Programme Delivery (Y1 Q4)	£36.8k	Positive	✓		
Local Energy Advice Demonstrators (LEAD) – Y1 Q4	£666.2k	Positive	✓		
5G Innovation Regions Programme Grant	£136.2k	Neutral	✓		
Growth Hub Core Funding	£420k	Positive	✓		
Local Energy Advice Demonstrators (LEAD) – Y2 Q1	£234k	Positive	✓		
Net Zero Junior Officer (Y2 Q1)	£7k	Positive	✓		
Net Zero Programme Delivery (Y2 Q1)	£35k	Positive	✓		
Made Smarter 2023/24	£2k	Positive	✓		
NW Net Zero Hub Project	£99k	Positive	✓		
Net Zero Junior Officer (Y2 Q2)	£7k	Positive	✓		
Net Zero Programme Delivery (Y2 Q2)	£72k	Positive	✓		
Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination (2023/24) Section 31/6680	£4.438m	Positive	✓		
Local Energy Advice Demonstrators (LEAD) – Y2 Q3	£249k	Positive	✓		
Net Zero Junior Officer (Y2 Q3)	£8k	Positive	✓		
Net Zero Programme Delivery (Y2 Q3)	£84k	Positive	✓		

## Appendix B: Audit Action Follow Up

**Analysis of Audit Actions – by Audit:** The chart below shows the status of implementation of audit actions by audit title.



## Status of Overdue Actions at February 2025

The table below shows a list of outstanding actions being tracked.

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
Oct 2023 (Extended to Jan 2024)	CCTV Compliance	Limited	Publish up to date CCTV Policy	High	Partially Implemented	Draft CCTV policy produced. Equality Impact Assessment completed. Awaiting approval by Fire SLT in April 2025.  <b>Anticipated Completion Date:</b> April 2025.
Dec 2023	Use of Consultants and Contractors	Limited	Improve oversight and reporting on the use of consultant and contractors.	Medium	Outstanding	KPI reporting is still currently focused around IR35 contractors. The new approval process agreed will provide more oversight over the number of non-IR35 contractors in place but will only reflect new and renewed contracts as they arise.  A new General Ledger coding system is being implemented which aims to provide more detailed monitoring of all contractors spend.  <b>Anticipated completion date:</b> Dependent on technical capacity – April 2025
Mar 2024	Maintenance and Testing of	Limited	All fleet and equipment will be uniquely identifiable and recorded on a	High	Partially Implemented	The implementation of the Papertrail system is being managed as a Priority Improvement Project. Delays related to the need for a DPIA

Original Target Date	Audit Title	Overall Audit Opinion	Action (Summary)	Risk Rating	Internal Audit Implementation Status	Audit Committee Update
	Operational Equipment		digital cloud-based system. This will include identifying all equipment for inclusion and the roll out of software to stations.			and specific hardware for the staff at Leigh Tech.  <b>Anticipated completion</b> April 2025
Jun 2024 (Extended to December 2024)	GMFRS Station Standards	Reasonable	To review and address various identified issues and areas for improvement.	Medium	Partially Implemented	Delays relate to the procurement and roll out of a new AMS system. There is likely to be a phasing of this with initial roll out starting in April 2025 and all elements on place by September 2025.  <b>Anticipated Completion Date:</b> Soft launch of system planned for April 2025
January 2025	Firefighter Recruitment & Selection	Reasonable	Create an engagement plan for all stages of the recruitment process.	Medium	Outstanding	A new model for apprentice firefighter recruitment is being agreed with a proposal to GMFRS Executive board in Q4.  <b>Anticipated Completion Date:</b> 31 March 2025

The table below shows a list of ICT/Digital actions being tracked.

Audit Title	Overall Audit Opinion	Risk / Action (Summary)	Risk Rating	Remediation Plan Actions	Internal Audit Implementation Status	Audit Committee Update
	Limited	Threat intelligence, malware detection /	High	12 actions	6 Closed 6 Partial	

Audit Title	Overall Audit Opinion	Risk / Action (Summary)	Risk Rating	Remediation Plan Actions	Internal Audit Implementation Status	Audit Committee Update
IT Threat and Vulnerability Management		prevention limitations.				This report provided four overarching actions with 40 individual actions being tracked.  16/40 are complete.
		Patching, hardening and authentication strategy limitations.	High	12 actions	4 Closed 8 partial	
		Incident handling and reporting and training and awareness limitations.	Medium	11 actions	2 Closed 9 Partial	
		Risk assessment(s), reporting and monitoring limitations.	Medium	5 actions	3 Closed 1 partial 1 Superseded	
Gartan Critical Application	Limited	External security arrangements including general interface, database security, network shares, antivirus, and patching limitations.	High	2 actions	1 Closed 1 Partial	This report provided six overarching actions with 15 individual actions being tracked.  2/15 are complete.
		Service Continuity - Backup, resilience, recovery, and contingency limitations.	High	3 actions	1 Closed 2 Partial	
		User Access Controls - Host environment, infrastructure, and technical controls limitations.	Medium	1 action	1 Partial	
		Administrator Access - Roles and responsibilities, including user	Medium	2 actions	2 Partial	



Audit Title	Overall Audit Opinion	Risk / Action (Summary)	Risk Rating	Remediation Plan Actions	Internal Audit Implementation Status	Audit Committee Update
		management and training limitations.				
		Logging and monitoring limitations.	Low	2 actions	2 Partial	
		System Governance - Information governance, assurance reporting, risks management and legal compliance limitations.	Low	5 actions	5 Partial	
IT Supplier Management	Limited	Understanding the risk – risk assessment and assurance limitations.	High	9 actions	9 Partial	This report provided four overarching actions with 25 individual actions being tracked.  0/25 are complete.
		Establish and maintain control – Contract management limitations.	Medium	6 actions	6 Partial	
		Checking arrangements are in place - due diligence limitations.	Medium	3 actions	3 Partial	
		Continuous improvement - reporting and monitoring limitations.	Medium	7 actions	7 Partial	
Leavers Process Compliance	No Assurance	Publish IT equipment policy and develop more automation around the movers/leavers process for safe return of IT assets	High	17 actions	4 Closed 13 Partial	This report provided four overarching actions with 28 individual actions being tracked.  11/28 are complete.
		Implement overarching IT equipment policy and further automate leavers process to promptly revoke	High	3 actions	2 Closed 1 Partial	

Audit Title	Overall Audit Opinion	Risk / Action (Summary)	Risk Rating	Remediation Plan Actions	Internal Audit Implementation Status	Audit Committee Update
		access to company systems.				It is expected to go live week commencing 10 <sup>th</sup> March.
		Investigate and implement a mechanism to alert ICT Service Desk if a leaver is processed in iTrent retrospectively.	High	4 actions	3 Closed 1 Partial	
		People Services will develop and publish an overarching Leavers Protocol.	High	4 actions	2 Closed 2 Partial	
IT Asset Management	Limited	Incident management for dormant, duplicate, or missing assets.	High	7 actions	March 2025	This report provided five overarching actions with 29 individual actions being tracked.  Follow up work Q1.
		Appropriateness and completeness of data recorded, such as location, ownership, status etc.	High	3 actions	April 2025	
		Disposal of IT assets.	Medium	5 actions	December 2025	
		IT asset management framework - Changes to IT assets including upgrades / end of life support.	Medium	9 actions	December 2025	
		Policies, procedures and reporting and governance controls.	Medium	5 actions	December 2025	

## Appendix C - Changes to the Internal Audit Plan

The internal audit plan is designed to be flexible and can be adjusted to reflect changes in the risk landscape, assurance needs or available capacity and resources. 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 2024.

<b>Audit Area</b>	<b>Audit</b>	<b>Change requested</b>	<b>Rationale</b>	<b>Approved by Audit Committee</b>
Governance	Business Continuity Planning	Defer	A Business Continuity Steering Group has been set up to oversee the full internal review of BC policies, systems and processes. This work remains ongoing.	July 2024
GMFRS	Governance Framework	Defer	Internal Review taking place by Governance and Scrutiny and PMO function – Request from the service to postpone this audit until 2025/26.	July 2024
GMFRS	North West Fire Control (NWFC)	Defer	Arrangements for Internal Audit and assurance provision to be raised with the CFO. NWFC is a separate company and would require approval of other partners.	July 2024

<b>Audit Area</b>	<b>Audit</b>	<b>Change requested</b>	<b>Rationale</b>	<b>Approved by Audit Committee</b>
Place: Land and Property	Estates Asset Compliance – Follow Up	Defer	The Head of Estates provided an update to Audit Committee in March 2024 on progress and implementation of a new system – timing of work to be considered.	July 2024
Commercial	New Public Procurement Act 2023	Delay to Q4	The new procurement act 'go live' date has been delayed February 2025 to allow new Government to make changes. Request from Commercial to delay the audit until early Q4 to have a better understanding of the implications.	October 2024
GMFRS	NEW - The Emergency response Hub – overtime and hours worked	Q3	This is a new addition to the plan at the request of the CFO.	October 2024
GMFRS	New – Personal Protection Equipment	Q4	The is a new addition to the plan at the request of the CFO.	March 2025
Information Governance	Critical Data Assets	Q4	Defer to 2025/26	March 2025

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

**Assurance levels**

DESCRIPTION	SCORING RANGE	DESCRIPTION
<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> </ul>	<b>5</b>

	<ul style="list-style-type: none"> <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>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>

