

**GREATER MANCHESTER COMBINED AUTHORITY
AUDIT COMMITTEE**

DATE: Wednesday, 20th September, 2023

TIME: 10.00 am

VENUE: The Tootal Buildings - Broadhurst House , 1st Floor, 56
Oxford Street, Manchester, M1 6EU

SUPPLEMENTAL AGENDA

- 11. Update From the Joint Audit Panel** 1 - 8
- To receive an update on the Joint Audit Panel.
- 12. Audit Committee Annual Report** 9 - 24
- Report of the Interim Audit Committee Chair.
- 22. External Audit Progress Report** 25 - 34
- Report of Mazars, LLP External Auditor.
- 23. Audit Committee Work Programme** 35 - 42
- To consider the Committee work programme.

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

For copies of papers and further information on this meeting please refer to the website www.greatermanchester-ca.gov.uk. Alternatively, contact the following Governance & Scrutiny Officer: paul.harris@greatermanchester-ca.gov.uk

This supplemental agenda was issued on Monday 18th September 2023 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, Tootal Buildings, 56 Oxford Street, Manchester M1 6EU

MEETING: Joint Audit Panel
DATE OF MEETING: 01/08/2023
CHAIR OF MEETING: Peter Morris, Joint Audit Panel Chair

ITEMS APPROVED

Minutes of the previous meeting

The minutes of the meeting held in April 2023 were approved as a true record of the meeting.

ASSURANCE RECEIVED

The following items were presented for the panel's assurance

Current GMP Issue - The Deputy Mayor Kate Green attended and was introduced to the new Chief Resources Officer Lee Rawlinson who was attending his first meeting. CRO Rawlinson talked about his first impressions of the GMP and described his desire for a long-term sustainability strategy.

Chief Constables Draft Statement of Accounts – No issues to escalate.

Budget Update – The Panel heard about the improvements in financial grip within GMP following the recovery plan enacted in 2022/23 and the oversight process through the monthly Deputy Mayor's Executive meeting.

Annual Report of the work of the Joint Audit Panel – The Panel received the report, it will be presented to the GMCA Audit Committee at their November meeting by the Panel Chair.

External Audit Progress Report – The Panel received an update from Mazars on the work to complete the 2021/22 audit and planning for the 2022/23 audit. There remain a number of frustrations with the slow progress of audit work, caused mainly through national issues.

Head of Internal Audit Opinion – The Head of Internal Audit reported a "Reasonable" level of assurance for 2022/23. The Panel welcomed this improvement and recognised the changes in the past 12 months and the expectations for the future.

Internal Audit Progress Report – No issues to escalate however the upcoming audit on overtime was agreed as an important piece of work for the force.

ITEMS CONSIDERED IN PRIVATE

Action Tracker Updates

The panel received an update on the action tracker and note performance at 62%

RISKS IDENTIFIED

RISK

MITIGATING ACTION

Other than the risks identified on the risk register there were no additional risks identified at this stage

ITEMS FOR ESCALATION TO THE GMCA AUDIT COMMITTEE

- No specific areas identified for escalation, the Panel Chair's report will be presented to the GMCA Audit Committee by the chair in November

Peter Morris
Chair of Greater Manchester Joint Audit Panel (Police and Crime)

JOINT AUDIT PANEL

Date: Tuesday 1st August 2023

Time: 11:00 – 13:00

Venue: Room 330, Third Floor, GMP Force Headquarters, Central Park, Northampton Road, Newton Heath, Manchester, M40 5BP

Attendees Peter Morris (Chair)
Ian Cayton (Panel)
John Starkey (Panel)
Hilary Pogson (Panel)

Kate Green (Deputy Mayor of Greater Manchester)

Chief Resources Officer Lee Rawlinson (GMP)
Assistant Chief Officer Ian Cosh (GMP)
Chief Superintendent Richard Mcnamara (GMP – Corporate Development Branch)
Detective Superintendent Ben Ewart (GMP – People and Development Branch)
Janet Moores (GMP - Head of Finance)
Theresa Mahoney (GMP – Management Accountant)
Hannah Gamage (GMP - Minutes)

Steve Wilson (GMCA – Treasurer)
Sarah Horseman (GMCA & GMP - Head of Audit and Assurance)
Cath Folan (GMCA - Audit Manager (Police and Crime))

Daniel Watson (Mazars – Director, Public and Social Sector)
Karen Murray (Mazars - Partner (Public Services))

Apologies Mark Dalton (Mazars - Partner (Public Services))
Dawn Watson (Mazars – Manager, Public and Social Sector)
Foluke Fajumi (Panel)
Chief Constable Stephen Watson (GMP)
Laura Ansbro-Lee (GMP – Corporate Development Branch)
Steph Beirne (GMP – Head of Information Management)

M287/JAP **Welcome and Apologies for Absence**

The Chair welcomed all attendees and noted apologies.

M288/JAP **Urgent Business (if any) at the discretion of the Chair**

None raised.

M289/JAP **Declarations of Interest**

When asked by the Chair, GMP explained the staff survey closed in June. The results are being gathered and analysed.

It was also noted that the Force Management Statement (FMS) has now been submitted and will be circulated to the Panel.

ACTION: GMP to circulate the FMS to Panel members.

M290/JAP Approval of April 2023 meeting minutes and actions

The minutes were accepted as a true and accurate record.

M291/JAP Current GMP issues

ACO Cosh highlighted the following to the Panel:

- GMP has surpassed the target for the Police Uplift Programme (PUP).
- His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) police effectiveness, efficiency and legitimacy (PEEL) Inspection of GMP finished last week, and the Force is awaiting the outcome.
- The police officer pay award for 2023 has been announced along with an assurance from the Policing Minister that funding for the impact in 2023/24 and 2024/25 is in place. Final details of this is still to be confirmed. In relation to police staff pay, this is still under discussions, however, the Policing Minister had made assurances that a similar level of award to that made to police officers should be agreed by employers and that the funding to reflect this had been assumed in the Home Office financial planning.

CRO Rawlinson introduced himself to the Panel, and explained that one of his key objectives was to lead on the delivery of a sustainability strategy.

M292/JAP Chief Constable's Draft Statement of Accounts 2022/23

Panel members were asked to submit any comments or suggestions on the paper to Janet Moores.

In introducing the accounts ACO Cosh noted that it had been a challenging financial year however, he was pleased to be able to present the accounts which indicated a very small revenue overspend and significant capital investment in key assets.

Members asked a number of questions and in particular on the significant pension liabilities included within the balance sheet. ACO Cosh and Janet Moores explained the technical position regarding the accounting for pension liabilities and how this compared to the method of funding these liabilities. The Panel noted the complexity of the accounts and challenges this presents to the reader. The format for the accounts is of a standard structure, which must be complied with however, following the suggestion of the Chair, some additional tables were added outlining workforce diversity information.

The Chair also requested that consideration be given to the production of simplified accounts at a future meeting.

Following further discussions on the accounts the panel noted the accounts.

M293/JAP Budget Update

The position at Quarter 1 of the financial year is indicating pressures on the revenue budget. However, close management and oversight will continue with monthly reporting to SCT and through the DME. It was agreed that this information would be provided to the Chair of the Panel.

M294/JAP Annual Report of the work of the Joint Audit Panel

The Chair and Head of Internal Audit introduced the report to the Panel.

The report set out the work undertaken by the panel in 2022/23 and on the activities undertaken to provide assurance to the Mayor and the chief constable on the framework of governance, risk management and internal control in operation. The Chair thanked members of the panel for their support in providing supportive challenge throughout the year. The report will be presented to the GMCA Audit Committee, which the Chair will attend.

M295/JAP Ministerial Letter and Cross-System Statement

Addressed with item M296/JAP.

M296/JAP Mazars External Audit Progress Report

The Panel noted the External audit report.

Daniel Watson discussed the progress of the 2021/22 report:

- The main issue which has been impacting upon the accounts is the Pension Fund Audit. The audit has impacted all pension funds.
- The figures will be updated and revised reports will be published. Following this, the accounts can be authorised.

Karen Murray outlined the 2022/23 audit and the letter:

- The audit cannot commence until the 2021/22 audit is complete.
- This will start by autumn, and the plan can be outlined to the Panel at the next meeting.

Mazars highlighted there have been capacity issues when undertaking audits nationally, however, Mazars are well placed and there are plans in place regarding resources.

M297/JAP Head of Internal Audit Annual Opinion 2022/23

The report was introduced to the Panel as an annual requirement of Public Sector Internal Audit Standards, to provide an opinion on the effectiveness of the arrangements for governance, risk management and internal control. Overall, GMP were rated 'Reasonable Assurance'. This is an improvement on the prior year and reflects the embedding of the governance processes in the year, positive steps in relation to risk management and the Force being removed from engagement.

The completion rate of audit recommendations was mentioned in the recent DME, highlighting the new processes which had been brought in to improve the implementation rate. A detailed report on outstanding actions will be presented in quarter 4 of 2023/24.

When the Force concludes a recommendation, Internal Audit will undertake a validation process. Audits rated 'Limited Assurance' will be repeated to note any improvements.

M298/JAP Internal Audit Plan Progress Report

The report was presented to the Panel. It was noted four reports have been issued since the last meeting.

There is an audit ongoing regarding overtime, and the report for this is being drafted. The aim is this will be presented at the September DME and Panel meetings.

The new IT auditors have their first audit planned, which is an IT Asset Management Audit.

M299/JAP Internal Audit – Progress on previous audit actions

(i) Evidential Property

ACO Cosh introduced the paper, outlining the improvements which have been implemented, including:

- The management of property is now included in the Quarterly Performance Reviews (QPR).
- There are plans to address the physical storage of evidence. A cold storage facility is being established, freezer options locally are also being reviewed.
- IT systems are being developed to make processes more efficient.

Internal Audit noted the improvements which have been made.

(ii) Provision of Training, Sergeants and Inspectors

Supt Ewart delivered a presentation, which highlighted progress made since the audit. It was agreed the slides would be shared following the meeting.

The following was noted:

- A technical skills course is in place which is aimed at operational skills for sergeants. The masterclass delivered to supervisors was aimed at people skills.
- There is a drive to ensure inspector training mirrors that of sergeants. Training for staff equivalents will also be made available.
- The delivery of the PUP is a key priority for the Force and creates a large demand on the training unit. This had an impact on the branch's ability to implement the actions arising from the audit on time. It should be noted all mandatory courses were delivered.
- The Blue Light Collaboration has been postponed.
- There is work underway to ensure there is consistency across the Force for student officer experience when they arrive on district. Governance and coordination for this is being created.
- A 24/7 online learning hub has been created and launched.

Internal Audit agreed that conversations would occur with GMP to discuss whether a follow-up audit is required.

M300/JAP Inspection Update

Ch. Supt McNamara provided an overview of the report to the Panel. It was noted that the PEEL inspection for the Force finished the previous week. GMP is awaiting the official debrief.

M301/JAP Joint Audit Panel forward plan and training for 2023/24 and beyond

The Chair asked members of the Panel to consider future items for the agenda and the training plan. Suggestions are to be emailed to the GMP Governance Unit.

ACTION: Panel members to email the GMP Governance Unit with future items for the agenda and the training plan, so a forward plan can be created.

PART B

M302/JAP Action Tracker Updates

Internal Audit presented the paper to the Panel. The implementation rate of recommendations is at 62%, whereas the target is 85%.

The report highlighted the performance of the Force over the last two years.

There are 14 actions in progress, and five historic actions, three of which were presented to the Panel in the report by Supt Ewart.

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Audit Committee

Date: 20th September 2023
Subject: Annual report of the Audit Committee Interim Chair 2022/23
Report of: Audit Committee Interim Chair

PURPOSE OF REPORT:

Annual Report of the Audit Committee Chair.

RECOMMENDATIONS:

There are no recommendations in the report

The GMCA Audit Committee is requested to:

Note the content of the report.

CONTACT OFFICERS:

Grenville Page (Interim Chair). Email c/o paul.harris@greatermanchester-ca.gov.uk

Equalities Impact, Carbon and Sustainability Assessment:

N/A

Risk Management:

There are no risk management considerations

Legal Considerations:

No legal impact

Financial Consequences – Revenue:

N/A

Financial Consequences – Capital:

N/A

Number of attachments to the report:

Nil

Comments/recommendations from Overview & Scrutiny Committee:

N/A

BACKGROUND PAPERS:

The author has relied on reports to the Audit Committee for the period 1 April 2022 to 31 March 2023.

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	Yes / No [Delete as appropriate]
EXEMPTION FROM CALL IN	
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
GM Transport Committee	N/A
Overview & Scrutiny Committee	N/A

Annual Report of the Audit Committee Chair 2022/23

1. Introduction

I am pleased to present the report of the Audit Committee Chair for the year 2022/23. This report provides a retrospective review of the work of the committee and covers the period from 1 April 2022 to 31 March 2023.

I thank and commend all the officers and staff of GMCA who contributed to the work of the committee over the last year. I also thank the members of this Committee for their continued enthusiasm and commitment to scrutinise, challenge and support the GMCA through their participation in Audit Committee meetings.

2. The Audit Committee

The Audit Committee is a key component of GMCA's corporate governance, providing an independent, high-level focus on the audit, assurance and reporting framework underpinning financial management and governance arrangements. Its purpose is to provide independent review and assurance to Members of GMCA on governance, risk management and the control frameworks. It has delegated power to approve the annual accounts and it oversees year-end financial reporting, the Annual Governance Statement process and internal and external audit arrangements, to ensure efficient and effective assurance arrangements are in place.

The minutes from Audit Committee meetings are presented to meetings of the GMCA.

3. Membership

The Audit Committee comprises 8 members: four elected members proposed by districts (plus two substitute members) and four independent members appointed by GMCA. The quorum for meetings is six members. In the year, the membership comprised the following:

Gwyn Griffiths (Independent)

Grenville Page (Independent) (Interim Chair from March 2023)

CLlr John Walsh (Bolton Council)

Cllr Sarah Russell (Manchester City Council) (Chair until March 2023)
Cathy Scivier (Independent)
Susan Webster (Independent)
Cllr Mary Whitby (Bury Council)
Cllr Peter Williams (Rochdale Council)
Cllr Christine Roberts (Wigan Council) (substitute Member)
Cllr Tracy Kelly (Salford City Council) (substitute Member) (resigned October 2022)
Cllr Tom McGee (Stockport Council) (substitute Member) (appointed November 2023)

4. Meetings

The Audit Committee met in person, on four occasions during the municipal year on 27 July 2022, 19 October 2022, 25 January 2023 and 15 March 2023. All meetings are held at venues that are open to the public and are also livestreamed on the GMCA website.

Member attendance was generally good, as set out below:-

Gwyn Griffiths - attended 3 of 4 meetings.
Grenville Page - attended 4 of four meetings.
Cllr Sarah Russell – attended 4 of 4 meetings.
Cathy Scivier – attended 2 of 4 meetings.
Cllr John Walsh -attended 4 of 4 meetings.
Susan Webster – attended 3 of 4 meetings.
Cllr Mary Whitby – attended 3 of 4 meetings.
Cllr Peter Williams – no attendance

Cllr Tom McGee – attended as a substitute on 3 occasions.

Cllr Christine Roberts - attended as a substitute on one occasion.

5. Review of the year

During 2022/2023, the Audit Committee had a full work programme which was used to provide focus and formulate agenda items for meetings which fulfilled the Committee's statutory obligations. This work programme is appended to the report.

The Committee received regular updates on Risk Management. The risk framework for GMCA has continued to develop, guided by Deputy Director of Audit and Assurance, Sarah Horseman and supported by the Corporate Risk Manager.

Following a request by Members, a section in the Risk Register Update report will provide details of risks with high inherent scores but that are mitigated to a score of <16, be included for future reports.

Members also requested deep dives of those risks where the level of assurance had been identified by the committee as requiring further scrutiny or where progress has not been made. During the year such deep dives focused on Transport risks, Grants, ICT/cyber security and the HMICFRS Greater Manchester Fire and Rescue Service review. The deep dives enabled members to maintain a high level of understanding of the complexities and breadth of GMCA activities.

During the year, the committee received regular updates on the work of Internal Audit. There were 15 audit reports issued, nine of which provided Reasonable Assurance over the processes and controls in place, five provided limited assurance and one was an advisory piece of work therefore not providing an opinion.

Based on the work performed, the Head of Internal Audit Opinion has been received by the Committee which provides reasonable assurance over the arrangements for governance, risk management and internal controls. This opinion reflects the continued progress made in relation to the evolving maturity of risk management arrangements in place within GMCA and in the continued development of the performance management framework, including the 2022/23 business plan and associated periodic reporting against milestones and metrics within it.

The GMCA Solicitor provided a report which set out the legislative and constitutional framework in relation to the Audit Committee and the Joint Audit Panel – Police and Crime, following a request from the Committee to understand the responsibilities of the Panel and for the committee to have assurance. This relationship has been updated in the Committee's Terms of Reference. The Committee will continue to receive regular updates on the work of the Panel.

In line with the CIPFA issued revised guidance for Audit Committee Members, entitled "The Audit Committee Member in a Local Authority". The Deputy Director Audit and

Assurance conducted a survey of Members and officers on the effectiveness of the Committee. A report on the findings and suggested action plan was considered by the committee at its March meeting.

I recognise the hard work made by the GMCA Finance team on the production of GMCA's draft unaudited Accounts for 2021/2022 and note that this was undertaken in accordance with the timetable laid down by the statutory instrument¹. However, Members were disappointed that the publication of the accounts has been delayed primarily due to a national technical issue in respect of accounting for infrastructure assets which arose during 2022 which has resulted in the audit not being completed.

In light of this delay, the Committee agreed to delegate authority to the GMCA Treasurer in consultation with the Interim Chair of the Audit Committee, to finalise the 2021/2022 Accounts upon completion of the audit.

Similar concerns relating to the 2022/2023 unaudited have been highlighted at the Committee meetings and Members remain hopeful that this audit will be completed within the extended timeframe.

Mazars, External Auditors attended committee meetings to provide progress updates on the Audit and advise the Committee on any areas of concern.

Whilst the issues causing the delays to the finalisation of the Combined Authority's accounts are related to national factors and reflect the experiences of many Local Authorities across England, it is not acceptable that as GMCA are producing their accounts form 2023/24, it is highly likely that the 2021/22 and 2022/23 accounts will remain unaudited.

¹ The Accounts and Audit (Amendment) Regulations 2022

6. Looking Forward

The committee is looking forward to the new municipal year which will begin with consideration of the draft unaudited accounts and annual governance statement.

Through the receipt of regular reports and a comprehensive work programme, the committee will provide the usual level of robust challenge to corporate governance and audit practice and procedure across the Authority, to ensure that our arrangements are up to date and fit for purpose, communicated, embedded and routinely complied with.

In addition, the committee will request and consider reports in relation to relevant matters which come to our attention during the course of upcoming the year.

Following the consideration of a report on the new Overview and Scrutiny governance arrangements, the committee has recommended to officers that the matter or remuneration of elected members appointed to the Audit committee be explored further.

In noting that an Independent Member has expressed that they wish only to serve for one more year, officers will be undertaking a recruitment exercise for the appointment of a new independent member during the course of the year.

The outcome of the Committee effectiveness exercise identified the need for specific training opportunities for members and the undertaking of skills audits for members.

The wider devolution of responsibilities to GMCA through the Trailblazer devolution agreement will see greater challenges and risks to the Authority, both in terms of financial and governance arrangements and the work of this committee going forward will continue to challenge and understand that there are robust processes in place to provide the appropriate level of assurance and look forward to working with the Committee members and officers to ensure this is the case.

Grenville Page
Independent Member and Interim Chair
September 2023

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GMCA AUDIT COMMITTEE – WORK PROGRAMME 22/23

27 July 2022

Annual Meeting Business

Apologies For Absence	Governance
Appointment Of Chair 2022/2023	Governance

Chair's Announcements And Urgent Business (If Any)	Chair
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Membership Of The Committee 2022/2023	Governance
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Members Code Of Conduct And Annual Declaration Of Interest	Governance
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Review Of Audit Committee Terms Of Reference	Governance
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Code Of Corporate Governance	Governance
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Standing Items

Declarations Of Interest	Governance
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Minutes Of the Previous Audit Committee Meeting	Governance
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Update From the Joint Audit Panel	Governance
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Constitution And Governance Update (Police Audit Panel Etc)	Governance
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Scrutiny Review Recommendations	GMCA Treasurer
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Risk and Assurance

Risk Management Update	Head of Audit and Assurance
HMICFRS Actions Update	

Internal Audit and Counter Fraud

Internal Audit Progress Report and Counter Fraud	Head of Audit and Assurance
Internal Audit Annual Opinion 2021/22	Head of Audit and Assurance
Audit Action Tracking (Including Historic Audit Actions)	Head of Audit and Assurance

Financial Reporting

Assessment Of Going Concern	Treasurer
Draft Annual Governance Statement	.Governance
Unaudited Draft Statement of Accounts	Treasurer
Treasury Management Annual Report	Treasurer

External Audit

Report Of the External Auditor	External Audit
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Forward Planning

Audit Committee Work Programme	Governance
Date And Time Of The Next Meeting	Governance

19 October 2022

Standing Items

Apologies	Governance	1 min
Chairs Announcements and Urgent Business	Chair	2 mins
Declarations of Interest	Governance	2 mins
Minutes of the previous Audit Committee Meeting	Governance	5 mins
Minutes of the Joint Audit Panel	Governance	2 mins
Constitution and governance update	Treasurer and Monitoring Officer	

Risk and Assurance

Risk Management Update	Head of Audit and Assurance	15 mins
Risk deep dive - Transport	GM/Mayor	30 mins
Reviewing the effectiveness of the GMCA Audit Committee	Questionnaire from Head of Audit and Assurance	

Internal Audit and Counter Fraud

Internal Audit Progress Report	Head of Audit and Assurance	15 mins
Audit Action Tracking	Head of Audit and Assurance	10 mins

Financial Reporting

Assessment of Going Concern	Treasurer	

External Audit

External Audit Progress Report	External Audit	
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Forward planning

Audit Committee Work Programme	Chair	5 mins
Date and time of next meeting	Governance	

25 January 2023

Standing Items

Apologies	Governance	1 min
Chairs Announcements and Urgent Business	Chair	2 mins
Declarations of Interest	Governance	2 mins
Minutes of the previous Audit Committee meeting	Governance	5 mins
Minutes from the Joint Audit Panel	Governance	5 mins

Risk and Assurance

Risk Management Update	Head of Audit and Assurance	10 mins
Risk Deep Dive	Risk Owner	20 mins
Full review of Corporate Risk Register (part B)	Head of Audit and Assurance	

Internal Audit and Counter Fraud

Internal Audit Progress Report	Head of Audit and Assurance	15 mins
Audit Action Tracking	Head of Audit and Assurance	10 mins
Planning for the 2022/23 Audit Opinion	Chief Executive	

Financial Reporting

Treasury Management Strategy	Treasurer	
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External Audit

External Audit Progress Report	External Audit	10 mins
Audit Strategy Memorandum	External Audit	10 mins

Forward planning

Audit Committee Work Programme	Chair	5 mins
Date and time of next meeting	Governance	5 mins

15 March 2023

Standing Items

Apologies	Governance	1 min
Chairs Announcements and Urgent Business	Chair	2 mins
Declarations of Interest	Governance	2 mins
Minutes of the previous Audit Committee meeting	Governance	5 mins
Minutes from the Joint Audit Panel	Governance	5 mins
Audit Committee Effectiveness	Head of Audit and Assurance / Chair	10 mins

Risk and Assurance

Risk Management Update	Head of Audit and Assurance	10 mins
Risk Deep Dive	Head of Audit and Assurance	30 mins

Internal Audit and Counter Fraud

Internal Audit Progress Report	Head of Audit and Assurance	15 mins
Audit Action Tracking	Head of Audit and Assurance	10 mins
Review of effectiveness of Internal Audit	Treasurer	10 mins
Internal Audit Plan 23/24	Head of Audit and Assurance	10 mins
Review of Internal Audit Charter	Head of Audit and Assurance	5 mins
PART B: Annual Whistleblowing and Fraud Report	Head of Audit and Assurance	10 mins

Counter Fraud Strategy and Plan	Head of Audit and Assurance	10 mins
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Financial Reporting

Accounting Policies and Critical Judgements	Treasurer	10 mins
Treasury Management Practices	Treasurer	

External Audit

External Audit Progress Report	External Audit	10 mins
Value for Money Report	External Audit	

Forward planning

Audit Committee Work Programme	Chair	5 mins
Date and time of next meeting	Governance	

Audit Progress Report

Greater Manchester Combined Authority

September 2023
Page 25



1. Audit Progress

2. National Publications

Page 26

01

Section 01: **Audit Progress**

Audit Progress

Purpose of this report

This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditors.

Audit progress

2020/21 audit

We have received confirmation from the NAO that no further work is required in respect of the 2020-21 WGA return. We have issued our audit certificate which formally marks the completion of the 2020-21 audit.

2021/22 financial statements audit

We presented our Audit Completion Report in March 2023. A number of items were shown as outstanding, and we are currently working with the Authority's finance team to complete this work.

Current outstanding areas included:

- Resolution of queries from the technical review of the financial statement
- Audit completion including manager, key audit partner and our Engagement Quality review.

There is a national issue regarding the use of reinforced autoclaved aerated concrete (RAAC) within public sector buildings. We are currently working with management regarding any implications to GMCA.

We plan to issue our audit opinion in October 2023 along with our follow up letter to this Committee subject to the satisfactory completion of the above areas of work.

2021/22 VFM

We plan to complete Value for Money arrangements work and report this to the November 2023 Audit Committee.

Audit Progress

2022/23 audit.

As previously reported the Authority has published a statement in respect of the delay in the production of the 2022/23 statement of accounts which were published on 31 July 2023. We expect to agree a detailed timetable for the 2022/23 audit following completion of the 2021/22 audit.

02

Section 02: **National Publications**

National publications

	Publication/update	Key points
Key issues		
A Page 31	<p>PFI Hand-Back Many PFI schemes are coming to their end dates and local authorities need to act to manage the risk in asset handover.</p> <p>The Infrastructure Projects Authority, the IPA, recommends that Contracting Authorities begin the asset hand back and the transition to future services some 7 years prior to expiry.</p>	<p>We understand how complicated these projects are and how time-consuming it is on a day-to-day basis just to manage the project on a business-as-usual basis. With that in mind, we would like to share with you one of our latest experiences in helping our clients in monitoring their PFI portfolio.</p> <p>We have conducted a series of workshops for our PFI clients (Local Authorities) to develop a comprehensive assessment of the following areas:</p> <ul style="list-style-type: none"> • main obligations, risks and opportunities (existing PFI portfolio). • role of the Contracting Authority in delivering those contracts whilst managing the future transition. <p>These workshops have included interactive sessions with commercial, financial and operational teams to assess any gaps in contractual obligations, systems, processes, and information about asset conditions as well as resource requirements.</p> <p>In conclusion of those workshops, we worked with the teams to develop a list of corrective actions and key enablers for future service provisions post-transition.</p> <p>These workshops have been delivered as a combination of training (PFI back to basics) and interactive sessions. The advantage of these workshops is that they are bespoke, cost-efficient, specific to the requirements of your PFI portfolio, promote an open culture among your team and help to achieve continuous learning and development objectives.</p>
	Publications	
1	Public Interest Report – Croydon Council	Following the publication of a public interest report in October 2020, Croydon Council commissioned local government expert Richard Penn, through the Local Government Association to compile an independent report on the issues at the council.
2	Local authority administered COVID support schemes in England	This reports evaluate government's approach in relation to distribution of grants through local authorities, highlight failures and provide recommendation for better management of government grants.
3	Public Sector Audit Appointments Limited: Quality of Audit Services Feedback Survey	In August 2023 Public Sector Auditor Appointments Ltd (PSAA) published its fourth annual report on feedback from Finance Directors and Audit Committee Chairs of local authorities on their satisfaction with the audit services provided by local auditors. The feedback was obtained in March 2023 and relates to audit work delivered during 2022. In that year, Mazars was one of five firms delivering local audits to local authorities in England.

NATIONAL PUBLICATIONS

Public Interest Report

1. Croydon Council Public Interest Report – February 2023

Following the publication of a public interest report in October 2020, Croydon Council commissioned local government expert Richard Penn, through the Local Government Association to compile an independent report on the issues at the council. His report, completed in March 2021, but only just published in February 2023 found that the dysfunctional leadership and poor governance arrangements contributed to the authority's financial collapse.

Fairfield Hall is an arts, entertainment and conference centre situated in Croydon. Refurbishment of this building was agreed by Croydon Council and work was undertaken between June 2016 and September 2019. It was delivered late and cost substantially more than the original £30m budget agreed by cabinet. Originally a Value for Money review, this became a Report in the Public Interest by their Internal Auditors Grant Thornton which highlighted failings of financial control and governance of this project.

The report found that the 'governance gaps' at the time 'prevented scrutiny and challenge that may have allowed corrective action to have been taken.' The report found that the statutory officers and chief officers throughout the time of the refurbishment failed to fulfil their statutory duties. All have since left the council. An action plan will be put in place to address the recommendations arising from this report.

This has led the Council putting in place new measures to address the findings. The Council has overhauled and strengthened its financial, legal, decision-making and other governance processes, and through its Croydon Renewal Plan is creating a new culture of good decision-making, transparency, accountability, and value for money.

It also led the council to undertake an external independent review of its companies and company structures. Following that review, the council's intention is to wind down its development company Brick by Brick once it has completed its outstanding building work. The Fairfield Halls refurbishment contracts were taken back under direct Council control. The full report, which includes a number of lessons that other Councils can learn from, can be seen here:

<https://www.croydon.gov.uk/council-and-elections/budgets-and-spending/reports-and-reviews/report-public-interest-fairfield-halls>

NATIONAL PUBLICATIONS

Public Interest Report

2. Local authority administered COVID support schemes in England

The government introduced a series of grant schemes to help businesses deal with the impacts of the COVID-19 pandemic on their businesses, including the effects of restrictions put in place to protect public health. Using funding from government, local authorities in England distributed £22.6 billion in grants to local businesses between March 2020 and March 2022. There were eight separate schemes that can be grouped into three separate ‘cohorts’, primarily corresponding to significant waves of COVID-19 restrictions.

HM Treasury decided the key features of each of the schemes, including the types of businesses they should cover and the level of funding available, and the Department for Business, Energy and Industrial Strategy (BEIS) was responsible for their implementation. The Department for Business and Trade (DBT) is now accountable for this funding, including the recovery of money paid out as a result of error or fraud.

The creation and delivery of these grant schemes was a partnership between local authorities and central government. Local authorities were responsible for identifying eligible businesses in their areas and paying grants to them, making 4.5 million payments over the course of the pandemic. BEIS created the detailed guidance for the schemes and oversaw their implementation by local authorities.

The full report, which includes a number of recommendations and conclusions, can be seen here:

<https://committees.parliament.uk/publications/41164/documents/202555/default/>

3. Public Sector Audit Appointments Limited – Quality of Audit Services Feedback Survey

In August 2023 Public Sector Auditor Appointments Ltd (PSAA) published its fourth annual report on feedback from Finance Directors and Audit Committee Chairs of local authorities on their satisfaction with the audit services provided by local auditors. The feedback was obtained in March 2023 and relates to audit work delivered during 2022. In that year, Mazars was one of five firms delivering local audits to local authorities in England.

This feedback provides the Audit Committee with an independent view on the client service that the Mazars Public Sector Audit team provides in delivering audits under the Local Audit and Accountability Act 2014 and the National Audit Office’s Code of Audit Practice.

The overall response rate from the Finance Directors was 47 per cent (220/467) and from Audit Committee Chairs, 30 per cent (142/467).

You can view the full PSAA report at [PSAA-Quality-of-Audit-Services-2021-22-feedback-survey.pdf](#)

Contact

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Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

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GMCA Audit Committee – Draft Work Programme 2023/24

June 2023 - Inquorate meeting

Annual Meeting Business:-

1	Apologies	Governance	
2	Appointment Of Chair	Governance	5 Mins
3	Chairs Announcements and Urgent Business	Chair	2 Mins
4	Membership of the Committee 2023-2024	Governance	2 Mins
5	Annual Declarations of Interest	Governance	
6	Audit Committee Terms of Reference	Governance	5 Mins
7	Code Of Corporate Governance	Governance	5 Mins

Ordinary Meeting Business:-

8	Declarations of Interest	Governance	
9	Minutes of the Previous Audit Committee Meeting	Governance	5 Mins
10	Minutes From the Joint Audit Panel	Governance	5 Mins

Standing Items

11	Risk Management Update	Deputy Director of Audit and Assurance	10 mins
12	Internal Audit Annual Opinion 2022/23	Deputy Director of Audit and Assurance	10 mins
13	Internal Audit Plan	Deputy Director of Audit and Assurance	10 Mins
14	Audit Action Tracking (Including Historic Audit Actions)	Deputy Director of Audit and Assurance	10 mins
15	Introduction to GMCA People Services Function	Director of People Services, GMCA	10 Mins

16	Management Update on Implementation of Behaviour Policies - Declarations of Interest and Gifts & Hospitality.	Director of People Services, GMCA	10 Mins
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Financial Reporting

17	Draft Annual Governance Statement	Treasurer	10 mins
18	Assessment Of Going Concern		
19	Unaudited Draft Statement of Accounts 2022-23	Treasurer	10 mins
20	Treasury Management Annual Report	Treasurer	10 mins

External Audit

21	External Audit Progress Report	External Audit	10 mins
22	Value For Money Report	External Audit	10 mins

Forward Planning

23	Audit Committee Work Programme	Governance/Chair	5 mins
24	Date And Time of Next Meeting	Governance	

20th September 2023

Standing Items

1	Apologies	Governance	1 min
2	Chairs Announcements and Urgent Business	Chair	
3	Declarations of Interest	Governance	
4	Minutes of the previous Audit Committee Meeting	Governance	5 mins
5	Update from the Joint Audit Panel	Governance	2 mins
6	Audit Committee Annual Report	Chair	10 Mins

7	Annual Governance Statement (final)	Governance	10 mins
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Risk and Assurance

8	Risk Management Update	Deputy Director of Audit and Assurance	10 mins
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Internal Audit and Counter Fraud

9	Internal Audit Progress Report	Deputy Director of Audit and Assurance	10 mins
10	Audit Action Tracking	Deputy Director of Audit and Assurance	10 mins
11	Internal Audit Annual Opinion 2022/23	Deputy Director of Audit and Assurance	10 mins

Financial Reporting

12	Quarterly Treasury Management Update – 30 June 2023		
13	Unaudited Statement of Accounts 2022/23	Treasurer	10 Mins
14	Letter Of Representation	Treasurer	
15	Assessment of Going Concern	Treasurer	10 Mins

External Audit

16	External Audit Progress Report	External Audit	10 Mins
17	Final Statement of Accounts – report of the External Auditors	External Audit	
18	Annual Audit Letters	External Audit	
19	Value For Money Report	External Audit	10 Mins

Forward planning

20	Audit Committee Work Programme	Chair	5 mins
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21	Date and time of next meeting	Governance	
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15 November 2023

Standing Items

1	Apologies	Governance	1 min
2	Chairs Announcements and Urgent Business	Chair	2 mins
3	Declarations of Interest	Governance	2 mins
4	Minutes of the last meeting	Governance	5 mins
5	Update from the Joint Audit Panel	Governance	2 mins

Risk and Assurance

6	Risk Management Update	Deputy Director of Audit and Assurance	
7	Risk Deep Dive -	Deputy Director of Audit and Assurance/Risk Owner	
8	Reviewing the effectiveness of the GMCA Audit Committee	Questionnaire from Head of Audit and Assurance	

Internal Audit and Counter Fraud

9	Internal Audit Progress Report	Deputy Director of Audit and Assurance	15 mins
10	Audit Action Tracking	Deputy Director of Audit and Assurance	10 mins
11	Counter Fraud Strategy and Action Plan	Deputy Director of Audit and Assurance	10 mins

Financial Reporting

12	Treasury Management Strategy	Treasurer	10 mins
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External Audit

13	External Audit Progress Report	External Audit	15 mins
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Forward planning

14	Audit Committee Work Programme	Chair	5 mins
15	Date and time of next meeting	Governance	

24th January 2024

Standing Items

1	Apologies	Governance	1 min
2	Chairs Announcements and Urgent Business	Chair	2 mins
3	Declarations of Interest	Governance	2 mins
4	Minutes of the previous Audit Committee meeting	Governance	5 mins
5	Minutes from the Joint Audit Panel	Governance	5 mins

Risk and Assurance

6	Risk Management Update	Deputy Director of Audit and Assurance	10 mins
7	Risk Deep Dive	Deputy Director of Audit & Assurance/Risk Owner	20 mins
8	Review of Corporate Risk Register	Deputy Director of Audit and Assurance	10 mins

Internal Audit and Counter Fraud

9	Internal Audit Progress Report	Deputy Director of Audit and Assurance	15 mins
10	Audit Action Tracking	Deputy Director of Audit and Assurance	10 mins

11	Planning for the 2023/24 Audit Opinion	Treasurer	
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Financial Reporting

12	Treasury Management Strategy	Treasurer	
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External Audit

13	External Audit Progress Report	External Audit	10 mins
14	Audit Strategy Memorandum	External Audit	10 mins

Forward planning

15	Audit Committee Work Programme	Chair	5 mins
16	Date and time of next meeting	Governance	5 mins

13th March 2024

Standing Items

1	Apologies	Governance	1 min
2	Chairs Announcements and Urgent Business	Chair	2 mins
3	Declarations of Interest	Governance	2 mins
4	Minutes of the previous Audit Committee meeting	Governance	5 mins
5	Minutes from the Joint Audit Panel	Governance	5 mins
6	Audit Committee Effectiveness	Deputy Director of Audit and Assurance / Chair	10 mins

Risk and Assurance

7	Risk Management Update	Deputy Director of Audit and Assurance	10 mins
8	Risk Deep Dive	Deputy Director of Audit and Assurance	30 mins

Internal Audit and Counter Fraud

9	Internal Audit Progress Report	Deputy Director of Audit and Assurance	15 mins
10	Audit Action Tracking	Deputy Director of Audit and Assurance	10 mins
11	Review of effectiveness of Internal Audit	Treasurer	10 mins
12	Internal Audit Plan 2024/25	Deputy Director of Audit and Assurance	10 mins
13	Review of Internal Audit Charter.	Deputy Director of Audit and Assurance	5 mins

Financial Reporting

14	Accounting Policies and Critical Judgements	Treasurer	10 mins
15	Treasury Management Practices	Treasurer	

External Audit

16	External Audit Progress Report	External Audit	10 mins
17	Value for Money Report	External Audit	

Forward planning

18	Audit Committee Work Programme	Chair	5 mins
19	Date and time of next meeting	Governance	

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