

**GREATER MANCHESTER COMBINED AUTHORITY  
AUDIT COMMITTEE****DATE:** Tuesday, 22nd October, 2024**TIME:** 10.00 am**VENUE:** The Boardroom, GMCA, Broadhurst House, Tootal  
Buildings, 56 Oxford Street, Manchester, M1 6EU**Supplemental Agenda****10. Internal Audit Progress Report 1 - 32**

Report of the Deputy Director Audit and Assurance, GMCA.

**14. External Auditor Report 33 - 62**

Report of Mazars, External Auditor.

**17. Exclusion of Press and Public**

That, under section 100 (A)(4) of the Local Government Act 1972 the press and public should be excluded from the meeting for the following items on business on the grounds that this involved the likely disclosure of exempt information, as set out in the relevant paragraphs of Part 1, Schedule 12A of the Local Government Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information .

<b>BOLTON</b>	<b>MANCHESTER</b>	<b>ROCHDALE</b>	<b>STOCKPORT</b>	<b>TRAFFORD</b>
<b>BURY</b>	<b>OLDHAM</b>	<b>SALFORD</b>	<b>TAMESIDE</b>	<b>WIGAN</b>

## **18. Internal Audit Progress Update**

Verbal update of Deputy Director of Audit and Assurance,  
GMCA.

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

This supplemental agenda was issued on Thursday 17<sup>th</sup> October 2024 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street, Manchester M1 6EU

## **GMCA Audit Committee**

Date: 22 October 2024

Subject: Internal Audit Progress Report

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

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### **PURPOSE OF REPORT**

The purpose of this report is to inform Members of the Audit Committee of the progress made on the delivery of the Internal Audit Plan for 2024/25. It is also used as a mechanism to seek approval of changes to the internal audit plan.

### **RECOMMENDATIONS:**

Audit Committee is requested to:

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

### **CONTACT OFFICERS:**

**Sarah Horseman, Deputy Director of Audit and Assurance, GMCA**

[sarah.horseman@greatermanchester-ca.gov.uk](mailto:sarah.horseman@greatermanchester-ca.gov.uk)

### **Equalities Impact, Carbon, and Sustainability Assessment:**

N/A

### **Risk Management**

N/A

**Legal Considerations**

N/A

**Financial Consequences - Capital**

N/A

**Financial Consequences - Revenue**

N/A

Number of attachments included in the report:

**BACKGROUND PAPERS:** N/A

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?		No
<b>EXEMPTION FROM CALL IN</b>		
Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

## 1 Introduction

- 1.1 The Internal Audit annual plan for GMCA was presented to the Audit Committee in March 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.

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

- 2.1 Since the last meeting in July 2024, we have finalised and published two reports and certified eight grants. The Executive Summaries from these reports are shown at **Appendix D**. There are several reports at draft reporting stage as we seek to agree the findings, opinion and improvement actions with management.

Audit Report	Assurance Opinion
<b>2024/25</b>	
<b>Supporting Families Programme - Compliance</b>	<b>Reasonable</b>
This report provided a <b>Reasonable Assurance opinion</b> , that adequate systems and controls are in place and operating across GM authorities to support the delivery of the Supporting Families programme (SFP). Nine out of ten reports received from Local Authority Audit teams demonstrated a good level of compliance with the	

headline criteria set out in the GM SFP standards and key elements of the programme. One Local Authority provided a limited assurance opinion, and further assurances were being sought by GMCA in relation to the findings from that report.	
<b>Trainee Firefighter Attraction, Recruitment and Selection</b>	<b>Reasonable</b>
<p>This report provided a <b>Reasonable Assurance opinion</b> over the process and controls in place for the attraction, recruitment, and selection of trainee firefighters and management of the different phases of recruitment.</p> <p>Our Audit found the recruitment team were positive in their engagement of potential candidates from a wide and diverse range of backgrounds to ensure GMFRS had the best possible pool of candidates available.</p> <p>Despite a lengthy process (up to 2 years) between a candidate's expression of interest and recruit course start dates, timelines for each element of the process are kept as tight as possible and candidates supported throughout to reduce the risk of candidate drop out. The large candidate numbers and the effectiveness of the Applicant Tracking System to manage the high volume of expressions of interest and candidate applications was an area of concern.</p> <p>Internal audit made four recommendations for improved control which were agreed by Management.</p>	

2.2 Scoping discussions have taken place with Management for several planned audits to ensure these are scheduled across the year. Fieldwork start dates have been agreed for quarter 3 & 4 audits including Equality Impact assessments, NFCC Fire standards and the new Public Procurement act. We will continue to flex the plan to take account of changing assurance needs and client availability and capacity.

2.3 A summary on the status of ongoing audit work at the start of quarter 3 is as follows:

<b>Planning Stage</b>	
New Public Procurement Act – Readiness	The scope for this readiness assessment has been agreed but commencement deferred to Q4 at the request of the Commercial team.
Emergency Response Hub	A review of procedures for the allocation of overtime for front line service delivery.

<b>Fieldwork Stage</b>	
GMFRS - JESIP Operating Principles	This work is ongoing with station visits to be completed during October.
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.
Equality Impact Assessments (EIA)	Work has started to provide assurance over the effectiveness of the framework governing EIA within GMFRS

<b>Reporting Stage</b>	
Leavers Process	This work has been completed and is at draft report stage.
ICT Supplier Management	This work has been completed and is at draft report stage.
Net Zero Achievement	This work has been completed and is at draft report stage.
ICT/Digital Asset Management	This work has been completed and is at draft report stage.
Anti-Money Laundering Policy	A draft policy and procedure has been produced and this is being reviewed by GMCA Legal team.

Whistleblowing Case	Internal Audit has completed initial fact-finding work in response to a series of allegations – the full outcome of this work is yet to be concluded.
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2.4 **Grant Certifications** – Eight grants were certified during the period.

Grant	Value Signed Off	Assurance Level	Date Completed
Local Energy Advice Demonstrators (LEAD) – Y2 Q1	£234k	Positive	July 2024
Net Zero Junior Officer (Y2 Q1)	£7k	Positive	August 2024
Net Zero Programme Delivery (Y2 Q1)	£35k	Positive	August 2024
Made Smarter 2023/24	£2k	Positive	September 2024
NW Net Zero Hub Project	£99k	Positive	September 2024
Net Zero Junior Officer (Y2 Q2)	£7k	Positive	October 2024
Net Zero Programme Delivery (Y2 Q2)	£72k	Positive	October 2024
Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination (2023/24) Section 31/6680	£4.438m	Positive	October 2024

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



### **3 Whistleblowing and Counter Fraud**

3.1 Internal Audit has received one new whistleblowing case since the last Audit Committee. This case has subsequently been closed. One fact-finding investigation has been completed by the Head of Internal Audit. A new online reporting form has also been launched.

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

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

4.2 There are some proposed changes to the audit plan agreed in March 2024 and these are shown at **Appendix C** to this report.

### **5 Resourcing**

5.1 We received approval for two additional posts to the structure, a Grade 9 Audit Manager and Grade 7 Internal Auditor. This is 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.

### **6 Other Internal Audit Activities**

6.1 Aside from delivery of the internal audit plan, since the last meeting internal audit have undertaken the following additional activities.

6.2 **GMCA Next Phase** – Internal Audit are involved in this workstream as the organisation sets out its future ways of working in readiness for the trailblazer devolution deal and integrated settlement. Particularly relevant to the Audit Committee is the development of a Single Assurance Framework which will be developed to demonstrate to

government that GMCA has robust assurance, project appraisal and value for money processes in place. Further information will be provided to the Audit Committee as the framework is developed to provide clarity on the Committee's role and responsibilities within that.

- 6.3 **GMCA Business Continuity Planning** – Internal Audit are part of the Business Continuity Steering Group which oversees the full internal review of BC policies, systems and processes. This work remains ongoing and is in the implementation stage of the work programme.
  
- 6.4 **Senior Leadership Team Engagement** – The Deputy Director, Audit and Assurance is part of GMCA Senior Leadership Team and holds regular meetings with Directors to discuss priorities, emerging risks/issues and audit plan activity.

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

The table below provides a cumulative 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
Procurement Waiver Exemptions Compliance	Broadly Compliant	We made advisory actions only in this audit.					✓	✓	✓
Trainee Firefighter Attraction, Recruitment and Selection	Reasonable	-	-	2	1	1	-	✓	-
Supporting Families Programme Compliance	Reasonable	-	1	-	-	-	✓	-	-

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	✓		

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.
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## Audit Finding Classification

Risk Rating	Description/characteristics	Score
<b>Critical</b>	<ul style="list-style-type: none"> <li>• Repeated breach of laws or regulations</li> <li>• Significant risk to the achievement of organisational objectives / outcomes for GM residents</li> <li>• Potential for catastrophic impact on the organisation either financially, reputationally, or operationally</li> <li>• Fundamental controls over key risks are not in place, are designed ineffectively or are routinely circumvented.</li> <li>• Critical gaps in/disregard to governance arrangements over activities</li> </ul>	<b>40</b>
<b>High</b>	<ul style="list-style-type: none"> <li>• One or more breaches of laws or regulation</li> <li>• The achievement of organisational objectives is directly challenged, potentially risking the delivery of outcomes to GM residents.</li> <li>• Potential for significant impact on the organisation either financially, reputationally, or operationally</li> <li>• Key controls are not designed effectively, or testing indicates a systemic issue in application across the organisation.</li> <li>• Governance arrangements are ineffective or are not adhered to.</li> <li>• Policies and procedures are not in place</li> </ul>	<b>10</b>
<b>Medium</b>	<ul style="list-style-type: none"> <li>• Minor risk that laws or regulations could be breached but the audit did not identify any instances of breaches.</li> <li>• Indirect impact on the achievement of organisational objectives / outcomes for GM residents</li> <li>• Potential for minor impact on the organisation either financially, reputationally, or operationally</li> </ul>	<b>5</b>



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

## Appendix B – Progress against the Internal Audit Plan 2024/25

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

Directorate / Area	Audit Title	Assurance Objective	Timing	Status	Audit Committee
<b>b/f audits from 2023/24 plan</b>					
People Services	Firefighter Attraction and Recruitment b/f	Assurance over the effectiveness of the attraction, recruitment, and selection process for trainee firefighters.	Q1	Completed	October 2024
Environment Low Carbon	Net Zero Achievement b/f	Assurance over GMCAs arrangements for the delivery of the regional carbon neutrality target by 2038, and its own carbon reduction targets.	Q2	Draft Report	
<b>Core Controls / Assurance Activity</b>					
Public Sector Reform Programme assurance	Supporting Families Programme	Assurance that local systems and processes designed to support the delivery of the SFP are sufficient to demonstrate compliance with the key requirements of the national programme and the revised GM SFP standards.	Q1	Completed	October 2024
Corporate Services	Procurement Waiver	A series of transactional audits on core financial processes to assess compliance with GMCA standing orders, financial	Q1	Completed	July 2024

Commercial	Exemptions - Compliance	regulations, and contract procedure rules. These audits will examine key controls in areas such as accounts payable, accounts receivable, payroll, procurement, and contract management.			
People Services Compliance	Leavers Process - Compliance		Q2	Draft Report	October 2024
Corporate Services	New Public Procurement Act 2023	Readiness assessment over implementation of key changes due to come into force in October 2024.	Q2	Planning – Deferred to Q4	
Corporate Services	Core Financial Systems BLOCK	Cyclical audits of core financial systems. Scope to be determined in year.	Q3 / Q4	Not Started	
Corporate Services	Grant Certifications	Ongoing certification of grants as required by grant conditions.	Q1 – Q4	Fieldwork	July 2024
Digital / ICT	IT Supplier Management	Assurance on the effectiveness of the organisations IT third party supplier management processes and controls over Cyber security and GDPR for new and existing contracts.	Q2	Draft Report	October 2024

Digital / ICT	IT Asset Management	Assurance over the effectiveness of IT asset management controls operated by the IT team over the organisations computer hardware and software assets (issue/tracking/return/recycle).	Q3	Draft Report	
Governance	GMCA Business Continuity Planning	Business Continuity Planning - An audit of the revised BCP arrangements implemented across GMCA, with a focus on disruption to ICT and Digital services.	Q3	Under Review	
Information Governance	Critical Data Assets	An audit of processes and controls in place over our critical data assets to ensure that sensitive and personal data is appropriately protected from data breach/loss.	Q4	Not Started	
<b>Follow Up Audits</b>					
Digital / ICT	Threat and Vulnerability Management / Gartan System – Follow Up	Follow up audit to provide an independent assessment of progress toward implementation of actions and risk exposure.	Q3	Planning – deferred to Q4	
ICT/Digital	GM One Network – Follow Up	GM One Network – Review of ‘delivery’ phase and key project risks.	Q3	Under Review	

Place Land and Property	Estates Asset Compliance – Follow Up	Estates Asset Compliance – Building maintenance and compliance with statutory regulations.	Q4	Under Review	
<b>GMFRS Prevention, Detection and Service Delivery</b>					
GMFRS	Joint Emergency Service Interoperability Principles (JESIP)	Assurance over the application of the JESIP Operating Principles and level of embeddedness within GMFRS over its preparedness to respond to major and multi-agency incidents.	Q2	Fieldwork	
GMFRS	Governance Framework	An audit of the GMFRS governance and decision-making processes.	Q2	Under review	
GMFRS	Promotion Pathway (Grey Book)	Grey Book Recruitment (Promotions Pathway) – an audit of the Promotions Pathway and recruitment to Crew, Watch, Group Manager roles - Links to the recruitment & selection audit from 2023/24.	Q3	Not Started	
GMFRS	Equality Impact Assessments	Assurance over the effectiveness of the framework governing Equality Impact Assessments within GMFRS	Q3	Planning	

GMFRS	NFCC Fire Standards	NFCC Fire Standards: Maturity and compliance assessment	Q3	Planning	
GMFRS	GMFRS PMO Function	An audit of the programme management office arrangements	Q4	Under Review	
<b>Whistleblowing and Counter Fraud</b>					
Governance	Counter Fraud Policies – annual review	Anti-Money Laundering Policy and Fraud Prosecution Policy review and update.	Q2	Currently being reviewed	
Whistleblowing	Reactive	Response to whistleblowing reports and management of reactive caseload.	Q1-Q4	Ad hoc as needed	
<b>Other Focus Areas</b>					
Governance	GMCA Next Phase	Leading the Assurance Workstream and input into other programme workstreams as GMCA sets out its future ways of working in readiness for the new trailblazer devolution deal from April 2025.	Q1 – Q4	Ongoing	
Development	New IIA Standards	Implementation of the 2024 Global IIA standards to ensure PSIAS compliance	Q3 – Q4	Planning	

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

## Appendix C - Changes to the Internal Audit Plan

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

This Section records any changes to the current internal audit plan since it was originally approved in March 2024.

Audit Area	Audit	Change requested	Rationale	Approved by Audit Committee
Governance	Business Continuity Planning	Under Review	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	Under Review	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)	Under Review	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



Audit Area	Audit	Change requested	Rationale	Approved by Audit Committee
Place: Land and Property	Estates Asset Compliance – Follow Up	Under Review	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
ICT/Digital	IT Threat and Vulnerability Management / Gartan System – Follow Up	Delay to Q4	Request from Digital Services to reschedule this audit from Q3 to Q4.	October 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 Hub ER – overtime and hours worked	Q3	This is a new addition to the plan at the request of the CFO.	October 2024

## Appendix D – Executive Summaries



### Internal Audit Report

### Supporting Families Programme – Systems Audit


**FINAL**

**Issue Date 22 August 2024**

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

Report Distribution	
<b>For Action</b>	
Jacob Botham	Assistant Director Children and Young People, Public Service Reform
Alex Little	Principal Researcher, Public Service Reform, Strategy and Policy
<b>For Information</b>	
GMCA Audit Committee & GM Districts	<b>Executive Summary Only</b>
Caroline Simpson	Chief Executive
Andrew Lightfoot	Deputy Chief Executive
Jane Forrest	Director Public Service Reform
Steve Wilson	GMCA Treasurer
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Mazars	<b>External Auditor</b>

**1. EXECUTIVE SUMMARY**

AUDIT OBJECTIVE	ASSURANCE LEVEL					
<p>To provide assurance that local systems and processes designed to support the delivery of the Supporting Families (SF) Programme are sufficient to demonstrate compliance with the key requirements of the national programme and the revised GM SF Programme standards.</p> <p>Detailed Terms of reference is included at <b>Section 3</b>.</p>						
<p><b>KEY RISKS IF CONTROLS ARE NOT IN PLACE AND/OR OPERATING</b></p>						
<p>The following risks are applicable to this area of activity:</p> <ul style="list-style-type: none"> <li>Local processes and controls are not designed and/or operated to comply with the expectations of the national programme and achieving the desired outcomes.</li> <li>Economic and financial pressures due to increased cost of living could increase the number of families presenting and our ability to properly support these.</li> </ul>	<p><b>AUDIT FINDINGS</b></p>					
	Critical	High	Medium	Low	Advisory	Total
	-	-	-	-	-	-
	<p><b>BASIS OF AUDIT OPINION</b></p>					
	<p>This is based on the scoring mechanism outlined in <b>Section 4 &amp; 5</b> of this report.</p>					
AUDIT OPINION AND SUMMARY CONCLUSION						
<p>Based on the assurances received from Internal Audit teams within the GM Districts, we provide an overall opinion of <b>Reasonable Assurance</b>, that adequate systems and controls are in place and operating to support the delivery of the Supporting Families (SF) programme. Opinion ratings were received from all ten GM Districts, and these generally presented positive assurance on compliance with the key elements of the revised SF programme and were consistent with those given in the previous year. One District provided a limited assurance opinion, and further assurances will be sought in relation to the findings from that report.</p>						

There were no systemic ‘red flag’ SF Programme risks brought to our attention in the reports which required immediate attention or oversight by GMCA. Where recommendations have been made, the implementation of these will be monitored by Districts themselves. We make one recommendation as part of this report and the GMCA Assistant Director, Children and Young People should consider the assurances and findings from this report to inform future discussions with GM Early Help Leads. The report also supports our assurances back to Government as the responsibility for the Families Team transitions from the Department of Levelling Up, Housing and Communities (DLUHC) to the Department for Education (DfE).

A summary of the key issues identified by each of the GM Districts across the five headline criteria is shown at **Section 6**, with a summary of overall conclusions and any recurring themes shown below.

#### AREAS OF GOOD PRACTICE

- Nine out of ten reports demonstrated a good level of compliance with the headline criteria set out in the GM SFP Standards.
- Processes were in place to ensure eligible families met at least three of the ten assessment criteria.
- Reports from GM Districts confirmed that all ten understood their priority areas for improvement from the Early Help Systems Guide self-assessment exercise undertaken and action plans were in place to address these areas with ongoing monitoring and oversight on progress.
- Districts were positive over participation in Early Help Data Collection (Wave 3).

#### AREAS FOR IMPROVEMENT

The main areas for improvement related to the following:

- Whilst caseload testing did demonstrate a good level of compliance, reports did identify some specific instances of non-compliance and inconsistencies in meeting the expected SFP standards.
  - **Quality Assurance Processes:** Some strengthening of QA processes to confirm relevant criteria are being met, including those managed by Partner agencies.
  - **Voice of the Family and Child:** Ensuring a full family assessment is visible in all cases.
  - **Partner Agencies:** Consistent management and oversight of Partner caseload and outcomes, particularly those managed by Schools.
  - **Performance Reporting:** Improving the accuracy of reporting on outcomes and the robustness of management information.
- Internal Audit recommendations for improved control were made by six GM Districts including Bury, Bolton, Manchester, Stockport, Tameside, and Wigan. The implementation monitoring of these actions will be completed by Audit Teams in the Districts in conjunction with Local Early Help Leads.

**2. SUMMARY OF AGREED ACTIONS**

Finding	Risk Rating	Action	Target Date
1 A limited assurance opinion was issued by one GM District which requires oversight and follow-up on significant risk areas identified.	<b>HIGH</b>	GMCA SF Team to follow up on the Limited assurance opinion issued by one GM District and to seek further assurances over identified areas for improvement and implementation of audit actions. A plan for improvement is already being agreed with the District.	<b>October 2024</b>

**AUDIT SPONSOR COMMENTS**

With current uncertainty around the future of the Supporting Families programme it is unclear whether this will be the last GM Supporting Families audit undertaken. What is clear from the latest report is that the audit continues to be a helpful tool in providing the necessary assurances and insight on delivery of the programme at a local, city-regional and national level.

The findings of this year’s audit suggest that GM’s local authorities largely adhere to the standards of the programme. Whilst GM like many other parts of the country fell short of hitting its’ target number of successful outcomes last year the audit demonstrates that overall practice in our early help services remains reasonably strong overall. It is also clear from the areas of good practice that the ethos of the early help system guide is pervasive among authorities, and that improvement in each authority takes due regard of the need to demonstrate consistent, credible maturity with respect to family voice, workforce, communities, leadership and data.

In the case of Bury local authority, where the audit has this time found only ‘limited’ assurance of compliance with the programme standards, it is important that GMCA ensure the implementation of all recommendations. A plan for improvement is already being agreed with Bury, and in line with agreed processes GMCA will report back to the Families Team at the conclusion of the timescales set out in that plan.

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

## Internal Audit Report

### Firefighter Attraction, Recruitment and Selection

#### FINAL

Report Issue Date	
Draft Report Issued	5 August 2024
Management Response Received	17 September 2024
<b>Final Report Issued</b>	<b>19 September 2024</b>

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

Report Distribution	
For Action	
Mallicka Mandal	Director of People Services
Anna Foster-Ressel	Senior Talent & Resourcing Manager
Leigh Whitehead	Senior Campaign Lead
Jayne Jeffery	Attraction Lead
For Information	
Audit Committee - <b>Executive Summary Only</b>	
Kathryn Aylett	Training Development Manager
Paul Fearnhead	Head of Training Delivery
Caroline Simpson	Chief Executive
Andrew Lightfoot	Deputy Chief Executive
Dave Russel	Chief Fire Officer
Ben Norman	Deputy Chief Fire Officer
Andrea Heffernan	Director of Corporate Support
Steven Wilson	GMCA Treasurer
Gillian Duckworth	GMCA Solicitor and Monitoring Officer
Mazars	External Auditor

1. EXECUTIVE SUMMARY							
AUDIT OBJECTIVE		ASSURANCE LEVEL					
The objective of this audit was to provide assurance over the effectiveness of the attraction, recruitment, and selection process for trainee firefighters.		REASONABLE ASSURANCE					
KEY RISKS IF CONTROLS ARE NOT IN PLACE AND/OR OPERATING							
<p><b>RR45 – RECRUITMENT:</b> Due to labour market conditions and inability to pay excessive market rates for some roles, there is a risk of skills shortage within the organisation, which may result in service provision being detrimentally impacted.</p> <p><b>RR7 – EQUAL, DIVERSE, AND INCLUSIVE WORKFORCE:</b> Due to the outcome of the HMICFRS inspection which identified need for improvements in this area along with a range of external drivers and influences including the Thomas Review, there is a need to develop a range of attraction, recruitment and retention initiatives which may result in increased success in attracting and recruiting a more diverse workforce.</p>		AUDIT FINDINGS					
		Critical	High	Medium	Low	Advisory	Total
				2	1	1	4
		BASIS OF AUDIT OPINION					
		This is based on the scoring mechanism outlined in Section 5 & 6 of this report.					
AUDIT OPINION AND SUMMARY CONCLUSION							
<p>We provide a <b>Reasonable Assurance opinion</b> over the process and controls in place for the attraction, recruitment, and selection of trainee firefighters.</p> <p>Our audit confirmed long lead times (up to 2 years) between a candidate’s expression of interest and recruit course start dates for some successful candidates which may increase the risk of candidates dropping out of the process. Large candidate numbers and reliance on manual processes to maintain effective communication with all candidates during the process increases this risk.</p> <p>The effectiveness of the Applicant Tracking System (Engage ATS) to manage the high volume of expressions of interest and candidate applications was also an area of concern, in particular the ability to monitor, track and communicate with candidates through the early stages</p>							

of the process. It is envisaged that the new ATS system rolled out in July 2024 will bring improvements to this process, however this will require further testing by the team.

We acknowledge the efforts of the Talent and Recruitment Team to successfully coordinate the individual recruitment campaigns given the size, scale and complexity of these as they seek to reduce turnaround times between the three phases of recruitment.

We have highlighted areas for improvement related to reporting to CELT on the cost of recruitment campaigns and how the number of successful candidates aligns to wider GMFRS workforce plans. In addition, some minor suggested areas for improvement related to the overall process are contained within the action plan.

#### **AREAS OF GOOD PRACTICE**

- Our discussions with GMFRS staff involved in the recruitment process found the Team were positive in their engagement of all potential candidates from a wide and diverse range of backgrounds to ensure GMFRS had the best possible pool of candidates available.
- The GMFRS website contains information which explains the firefighter recruitment process.
- Whilst the overall recruitment process is lengthy, timelines for each element are kept as tight as possible and systems are in place to help ensure that candidates are supported and informed throughout.
- Taster day events are scheduled across Greater Manchester, so all potential candidates have an opportunity to attend events close to where they live.
- The importance of undertaking physical activities in a safe and healthy manner is reinforced throughout the process and minimum health requirements are set for candidates to be able to safely undertake activities.
- Unsuccessful candidates are given feedback at the point they drop out of the recruitment process to help them should they choose to reapply in the future.
- Feedback is sought from all candidates at the end of the recruitment drive to understand their experience of the process and potential areas for improvement.
- Where possible opportunities to involve experienced front line fire staff throughout the process are taken.
- Monitoring of underrepresented groups takes place at all stages and is used to understand any blockers to success for these groups.

#### **AREAS FOR IMPROVEMENT**

The main identified areas for improvement related to the following:

- Timelines between the submission of an expression of interest and course start dates for successful candidates are lengthy, and there can be long gaps in communication during the onboarding stage leading to a risk of drop out. Keeping candidates engaged is a key priority.



- Reporting to Fire Executive on the success of recruitment drives and how the number of offers made aligns with the required number of recruits set out in Workforce Recruitment and Development Plan and any changes to that plan that may be needed as a result can be improved.
- The current ATS system is unable to manage the high volume of candidates within a recruitment drive and as such several manual workarounds are in place which are subject to human error.
- The overall cost of the trainee firefighter recruitment programme is unclear as both costs and budget are allocated across different cost centres making it difficult to determine whether value for money is achieved or the availability of additional funds to meet any unexpected costs (e.g. failure of equipment/system improvements).

## 2. SUMMARY OF AGREED ACTIONS

Finding theme	Risk Rating	Action	Target Date
1 Recruitment timescales	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>• Create microsite for successful candidates to engage with and learn about GMFRS ahead of their start date.</li> <li>• Provide clarity for candidates about the timelines for recruitment and course start dates.</li> <li>• Review attraction activity and create an engagement plan which will take place once application deadlines have passed when not in a process of enhanced recruitment.</li> <li>• Work with Training Team to optimize course sizes and timings.</li> <li>•</li> </ul>	January 2025
2 Reporting to Fire Executive on the success of individual recruitment drives	<b>MEDIUM</b>	<ul style="list-style-type: none"> <li>• Create an annual report which summarises recruitment activity and alignment with Workforce Development Plan targets.</li> <li>• Collaborate with Finance to identify all relevant recruitment costs and ensure these are collated going forward.</li> </ul>	March 2025

3	Applicant Tracking System (ATS)	<b>LOW</b>	<ul style="list-style-type: none"> <li>• Testing of new ATS functionality</li> <li>• The use of additional MI support</li> <li>• Advanced excel training for admin staff linked to the process</li> </ul>	December 2024
4	Minor improvements	<b>ADVISORY</b>	<ul style="list-style-type: none"> <li>• Improvements to recruitment area of the website</li> <li>• More upfront advice and support around functional skills assessments</li> <li>• Updates to attraction newsletters</li> <li>• Update PARQ form</li> <li>• Ensure decision making is documented.</li> </ul>	March 2025

<b>AUDIT SPONSOR COMMENTS</b>	
<p>The Firefighter recruitment programme is a key priority for GMFRS and for our Directorate. It ensures that we attract talent for now and for the future, recruit fairly and create a workforce that is representative of our communities.</p> <p>The audit provides assurance that, despite the size, scale and complexity, there is a robust and fair recruitment process for our Apprentice Firefighters and that we have an effective system to understand and remove the barriers in recruitment. People Services have put considerable effort into developing its Firefighter recruitment processes so that they are fair and potential applicants can understand them and be supported to give their best. This has encouraged applicants from diverse backgrounds to apply for and be appointed to our Firefighter roles.</p> <p>I am grateful for the opportunities for improvement identified through this audit, especially in relation to reporting, maintaining communication with candidates and finally the need to demonstrate cost and return on investment to the service. I will ensure these are actioned effectively.</p>	

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



# Audit Progress Report Greater Manchester Combined Authority

October 2024

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- 02 Value for Money Arrangements
- 03 National publications

# 01

Audit progress

# Audit progress

## Purpose of this report

This report provides the Audit Committee with information about progress in delivering our responsibilities as your external auditors for Greater Manchester Combined Authority (GMCA) for the year ending 31 March 2023.

Prior to the calling of the general election on 4 July 2024, the Department of Levelling Up, Housing and Communities ('DLUHC') had consulted on proposed arrangements to address the current backlog in local audit which is impacting local government. Following this consultation, a Ministerial statement confirmed the decision to go ahead with a plan to establish a "backstop" date by which local authorities must publish audited accounts. The amendments needed to the Accounts and Audit Regulations have recently passed through Parliament. For the financial years up to and including 31 March 2023, this date is 13<sup>th</sup> December 2024.

## Audit for the year ending 31 March 2023

This report provides the Committee with an update on our work in delivering the Council's external audit for the year ended 31 March 2023.

## Financial Statements Audit

Our work on the financial statements for the year ended 31 March 2023 is substantially complete.

Members will be aware that we presented our audit completion report to the July 2024 audit committee which identified a small amount of work outstanding at that time. Since then, we have continued to progress the audit and expect to issue an unqualified audit opinion before the backstop deadline.

The table on the next page provides an update on the progress on areas that were marked as outstanding in the Audit Completion Report. This report should be read in conjunction with our Audit Completion Report.

# Audit progress

## Financial Statements Audit (cont)

Audit Areas	Conclusion reached
Property, Plant & Equipment	<p>We have now concluded our planned audit procedures.</p> <p>We identified a non-material error of £1.7m in relation to the Bury Training Centre. Management have chosen not to adjust for this on the basis of materiality.</p> <p>There are no other matters to bring to your attention.</p>
Consolidated Accounts	<p>As part of our audit, we challenged the accounting treatment applied by GMCA in consolidating investments from subsidiary entities. Due to the complex nature of these investments, the finance team took independent external advice on how these should be accounted for. We have now received the revised accounting treatment GMCA proposes to apply. We are currently completing our consideration of this.</p>
Technical Review	<p>We have a small number of queries remaining and are working with management to appropriately address these.</p>
Audit Completion	<p>Our manager, partner and engagement quality reviews are substantially complete. We will review the final set of financial statements and annual governance statement on receipt of the signed version, together with the signed letter of representation.</p>
Value for Money (VfM)	<p>We have completed our work on GMCA's value for money arrangements. Our commentary is shown in section 2 of this report.</p> <p>Previously significant weakness are considered to have been appropriately addressed and no further significant weaknesses have been identified.</p>

# 02

## Value for Money Arrangements



# VFM arrangements

## Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



# VFM arrangements – Financial Sustainability

## Overall commentary on Financial Sustainability

### Background to GMCA's operating environment in 2022-23

Since March 2020 local authorities have faced a period of unprecedented challenge, both financially and economically, as they are responding to the impact of, and recovery from, the global Covid-19 pandemic. The financial impact of the pandemic on the Authority has been significant. Given the uncertainties faced by the ten Greater Manchester (GM) Councils as they focus on recovery from the pandemic and continue to be impacted with demand-led pressures, GMCA must deal with the potential impact on the levies raised from general fund budgets.

The pandemic also had a significant impact on the Authority's transport functions with decreased patronage across the bus and tram network. Although 2022-23 saw patronage returning to pre-covid levels, transport services have continued to face financial pressure. Funding continued to be provided by central government to support the loss of farebox revenues relating to the Metrolink and to provide support in maintaining the level of bus services across the region. Work has continued to negotiate future government support for transport services.

During 2022/23, GMCA has worked with Government to agree the next stage of devolution to Greater Manchester. In March 2023, as part of the 2023 Budget Settlement, the Chancellor announced the Trailblazer Devolution Deal for Greater Manchester. The new deal further embeds the role of local decision-making through additional powers and responsibilities over post-16 technical education, transport, housing, and regeneration, as well as new financial freedoms and new accountability arrangements impacting future years.

Notwithstanding this new deal, the financial challenges the Authority will face continue. In addition to dealing with the recovery from the Covid-19 pandemic, the war in Ukraine continues to have an adverse impact on the UK economy, with resulting increases in energy costs, supply chain issues and inflation rates reaching highs not seen in recent times. The subsequent increases in the cost of living mean the Authority needs to continue pay close attention to its budget position and reassess the impact at regular intervals in order to identify mitigations at the earliest opportunity.

### Financial planning and monitoring arrangements

In February 2022, the Authority and Police and Crime Panel approved balanced revenue and capital budgets for the 2022-23 financial year. These reflected the outcome of the latest Spending Review and the impact on resources available to GMCA throughout the year. Throughout the year the Authority updated its budget forecasts, to ensure budgets remained up-to-date given the challenging financial position.

At the year end, the Authority reported a £34.8m underspend across all functions. We have considered the arrangements in place in respect of budget management as part of the Governance criteria later in this report.

As in previous years, the Authority reported its financial position and outturn to meetings of the full Combined Authority and the Corporate Issues and Reform Overview & Scrutiny Committee (now GMCA Overview & Scrutiny Committee). We reviewed the reports presented in 2022-23, which contain detail of performance against revenue, with explanations for any significant variances detailed in the report. These Finance reports also contain information on progress against approved capital programme and reasons for over or underspends against the budget profile.

As part of the annual accounts process, management completes a review of its ability to operate as a going concern, highlighting any potential financial risks for the following financial year. In doing so, the Authority considered its 2022-23 financial position and budget framework for 2023-24 in the light of the Trailblazer announcement, the regulatory and control environment applicable to GMCA, and the wider economic environment including pay and price inflation, and the available reserves. The Authority also considered detailed cash flow forecasts, supported by the Treasury Management Strategy. Management concluded the Authority remains a going concern with no material risks identified.

### Arrangements for the identification, management and monitoring of funding gaps and savings

As reported previously the medium term financial plan is developed with GM Local Authority Leaders and Treasurers to ensure alignment of financial plans and sharing of assumptions, opportunities and challenges for GM as a whole. During 2022/23 a new overhead recharge approach had been developed to ensure that the cost of corporate functions are allocated in full and consistently applied across all activities of the organisation. This new approach has been reflected in the budget for 2023/24 and has enabled the development of three-year medium term financial plan (MTFP) up to 2025/26 for Corporate Services. Our review of outturn reports confirmed the Authority does not have any weaknesses regarding the delivery of savings and reported an outturn underspend of £34.8m across all functions.

As reported in previous years, the Authority works closely with Greater Manchester Police (GMP) to develop a Police Fund Strategic Financial Outlook (SFO) for a three year period. This is updated as part of the financial planning process to reflect all known pressures and savings and to ensure police spending is contained within the available resources. The latest SFO reflected the medium term financial impact of the GMP improvement plan known as 'Plan on a Page' developed in response to His Majesty's Inspectorate of Constabulary Fire and Rescue Services (HMICFRS) findings. Current and future financial pressures are identified and reported to the Deputy Mayor on a monthly basis and reflected in the SFO.

The GMCA Chief Executive in conjunction with Chief Officers (Directors) monitors expenditure against the approved budget which is reported on a regular basis having been agreed with the Treasurer to the GMCA showing forecast variations from the budget allocated. Where likely overspends are identified these are reported promptly to the Treasurer.

# VFM arrangements – Financial Sustainability

## Overall commentary on the Financial Sustainability reporting criteria – continued

### Arrangements and approach to 2023-24 financial planning

The 2023-24 budget was approved by the Combined Authority in February 2023. As previously this focussed on the organisational priorities set out in the Greater Manchester Strategy (GMS). This sets a route for delivering a vision of Greater Manchester being “a place where everyone can live a good life, growing up, getting on and growing old in a greener, fairer more prosperous city-region.”

There are four corporate objectives, agreed by all the political leaders, which define the activity GMCA delivers as a business:

- deliver core/devolved services for the public;
- secure, and manage, funding and investment at GM level for agreed activity;
- work with the 10 local authorities to drive collective activity that puts GM at the forefront of tackling social, economic and environmental issues; and
- ensure GM is speaking with one voice – developing, leading and implementing our evidence-based strategies, building our networks and partnership and influencing policy.

The Authority has developed a three year Corporate Plan which sets out recent key achievements and identifies priority spending areas for each of the four corporate objectives. These headline priorities have then been developed further in the detailed delivery activity listed in the annual Business Plan.

The 2023-24 budget has been prepared to continue the delivery of the Corporate Plan and reflects the following basis and assumptions:

- An increase to the transport levy by £7.7m (£113.472m) with no change to the statutory charge (£86.7m) from 2020-21, this represented a overall 4% increase;
- A 2.5% average increase in the waste budget and levy charged to districts;
- An increase in the Mayoral General Precept by £5 to £107.95 for a Band D property; and
- An increase in the Police Precept of £15 for a Band D property.

**Based on the above no significant weaknesses in the Authority's arrangements in relation to financial sustainability have been identified.**

# VFM arrangements

## Governance

How the body ensures that it makes informed decisions and properly manages its risks

Page 42



# VFM arrangements – Governance

## Overall commentary on Governance

### Decision making arrangements and control framework

The Authority's governance structure is set out within its Annual Governance Statement. The governance framework comprises the legislative requirements, principles, management systems and processes. This is supported by the Authority's constitution and scheme of delegation which shows the levels of authority required for all key decisions. Executive Directors have clear responsibilities linked to their roles and the Committee structure at the Authority allows for effective oversight of operations.

The Authority's Code of Corporate Governance sets out how GMCA operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.

Oversight of the Authority's decision making and wider governance arrangements sits within the committee structure of the Authority. An independent review of the Authority's scrutiny function identified 18 recommendations which the Authority responded to over the course of 2022/23. Following this review, significant changes have been made to the arrangements in place, with the establishment of an additional committee to strengthening the role of scrutiny by:

- reviewing and evaluating the performance of the Mayor and GMCA, and the way they work with partners to deliver for local people;
- contributing to policy development in respect of high profile, complex issues affecting the whole of Greater Manchester;
- investigating more complex cross-cutting issues, with a particular focus on the GMCA's forthcoming responsibilities in respect of the "missions" in the Levelling Up Bill.

The Authority has an Audit Committee that meets regularly. Membership of this Committee includes four Independent Persons as well as four elected members. Officers regularly attend committee meetings to support the Committee in exercising their responsibilities. The Audit Committee receives regular updates from the police Joint Audit Panel, providing assurance over policing related areas which fall under the Deputy Mayor's responsibilities.

In order to provide assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud, the Authority has a team of internal auditors, led by the Deputy Director of Audit and Assurance. The annual Internal Audit plan is agreed with management at the start of the financial year and reviewed by the Audit Committee prior to final approval.

We have reviewed the Internal Audit Plans for 2022/23 and 2023/24 and confirmed work is planned on a risk

based approach. The risk rating of each audit area determines the frequency of audit, with key areas such as ICT services and Finance being subject to annual audit procedures. As previously reported, progress reports are presented to each Audit Committee meeting including follow up reporting of recommendations not fully implemented by agreed due dates. This allows the Committee to effectively hold management to account on behalf of the Authority. At the end of each financial year the Deputy Director of Audit and Assurance provides an opinion on the overall adequacy and effectiveness of the Authority's framework of governance, risk management and control. For 2022/23 reasonable assurance was provided on the overall adequacy and effectiveness of GMCA's framework of governance, risk management and internal control.

### Risk management and monitoring arrangements

GMCA manages risk through the development and regular review and update of the Corporate Risk Register. In 2020/21 GMCA acknowledged that a more robust, organisationally embedded approach to risk management was required, and as a result the Deputy Director of Audit and Assurance was assigned responsibility for risk management across the organisation. At the time of the review, although some aspects of good practice were identified, some fundamental aspects of a robust risk management framework were not yet in place within GMCA. This included a standard risk management framework and guidance for use across the organisation below the Corporate Risk Register level.

As a result, a new Risk Management Policy and Framework was developed. Prior to rolling out the new Risk Management Policy, internal audit facilitated a baseline assessment of risk management maturity across the organisation. This exercise identified the organisation as a whole as falling within the "Emerging" phase of risk management maturity.

The GMCA Risk Management Framework was launched in early 2021 has continued to evolve in 2022/23. The framework enables identification of risk at the Strategic, Organisational, Directorate and Programme level with methods for escalation between the levels as necessary. The Corporate Risk Register is underpinned by engagement with the Chief Executive Management Team and the Corporate Risk Group.

The Corporate Risk Register is regularly presented to Audit Committee allowing oversight of the risk management process.

# VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Arrangements for budget setting and budgetary control

The financial planning process commences in late summer and involves detailed consultation with GM local authority Leaders, Chief Executives and Treasurers on each aspect of the GMCA budget process throughout the autumn leading to the approval of the budget in February. The budget reflects the outcome of the latest Spending Review and other impacts on resources available to the Authority, which are reviewed throughout the financial year.

Within GMCA the financial plans for service areas are determined with the Police, Fire and Crime Panel, Mayor, directors and managers. These plans take account of contractual commitments, planned programmes of work, capacity requirements, external funding and efficiencies. The Police, Fire and Crime panel and GMCA are provided with a timetable for budget setting and the subsequent consultation process for setting the PCC and Mayoral precepts in January of each financial year. For the PCC precept, the amount of funding available is balanced against the priorities as set out in the Police and Crime Plan and Strategic Financial Outlook before being presented to the Police and Crime Panel for consideration. Formal budgets are approved at the February meeting of the CA each year. These budgets cover each of the areas the Authority and the Mayor have responsibilities for.

The GMCA Chief Executive, in conjunction with Chief Officers, monitors expenditure against this approved budget. Progress against budget is reported on a regular basis to CA meetings, showing forecast variations from the budget allocated.

The process for reporting the budget to Officers and Members includes monthly reports to leadership and management teams, and to the Deputy Mayor's Executive meetings. Quarterly reports are then prepared and presented to the Authority to summarise the position reported to Officers and to provide the overall financial position for the Authority.

### Arrangements for the preparation of the Authority's financial statements.

Our audit of the 2022/23 financial statements confirmed that the Authority has made significant progress in relation to the preparation of its draft financial statements. The quality of the supporting working papers has improved. There are, however, still some errors in accounting for the Authority's Property Plant and Equipment in particular around valuations and accounting for depreciation.

### Greater Manchester Fire and Rescue Service

In May 2017, the functions of the Greater Manchester Fire and Rescue Authority were transferred by Parliamentary Order to GMCA. Responsibility for the Service sits with the elected Mayor of Greater Manchester, with certain functions delegated to the Deputy Mayor for Policing, Crime and Fire. The aim of this changes is to bring police and fire functions closer together. Scrutiny of the fire service is provided by the Mayor and the Deputy Mayor. Scrutiny of their decisions, and the decisions of officers regarding GMFRS, is the responsibility of the Police, Crime and Fire Panel.

### Greater Manchester Fire and Rescue Service - HMICFRS

On 15 December 2021 HMICFRS published the findings from their 2021/22 fire and rescue service assessment. The inspection took place in April and May 2021, and assessed how good GMFRS is against three pillars: effectiveness, efficiency and people. The assessment judged GMFRS as requiring improvement for effectiveness and efficiency, and good for people. This represented an overall improvement from the 2018/19 inspection, particularly against the people area which had previously been rated as requires improvement. The report identified a number of areas of improvement, and one cause for concern relating to the need for GMFRS to have its own marauding terrorist attack response. This required the service to provide an action plan to HMICFRS by the end of October 2021, setting out how the service intended to address the problems identified. GMCA developed a detailed action plan and business case to address the cause for concern with regular updates to the Police Fire and Crime Panel to provide updates on progress made.

We have reviewed the evidence of actions taken to address the wider HMICFRS findings such as implementation of revised policies. Through progressing the action plan and close engagement with HMICFRS, the regulator formally closed the cause of concern. Following a revisit in May 2022, the regulator issued a follow up letter which formally confirmed that satisfactory progress had been made. The latter provided formal confirmation the cause of concern was now closed.

**We are now satisfied the previous weakness identified relating to Greater Manchester Fire and Rescue Service has been appropriately addressed during 2022/23.**

# VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

### Greater Manchester Police

In May 2017, the functions of the Police and Crime Commissioner for Greater Manchester (the PCC) were transferred by Parliamentary Order to the Mayor of Greater Manchester (the Mayor). The Mayor is responsible for the formal oversight of Greater Manchester Police (GMP), the provision of all funding, budget-setting, performance scrutiny and strategic policy development. The Mayor is also responsible for holding the Chief Constable to account for ensuring that GMP is run efficiently and effectively. These responsibilities are carried out by Greater Manchester's Deputy Mayor for Policing, Crime, Criminal Justice and Fire. Operational decision-making on day-to-day policing matters and the employment of police officers and police staff remains the responsibility of the Chief Constable.

### Greater Manchester Police - HMICFRS

In 2020/21 we identified a significant weakness in the Authority's arrangements in relation to its oversight responsibilities of GMP. This followed a number of critical reports issued by HMICFRS, namely the December 2020 "An inspection of the service provided to victims of crime by Greater Manchester Police" and the findings from their 2021/22 police effectiveness, efficiency and legitimacy (PEEL) inspection. In December 2020 GMP was moved from the "Scan" phase of monitoring to the "Engage" phase which is the enhanced level of monitoring by the police inspectorate.

The report on the service provided to victims of crime contained one cause of concern, nine recommendations, and one area for improvement. To address these, GMP established its own internal action plan for monitoring and coordinating progress. The plan was updated each fortnight and submitted to HMICFRS to monitor progress. In January 2021, GMP initiated the GMP HMICFRS Oversight Board to more closely monitor HMICFRS activity and progress action to more swiftly close recommendations and to address the areas for improvement and causes for concern across the inspection activity. The Oversight Board includes representation from The Mayor's office.

The revised governance arrangements which were set up in response to the HMICFRS inspection report included a Gold Command Group chaired by the Deputy Chief Constable with representatives from the Mayor's office and the Home Office. GMCA also received regular updates on the progress against the improvement action plan through reports taken to the Greater Manchester Police, Fire and Crime Panel.

On 30 September 2021 HMICFRS published an 'Accelerated cause of concern' relating to responding to vulnerable people. This set out that in too many important respects the force could not routinely respond to emergency and priority incidents within the timescales it had set. This cause of concern was reported by HMICFRS earlier than usual in the inspection and reporting process because, in their view, this indicated a significant service failure or risk to public safety. HMICFRS reported that GMP had also failed to make the improvements in this area which had been recommended in previous inspections.

On 3 March 2022 HMICFRS published the findings from their 2021/22 PEEL inspection. The inspection assessed how good GMP was in ten areas of policing and the report included graded judgments in nine of these ten areas. The judgement concluded that GMP were "inadequate" in three areas, "requires improvement" in five areas and were "adequate" in one area. In addition to the one accelerated cause of concern reported in September 2021, HMICFRS reported three further causes of concern in the following areas: the force does not investigate crime, supervise investigations or update victims to an acceptable standard; Greater Manchester Police doesn't currently have the arrangements in place to support and build its workforce; the force doesn't currently have a sufficient understanding of either its demand or the capability and capacity of its workforce.

GMP worked closely with HMICFRS liaison officers to understand the findings and recommendations in detail and to ensure its planned actions adequately addressed the issues raised by the inspectors within the HMICFRS reports. Updates on progress in delivering these recommendations are reported monthly to the HMICFRS Oversight Board. We have reviewed the agenda papers for a sample of HMICFRS oversight board meetings and can see evidence of improvement in the Force's arrangements for monitoring and implementing actions against the HMICFRS recommendations. Each area under the HMICFRS framework is assigned both an owner at the Assistant Chief Constable level, and a tactical owner at the Chief Superintendent level. At each HMICFRS Oversight Board the Assistant Chief Constable provides an update on all areas assigned to them, including the current position, any risks and planned future developments. The HMICFRS Oversight Board are also updated on the Force's current position against HMICFRS causes of concern, areas for improvement and recommendations, including the number of each which are open, progressing to closure or closed. Any issues which are highlighted at the HMICFRS Oversight Board are reported into the Deputy Chief Constable, the Chief Constable and the Deputy Mayor where appropriate.

# VFM arrangements – Governance

## Overall commentary on the Governance reporting criteria

During 2022/23 the Force continued to build on the progress made in 2021/22 to address the areas of weakness highlighted by HMICFRS. During 2022/23 key activities to deliver improvement and address the concerns continued to be monitored and actioned. The improvement plan was overseen by an Executive Board and monitored through the Performance Management Framework (PMF). The PMF includes a weekly accountability report to the Chief Officer Management Team to monitor progress on service delivery. This is underpinned by the monthly Victims and Communities Performance Management meeting which reviews service delivery and takes corrective action to address concerns. The Deputy Mayor is integral to this process and receives regular updates via formal briefings and through attendance at the Improvement Board.

Performance monitoring has expanded as part of the refreshed Police and Crime Plan. Regular updates are presented to the Police, Fire and Crime Panel covering engagement with HMICFRS and progress made against action plans. The Police, Fire and Crime Panel developed a more holistic approach to performance management, linking to the priorities set out in the Police and Crime Plan. This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting. These arrangements began to be embedded within 2022/23. Further progress has been made as the year progressed, with the panel regularly receiving performance updates on actions taken to address HMICFRS findings. Actions are now being addressed and closed down on a regular basis, with appropriate scrutiny from the Deputy Mayor effectively holding the force to account for progress in addressing the issues.

In December 2023, HMICFRS issued the results of the latest PEEL inspection covering 2023-25. GMP is now graded as “Good” in two areas, “Adequate” in five areas and “Requires Improvement” in one area. The report comments on the significant improvement in the force’s performance. While a number of areas of improvement were identified, no causes of concern were identified during the process.

**The evidence obtained above provides sufficient assurance over the arrangements in place to oversee the performance of GMP, and confirm our recommendations have been adequately addressed.**



# VFM arrangements

## Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



# VFM arrangements – Improving Economy, Efficiency and Effectiveness

## Overall commentary on Improving Economy, Efficiency and Effectiveness

### Arrangements for assessing performance and evaluating service delivery

The Greater Manchester Strategy (GMS) sets out a vision and overall ambition for the region, structured around 10 priorities. Achievement of these priorities guides decisions around allocation of resources, investment, commissioning, and financial strategies, therefore, understanding how the organisation is performing is key. Underpinning the GMS is an outcomes framework, which sets targets and measures for each of the priorities, and performance against these targets is published in a six-monthly dashboard.

The weaknesses identified during 2020/21 in relation to GMFRS and GMP represented weaknesses in GMCA's performance management arrangements over the police and fire services. As set out in the Governance section of this report, we have reviewed the updated arrangements put in place throughout 2022/23. Such oversight arrangements include expanded performance monitoring as part of the refreshed Police and Crime Plan. The Police, Fire and Crime Panel has developed a more holistic approach to performance management, linked to the priorities set out in the Police and Crime Plan. This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting.

In relation to GMFRS we have seen evidence of GMCA managing the performance of the service through regular updates to the Police, Fire and Crime Panel, with Fire Officers regularly attended the Panel to provide updates on progress made in addressing actions identified by HMICFRS and wider findings. As detailed within the governance section of this report the cause for concern has now been closed by HMICFRS.

In relation to GMCA's oversight of GMP we have seen evidence of regular updates via Deputy Mayors briefings, expanded performance monitoring with appropriate scrutiny from the Deputy Mayor effectively holding the force to account for progress in addressing the issues raised. The evidence obtained provides sufficient assurance over the arrangements in place to oversee the performance of GMP.

We have reviewed the management of significant contracts, in particular the contracts let by GMCA and managed by Transport for Greater Manchester. Notwithstanding the complexity of some of these contracts, management has been able to demonstrate how oversight of significant contracts has been maintained. There is evidence that contract performance is monitored on a regular basis and actions taken to address areas of underperformance where required.

### Arrangements for effective partnership working

As reported in previous years GMCA and the Greater Manchester Mayor have a major role in partnership working across Greater Manchester across the public, voluntary and private sectors. The Authority often plays a central role of coordinating and convening partnerships. The development and delivery of the GMS and other portfolio strategies are undertaken by the GMCA on behalf of the wider GM partnership. GMCA supports governance through the Local Enterprise Partnership with four GM leaders sitting on the Board. The Authority works closely with the ten local authorities in Greater Manchester in delivering its priorities, per the GMS.

GMCA works closely with the ten local authorities in Greater Manchester and TfGM in delivering agreed transport priorities. This work is informed by the strategic vision set out in the 2040 GM Transport Strategy which was prepared in partnership with the local authorities and the five year Delivery Plan which sets the objectives for this timescale.

We have seen examples of this effective partnership working through the year, with TfGM supporting the Mayor in the implementation of bus franchising across Greater Manchester. Where partnership arrangements are in place, we have seen evidence of governance arrangements being considered from the outset.

### Arrangements for commissioning services

The Authority has a procurement strategy and approach which ensures that it complies with all legal and regulatory requirements as well as achieving best value in procurement processes. The Contract Procurement Rules have been issued in accordance with section 135 of the Local Government Act 1972, promote good purchasing practice (including the delivery of social value and the application of ethical procurement principles) and public accountability and deter corruption.

Officers responsible for purchasing must comply with these Contract Procedure Rules. They lay down minimum requirements and a more thorough procedure may be appropriate for a particular contract.

We have not identified any significant weaknesses in relation to the Improving Economy, Efficiency and Effectiveness reporting criteria.

# VFM arrangements

Identified significant weaknesses in arrangements and our recommendations

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# VFM arrangements – Prior year significant weaknesses and recommendations

## Progress against significant weaknesses and recommendations made in the prior year

As part of our 2020/21 audit work, we identified the following significant weaknesses, and made recommendations for improvement in the Authority’s arrangements to secure economy, efficiency and effectiveness in its use of resources. These identified weaknesses have been outlined in the table below, along with our view on the Authority’s progress against the recommendations made, including whether the significant weakness is still relevant in the 2022/23 year.

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p><b>Oversight of Greater Manchester Police</b> On the 10 December 2020 HMICFRS published “An inspection of the service provided to victims of crime by Greater Manchester Police”.</p> <p>HMICFRS found that in too many cases, the service provided was not good enough and the report highlighted a number of ‘causes of concern’ relating to crime reporting.</p> <p>The HMICFRS report also highlighted that the force had not overcome the deficiencies in service that it identified in its 2019 integrated police effectiveness, efficiency and legitimacy programme (PEEL) assessment and its 2018 crime data integrity inspection.</p> <p>The extent of the failings detailed within the December 2020 HMICFRS inspection report and GMP’s failure to secure the improvements identified by HMICFRS in its previous inspections / assessments highlight not only significant weaknesses in the services provided to victims of crime, but also significant weaknesses in the Force’s Governance and Performance Management arrangements.</p> <p>(continued overleaf)</p>	<p>Governance</p> <p>Improving the 3Es</p>	<p>GMCA should continue the steps taken during 2021/22 to improve its governance structures and performance management framework in relation to the Mayor’s oversight responsibilities for GMP. This should include:</p> <ul style="list-style-type: none"> <li>• using performance management information to assess the performance of GMP to identify areas for improvement;</li> <li>• monitoring progress made by GMP to address the causes of concern, recommendations and areas for improvement reported in the HMICFRS report and subsequent PEEL assessment;</li> <li>• ensuring effective oversight processes and systems are in place to communicate relevant, accurate and timely management information and that corrective action is taken where needed; and</li> </ul>	<p>We have reviewed the revised arrangements put in place at both GMP and within GMCA covering the Mayor’s oversight responsibilities for GMP. Such arrangements include the Improvement Programme – Plan on a Page which sets out the key activities to deliver improvement and address identified concerns. The plan is monitored through the Performance Management Framework, with a Weekly Accountability Report documenting progress made in delivering agreed improvement actions.</p> <p>Regular updates are presented to the Police, Fire and Crime Panel covering engagement with HMICFRS and progress made against action plans.</p> <p>Performance monitoring has expanded as part of the refreshed Police and Crime Plan. The Police, Fire and Crime Panel has developed a more holistic approach to performance management, linked to the priorities set out in the Police and Crime Plan.</p>	<p>We are satisfied the Authority addressed the weakness in arrangements in 2022/23.</p>

# VFM arrangements – Prior year significant weaknesses and recommendations

## Progress against significant weaknesses and recommendations made in the prior year (Continued)

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p><b>Oversight of Greater Manchester Police</b></p> <p>On 3 March 2022 HMICFRS published the findings from their 2021/22 PEEL assessment. This assessed how good GMP is in ten areas of policing and made graded judgments in nine of these ten areas. This was GMP’s first full PEEL assessment since 2018/19.</p> <p>GMP was judged “inadequate” in three areas (investigating crime, responding to the public and developing a positive workplace). In addition, HMICFRS raised 4 causes of concern, relating to GMP’s arrangements: for responding to those who are vulnerable; for supporting and building its workforce; for understanding demand and the capability/ capacity of its workforce; and for investigating crime, supervising investigations and updating victims.</p> <p>Although the PEEL assessment was not published until March 2022 much of the data and intelligence used by HMICFRS when assessing GMP’s arrangements is based on the financial year ended 31 March 2021. Therefore, this is indicative of the issues identified being applicable to the 2020/21 financial year.</p> <p>In our view, the above matters represent a significant weakness in value for money arrangements for GMCA due to the oversight responsibilities which The Mayor and Deputy Mayor have over GMP’s governance arrangements and in its arrangements for:</p> <ul style="list-style-type: none"> <li>improving economy, efficiency and effectiveness in how GMP uses information about its performance to improve the way it manages and delivers its services; and</li> <li>how it makes informed decisions and properly manages its risks.</li> </ul>	<p>Governance</p> <p>Improving the 3Es</p>	<ul style="list-style-type: none"> <li>taking properly informed decisions, supported by appropriate evidence, allowing for challenge and transparency.</li> </ul> <p>GMCA should formally review the new arrangements with GMP to ensure that the changes are embedded and are starting to deliver the required improvements in service performance.</p>	<p>This takes the three priorities set out in the plan and assigns key performance indicators to each one. The Panel receives a detailed update on performance at each meeting.</p> <p>These arrangements began to be embedded within 2022/23 with further progress being made as the year progressed. The panel regularly receives performance updates on actions taken to address HMICFRS findings. Actions are now being addressed and closed down on a regular basis, with appropriate scrutiny from the Deputy Mayor effectively holding the force to account for progress in addressing the issues.</p> <p>In December 2023, HMICFRS issued the results of the latest PEEL inspection covering 2023-25. GMP is now graded as “Good” in two areas, “Adequate” in five areas and “Requires Improvement” in one area. The report comments on the significant improvement in the force’s performance. While a number of areas of improvement were identified, no causes of concern were identified during the process.</p> <p>The evidence obtained provides sufficient assurance over the arrangements in place to oversee the performance of GMP, and confirm our recommendations have been adequately addressed.</p>	

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# VFM arrangements – Prior year significant weaknesses and recommendations

## Progress against significant weaknesses and recommendations made in the prior year (continued)

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p><b>Greater Manchester Fire and Rescue Service Cause of Concern</b></p> <p>In May 2017, GMCA became the Fire and Rescue Authority for Greater Manchester. The fire service, as part of GMCA, operates as Greater Manchester Fire and Rescue Service (GMFRS). In December 2021 HMICFRS published the results of its inspection of Greater Manchester Fire and Rescue Service (GMFRS). This rated the service as requiring improvement in the effectiveness and efficiency areas, and good in the people area.</p> <p>Within the report, HMICFRS raised a cause of concern, relating to GMFRS' arrangements for responding to marauding terrorist attacks and working as part of a multi-agency response to terrorist attacks. In particular the report highlighted issues in the sustainability of current arrangements which were due to run out, and the suspension of training of non-specialised firefighters for marauding terrorist attacks.</p> <p>Although the HMICFRS assessment was not published until December 2021, much of the data and intelligence used by HMICFRS when assessing GMFRS' arrangements is based on the financial year ended 31 March 2021. Therefore, this is indicative of the issues identified being applicable to the 2020/21 financial year.</p> <p>(continued overleaf)</p>	<p>Governance</p> <p>Improving the 3Es</p>	<p>GMCA should continue the steps taken during 2021/22, to respond to the findings of the HMICFRS inspection of Greater Manchester Fire and Rescue Service, including:</p> <ul style="list-style-type: none"> <li>developing a formal action plan to address the findings of the HMICFRS report, including both the cause of concern and the wider areas for improvement;</li> <li>ensuring effective processes and systems are in place to monitor progress against the action plan; and</li> <li>providing regular reports to the Police, Fire and Crime Panel to advise on progress against the action plan, and to allow for sufficient scrutiny of progress made to date.</li> </ul>	<p>Following HMICFRS's issuance of the cause of concern as part of the 21/22 review, GMCA developed a detailed action plan and business case to address the cause of concern alongside wider findings from the HMICFRS inspection report.</p> <p>Fire Officers regularly attended the Police, Fire and Crime Panel to provide updates on progress made in addressing actions, and we have seen evidence of actions being taken to address wider HMICFRS findings such as updating strategy documents where gaps had been identified. We have seen evidence of actions being taken to address the wider HMICFRS findings, such as implementation of revised policies.</p> <p>Through progressing the action plan and close engagement with HMICFRS, the regulator formally closed the cause of concern in May 2022. This followed the signing of a collective agreement with the Fire Brigades Union in April 2022.</p>	<p>We are satisfied the Authority addressed the weakness in arrangements in 2022/23.</p>

# VFM arrangements – Prior year significant weaknesses and recommendations

## Progress against significant weaknesses and recommendations made in the prior year (continued)

Previously identified significant weakness in arrangements	Reporting criteria	Recommendation for improvement	Our views on the actions taken to date	Overall conclusions
<p><b>Greater Manchester Fire and Rescue Service Cause of Concern (continued)</b></p> <p>In our view, the cause of concern represents a significant weakness in the Authority’s value for money arrangements. In particular, and linked to our “Governance” and “Improving Economy, Efficiency and Effectiveness” value for money reporting criteria:</p> <ul style="list-style-type: none"> <li>• how the Authority evaluates the services it provides and how performance information has been used to assess performance and identify areas for improvement; and</li> <li>• how the Authority ensures effective processes and systems are in place to support properly informed decision making, and to ensure corrective action is taken where needed.</li> </ul>	<p>Governance</p> <p>Improving the 3Es</p>			

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National publications

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# National publications

	Publication/update	Key points
<b>Chartered Institute of Public Finance and Accountancy ('CIPFA')</b>		
1	CIPFA Bulletins	CIPFA has recently issued two Bulletins to provide further guidance on the financial reporting requirements.
<b>National Audit Office ('NAO')</b>		
2	NAO insight: Digital transformation in government: a guide for senior leaders and audit and risk committees	The NAO has published a guide for senior leaders and audit and risk committees on Digital transformation in government. The guide can support those tasked with overseeing large-scale digital change to understand the core issues and pitfalls to avoid.
3	NAO insight: Good practice in annual reporting	Transparent, timely, and clear annual reporting in the public sector has never been more important. A good annual report is a key opportunity for bodies in the public sector.
<b>Department for Levelling Up, Housing and Communities ('DLUHC')</b>		
4	Addressing the local audit backlog in England: Consultation response	This consultation response has set out the current governments intentions to pursue proposals to clear the backlog and put the system on a sustainable footing.
5	Financial Reporting Council ('FRC') – FRC report on quality of major local audits	Report on the quality of major local audits
6	Forvis Mazars – Preparing for the Procurement Act 2023	The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies. Our latest article provides an in-depth overview of the new Procurement Act.
7	Forvis Mazars – Understanding the new 'Failure to Prevent Fraud' Offence in a Public Sector context	The UK Government has recently announced a new corporate criminal offence – the 'failure to prevent fraud' offence – within the Economic Crime and Corporate Transparency Act 2023.

# National publications

## CIPFA

### 1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments. CIPFA has issued the following Bulletin's in recent months:

[CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement](#)

CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement is intended to provided clarity to those authorities with at least one set of unaudited financial statements for prior years, and their external auditors, on the update of the annual governance statement ('AGS').

Link [CIPFA Bulletin 16 Local audit delays and the publication of the annual governance statement](#)

# National publications

## NAO

### 2. NAO insight: Digital transformation in government: a guide for senior leaders and audit and risk committees

The NAO has published a guide for senior leaders and audit and risk committees on Digital transformation in government. The guide can support those tasked with overseeing large-scale digital change to understand the core issues and pitfalls to avoid. The guide identifies seven areas where the more persistent obstacles stand in the way of successful digital transformation in government and have grouped them into three themes:

- Constraints of the existing environment
- Under-estimating the scope of early work
- Lack of skills and leadership

[Digital transformation in government: a guide for senior leaders and audit and risk committees](#)

### 3. NAO insight: Good practice in annual reporting

Transparent, timely, and clear annual reporting in the public sector has never been more important.

A good annual report is a key opportunity for bodies in the public sector to:

- weave a compelling narrative that resonates with the public
- serve as a tool for accountability by shedding light on how taxpayer's money has been spent
- equip stakeholders with information to hold organisations to account.

The list is not definitive but should provide ideas on content and format for all bodies in both the public and private sector as they plan their annual reporting for 2023-24.

[Good practice in annual reporting](#)

# National publications

DLUHC

## 4. Addressing the local audit backlog in England: Consultation response

The external auditing of local bodies is vital in supporting democratic accountability and providing assurance for local people and their elected representatives. The consultation sought views on amending the Accounts and Audit Regulations 2015 as part of a package of cross-system measures to clear the backlog and put the system on a sustainable footing. On 30<sup>th</sup> July 2024, the current government announced its intentions to pursue proposals (taking into accounts responses to the consultation) to address the local audit backlog. In parallel to publishing this response to consultation feedback, the department have laid in Parliament regulations as well as, on behalf of the Comptroller and Auditor General and the National Audit Office (NAO), a new Code of Audit Practice. These will give effect to the proposals.

The consultation ran from 8 February 2024 to 7 March 2024. Documents relating to the consultation response are available for download at the link below.

[Addressing the local audit backlog in England: Consultation response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/addressing-the-local-audit-backlog-in-england-consultation-response)

# National publications

## Other

### 5. Financial Reporting Council ('FRC') - FRC report on quality of major local audits

The FRC has published its report on the quality of major local audits which summarises the FRC's regulatory approach for financial years up to and including the year ended 31 March 2023 and sets out the findings from the 2022-23 inspections cycle.

The FRC reviews in the 2022-23 inspection cycle comprised six health and four local government audits. The audits inspected had year-ends in March (or in one case May) 2021 (local government) and March 2022 (health). For local government audits, inspections were selected from those finished in the 2022 calendar year (regardless of the financial year the audit related to) due to the challenges brought on by the backlog. Therefore, more audits were inspected from the health sector and as a result, the findings in the report are more indicative of audit quality in the health sector. Across all suppliers, all financial statement audits were assessed as "good" or "limited improvements required". Areas requiring limited improvements included:

- Audit procedures regarding completeness and accuracy of expenditure.
- In the audit of one NHS Trust, the inspection concluded that audit procedures were not sufficiently tailored to address the impact of backlog maintenance on property, plant and equipment valuations.

In terms of value for money ('VfM') inspections, six related to health and three local government bodies. This is less than the number of financial statement audits inspected because the auditor's work on VfM arrangements was not complete on one audit that was inspected. All VfM inspections were assessed as good or limited improvements required. Areas requiring limited improvements included:

- Risk assessment procedures not being performed in a timely manner.
- Not considering the arrangements in place at the body to manage, monitor and oversee its subsidiaries.
- The audit team not updating their initial risk assessment or reporting to consider how the body had achieved its outturn financial position.

Examples of good practice have also been included in the report regarding risk assessment, execution of the audit, and audit completion and reporting.

[FRC publishes report on the quality of major local audits amid delays in local government](#)

# National publications

## Other

### 6. Forvis Mazars – Preparing for the Procurement Act 2023

The Procurement Act 2023 is set to transform the procurement procedures for public sector bodies in the UK by:

- Enhancing transparency in procurement processes, requiring greater disclosure of information about procurement opportunities;
- Improving efficiency by introducing new measures such as electronic procurement platforms; and
- Promoting fairness to ensure all suppliers have equal access to government contracts.

Our latest article provides an in-depth overview of the new Procurement Act, including when it will be implemented, key provisions and how public sector organisations can prepare.

[Preparing for the Procurement Act 2023](#)

### 7. Forvis Mazars – Understanding the new ‘Failure to Prevent Fraud’ Offence in a Public Sector context

The UK Government has recently announced a new corporate criminal offence – the ‘failure to prevent fraud’ offence – within the Economic Crime and Corporate Transparency Act 2023.

Fraud is currently the most common crime in the UK, and this new offence is designed to drive a cultural shift, encouraging organisations to improve their prevention procedures and reduce instances of fraud. It strengthens existing powers to fine and prosecute organisations for fraud committed by their employees and agents, closing loopholes that have allowed organisations to avoid prosecution in the past.

This new offence holds large organisations, both in the public and private sectors, accountable for fraudulent activities committed by their employees or agents.

[‘Failure to Prevent Fraud’ in the Public Sector](#)

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