

**GREATER MANCHESTER COMBINED AUTHORITY
AUDIT COMMITTEE****DATE: Wednesday, 22nd January, 2025****TIME: 10.00 am****VENUE: The Hall, The Mechanics' Institute 103 Princess Street,
Manchester. M1 6DD****SUPPLEMENTAL AGENDA**

- 5. Joint Audit Panel Update 1 - 8**

Report of GMCA Treasurer.

- 7. Risk Deep Dive - Integrated Settlement Update and GMCA Assurance Framework 9 - 106**

a. To receive a presentation of the GMCA Treasurer which will provide an update on the Integrated Settlement; and

b. To consider a report of the Deputy Director of Audit and Assurance, GMCA on the GMCA Assurance Framework.

BOLTON	MANCHESTER	ROCHDALE	STOCKPORT	TRAFFORD
BURY	OLDHAM	SALFORD	TAMESIDE	WIGAN

11. External Auditor Report 107 - 142

Report of Mazars, External Auditor.

12. Audit Committee Work Programme 2024 -2025 143 - 148

To note and comment on the Committee Work Programme.

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

This supplemental agenda was issued on Friday 17th January 2025 on behalf of Julie Connor, Secretary to the Greater Manchester Combined Authority, Broadhurst House, 56 Oxford Street, Manchester M1 6EU

MEETING: Joint Audit Panel

DATE OF MEETING: 26/09/2024

CHAIR OF MEETING: Peter Morris, Joint Audit Panel Chair

ITEMS APPROVED

Minutes of the previous meeting

The minutes of the meeting held on 22 July 2024 were approved as a true record of the meeting.

ASSURANCE RECEIVED

The following items were presented for the Panel's assurance:-

Current GMP Issue – Chief Resources Officer Rawlinson and Chief Finance Officer Cosh provided an update to the Panel on those key issues facing GMP. The update included Operations and enquiries currently ongoing in Force; Officer pay increase of 4.75% with consequent funding to be provided by Home Office; Operation Rydal – a Force-wide Programme aimed at meeting the financial challenges over the short and medium term; The work being done to influence and lobby for a revised approach to Police Funding reflecting the requirements facing GMP and The Right Care, Right Person (RCRP) Protocol is due to go live on 30th September in Greater Manchester. This is anticipated to reduce demand on the Force. Discussion also took place on the scrutiny and governance around RCRP.

The Panel also considered GMP's approach to the governance around stop search and were pleased to note that GMP is the most improved Force for the second year running based on PEEL assessment criteria.

Panel members noted that policies and guidance were to be reviewed following the announcement of a new Procurement Act. Training will also be provided. Members also noted that there is already a strong governance process in place in GMP for procurement, however, the new processes this act will bring in will improve the governance further. Internal Audit commented when they have previously undertaken audits of GMP procurement in the past there have been no issues found

External Audit – Progress Report 2022/23. An overview of the overview of the work of Mazars, External auditors, was provided, noting that the pensions work has now been completed.

Audit letter 23-24– Delay in issuing the Auditor’s Annual Report for 2023/24 - It was noted that the letter had been received and published on the GMP website.

Internal Audit Progress Report - An overview of the report was provided to the Panel, including an update on the following reports which have been published since the last meeting:-

- Vetting Process (Reasonable Assurance)
- Plan on a Page (PoaP) Assurance - Follow Up (Portfolio Review)
- Major Incident Response – JESIP (Reasonable Assurance)
- Airwaves Radios – Management and Safeguarding of Radios (Limited Assurance) – ACO Henderson provided an update on the processes taking place in this area to strengthen controls.

RISKS IDENTIFIED	
RISK	MITIGATING ACTION
Other than the risks identified on the risk register there were no additional risks identified at this stage	

ITEMS FOR ESCALATION TO THE GMCA AUDIT COMMITTEE
There were no specific areas identified for escalation, the Panel Chair's report was presented to the GMCA Audit Committee by the Chair in October.

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JOINT AUDIT PANEL

Date: Friday 27th September 2024

Time: 14:30 – 16:00

Venue: Room 422, Fourth Floor, GMP Force Headquarters, Central Park, Northampton Road, Newton Heath, Manchester, M40 5BP

Attendees Peter Morris (Chair)
John Starkey (Panel member)
Ian Cayton (Panel member)

Chief Resources Officer (CRO) Lee Rawlinson (GMP)
Chief Finance Officer (CFO) Ian Cosh (GMP)
Assistant Chief Officer (ACO) Dougie Henderson (GMP – item 8, 9 and 12 only)
Jerry Faulkner (GMP - Assistant Director of Finance)
Lindsey Ashworth (GMP - Assistant Director of Finance)
Sara Ashworth (GMP – Corporate Development Branch)
Paul Savill (GMP - Digital Policing Programme item 8, 9 and 12 only)
Hannah Gamage (GMP - Minutes)

Claire Postlethwaite (GMCA – Director of Operational Finance)
Sarah Horseman (Deputy Director, Audit and Assurance)
Cath Folan (Head of Internal Audit – Police & Crime)

Karen Murray (Forvis Mazars - Director (Public and Social Sector))

Apologies Chief Constable Stephen Watson (GMP)
Kate Green (Deputy Mayor for Safer and Stronger Communities)
Dawn Watson (Forvis Mazars – Audit Manager, Public and Social Sector)
Steve Wilson (GMCA – Treasurer)
Foluke Fajumi (Panel member)

M369/JAP Welcome and Apologies for Absence

The Chair welcomed all attendees.

M370/JAP Urgent Business (if any) at the discretion of the Chair

None raised.

M371/JAP Declarations of Interest

None raised.

M372/JAP Approval of July 2024 minutes and actions

The minutes were accepted as a true and accurate record.

M373/JAP Current GMP issues

CRO Rawlinson and CFO Cosh provided an update to the Panel on the following items:

- Operations and enquiries currently ongoing in Force
- Officer pay increase of 4.75% with consequent funding to be provided by Home Office.
- Operation Rydal – a Force-wide Programme aimed at meeting the financial challenges over the short and medium term.
- The work being done to influence and lobby for a revised approach to Police Funding reflecting the requirements facing GMP.
- The Right Care, Right Person (RCRP) Protocol is due to go live on 30th September in Greater Manchester. This is anticipated to reduce demand on the Force. Discussion also took place on the scrutiny and governance around RCRP.
- There has been an improvement in the number of cases being accepted by the Crown Prosecution Service from the Force with 80% of cases accepted first time, as opposed to the previous 40%.
- Operation Safeguard / Early Dawn – regarding the early release of prisoners and how GMP has assisted with this.
- GMP's approach to the governance around stop search.
- GMP is the most improved Force for the second year running based on PEEL assessment criteria.
- Outcome of the Police pension remedy enabling those officers affected to opt to remain in the 2015 scheme or revert to 1987/2006 schemes for the remedy period covering 2015-2022. Work is ongoing with Pension Administrator XPS to ensure accurate, timely advice is provided to officers.
- Workforce planning forecasting is being developed as part of strategic workforce Planning.
- A new procurement act is being brought in, which will mean policies and guidance will need to be reviewed and training will need to be provided. There is already a strong governance process in place in GMP for procurement, however, the new processes this act will bring in will improve the governance further. Internal Audit commented when they have previously undertaken audits of GMP procurement in the past there have been no issues found.

M374/JAP External Audit – Progress Report 2022/23

An overview of the report was provided to the Panel. The pensions work has now been completed and a meeting has taken place with CFO Cosh regarding the value for money. A further meeting will take place regarding the receipt of the auditor's opinion and the certification of the accounts.

It is proposed that the deadline to complete the accounts will be achieved, however, the team are awaiting discussions regarding the confirmation of resources. Meeting the backstop date is a priority for the external auditors.

M375/JAP Audit letter 23-24– Delay in issuing the Auditor's Annual Report for 2023/24

The letter was presented to the Panel and the contents were noted.

The letter will be published on the Force's website .

M376/JAP Internal Audit Progress Report

An overview of the report was provided to the Panel, including an update on the reports which have been published since the last meeting:

- Vetting Process (Reasonable Assurance)
- PoaP Assurance - Follow Up (Portfolio Review)
- Major Incident Response – JESIP (Reasonable Assurance)
- Airwaves Radios – Management and Safeguarding of Radios (Limited Assurance) – ACO Henderson provided an update on the processes taking place in this area to strengthen controls.

It was also highlighted that other audits are underway or in planning.

The Panel noted the new Victims and Communities Performance Framework Organisational Meeting which has been created within in Force, and the invitation has been extended to Internal Audit, providing another source of assurance.

M377/JAP Panel Recruitment Update

Sarah Horseman presented this item on behalf of Steve Wilson. It was noted:

- 1) The Panel will move to a 3+3+1 approach to membership terms, allowing existing members to extend terms where appropriate for a further year to allow for better succession planning and minimize the discontinuity of multiple members leaving at the same time.
- 2) Steve Wilson will write to existing members whose terms are all due to end on 12th December 2024 to seek views on whether they wish to apply for terms to be extended by 12 months.
- 3) Recruitment for new members will start next week with a minimum requirement to appoint one new member, but with an aim to secure between two-three potential members to consider alongside the extension of existing members terms.
- 4) An update will be provided to the November meeting on the results of the recruitment processes.

PART B - REDACTED

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GMCA Audit Committee

Date: 22 January 2025
Subject: GMCA Integrated Settlement
Report of: Steve Wilson, GMCA Treasurer

Purpose of the Report

To provide the Audit Committee members with an update on the integrated settlement which was agreed with Government as part of the Trailblazer Deeper Devolution Deal in 2023.

The attached presentation seeks to inform members of the flexibilities and opportunities of the Integrated Settlement, funding, the impact on GMCA and the implications for the GMCA Audit Committee. The presentation will also introduce the draft GMCA Single Assurance Framework, noting that a separate report is provided on the agenda for the consideration of Members.

Recommendations:

The Audit Committee is requested to:

To consider and comment on the Integrated Settlement arrangements, as set out in the attached presentation.

Contact Officers:

Steve Wilson, GMCA Treasurer
Steve.wilson@greatermanchester-ca.gov.uk

Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – Risk management is included in the work programme.

Legal Considerations – none

Financial Consequences – Revenue – There are no specific revenue considerations contained within the report.

Financial Consequences – Capital – There are no specific capital considerations contained within the report.

Number of attachments included in the report: One (Audit Committee Work Programme).

BACKGROUND PAPERS:

None

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be 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	

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GMCA Integrated Settlement

GMCA Audit Committee

22nd January 2025







Contents

1. The Integrated Settlement
2. Flexibilities and Opportunities
3. Funds in Scope, Quantum and Formulae
4. Impact on GMCA
5. Single Assurance Framework
6. Implications for GMCA Audit Committee?

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Integrated Settlement

The integrated settlement was agreed with Government during our Trailblazer Deeper Devolution Deal in 2023. It's designed to do the following:

-  Replace individual grant funding streams and conditionality;
-  Remove the need to bid or compete for funding in scope, with funding determined by formulae
-  Cover both capital and revenue funding
-  Be the default mechanism for receiving funding in the areas covered
-  Push forward the Devolution agenda
-  Enable funding decisions to be made over a multiyear period;

What the Settlement is and isn't



What the Settlement is

- An opportunity to achieve significantly greater simplicity, certainty, transparency, and flexibility for a core set of funding flows from the UK Government to GMCA.
- An opportunity to 'future proof' the devolution Settlement, moving from a model of *delegating* funds toward one of *devolving* functions
- Quantum neutral. This is about *how* funding flows and how GMCA accounts for UKG funding, not the *amount* we receive in a given Spending Review.
- A reform with potential to roll out more widely, with a current Government commitment to roll out to all MCAs in time and Opposition interest

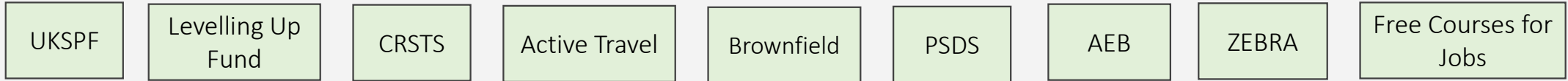


What the Settlement is not

- A mechanism that covers all funding we receive from the UK Government. Funding falling outside the pillars (e.g. policing and crime, public services, or employment support) will operate as it does now. And this does not change *local* funding arrangements.
- A change to core local government funding. Funding which underpins LA statutory responsibilities or flows through the LGFS is not in scope (though some competitive pots which councils can access are).

Overview of the Integrated settlement

EXAMPLE INDIVIDUAL FUNDING LINES/PROGRAMMES

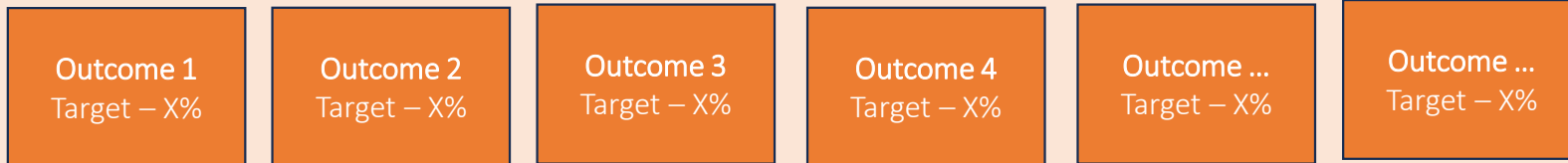


INTEGRATED SETTLEMENT PILLARS

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INTEGRATED SETTLEMENT OUTCOMES FRAMEWORK

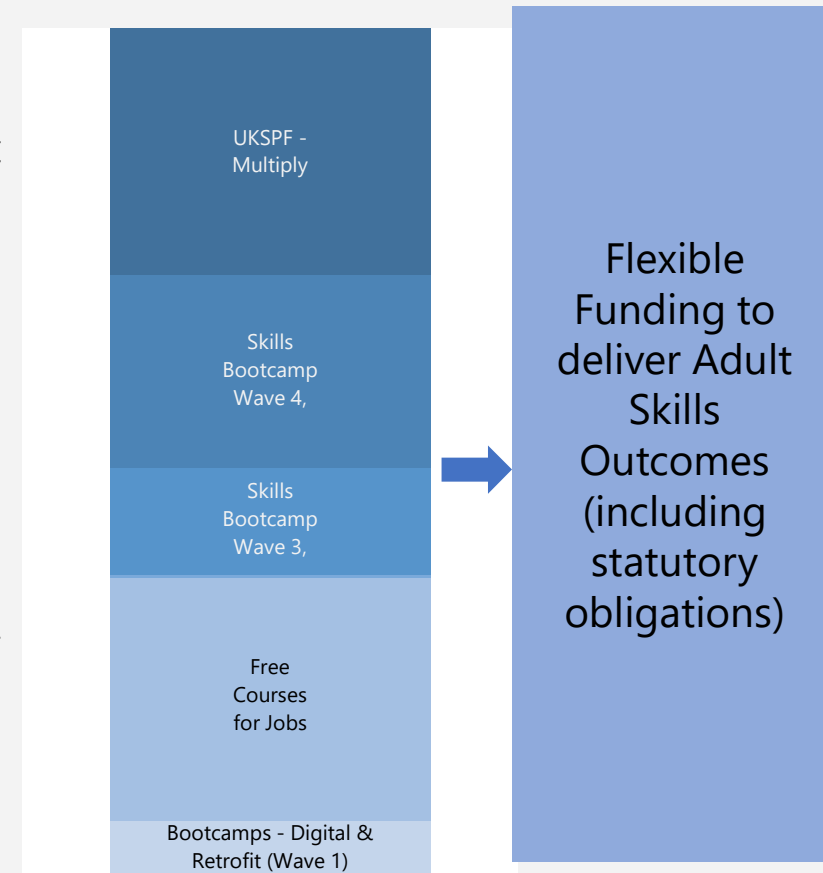


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Integrated Settlement – the opportunity: flexibility within the pillars.

GM will have full flexibility *within* each pillar of the Integrated Settlement to design and implement policy to deliver existing programmes in a different way, with the power to use funding to invest to meet the agreed Outcomes.

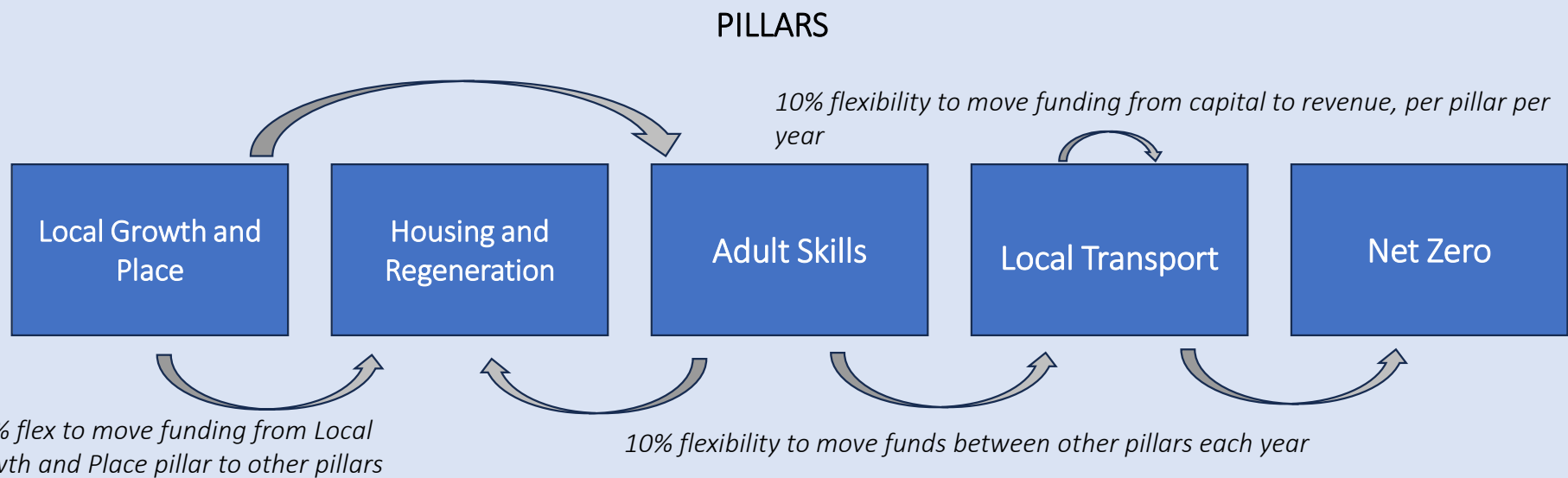
Funding will be allocated in each pillar by programme area, although will act as one fungible pot when received. This is illustrated through the example of the programmes within the Adult Skills pillar in financial year 23-24 (right, without AEB). To note, in there are still legal requirements to be met, including the provision of English or Maths up to Level 2.



Integrated Settlement – the opportunity: flexibility between pillars

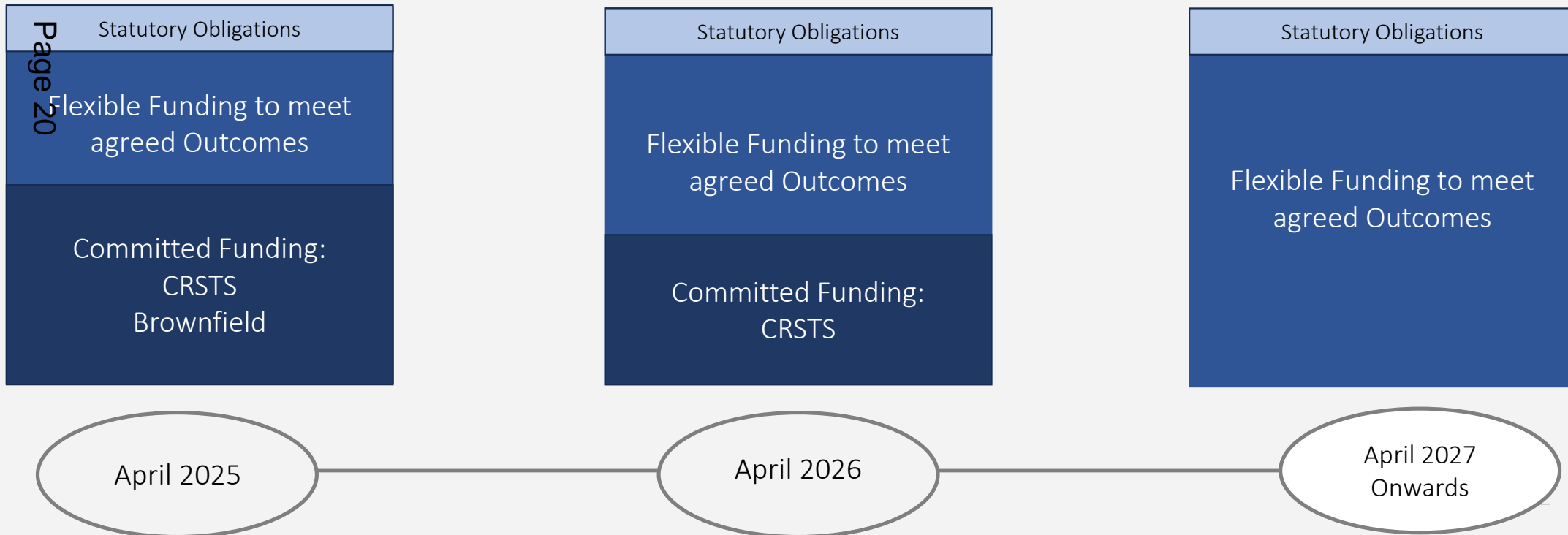
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- We will be able to use the following flexibilities to move funding between the Pillars of the Integrated Settlement:
 - 10% of capital funding to revenue in each pillar per year
 - 10% of funding from a pillar to other pillars per year
 - 100% of funding from the Local Growth and Place pillar to the other pillars per year
 - Full flexibility to move funding into future years
- Given the lack of full flexibility between pillars, this isn't a full 'Integrated' Settlement for the first Spending Review period but is the first step towards one. We would expect the flexibility on offer to increase over time.
- Movement of funding between pillars is subject to meeting the outcomes for each pillar and across the settlement.

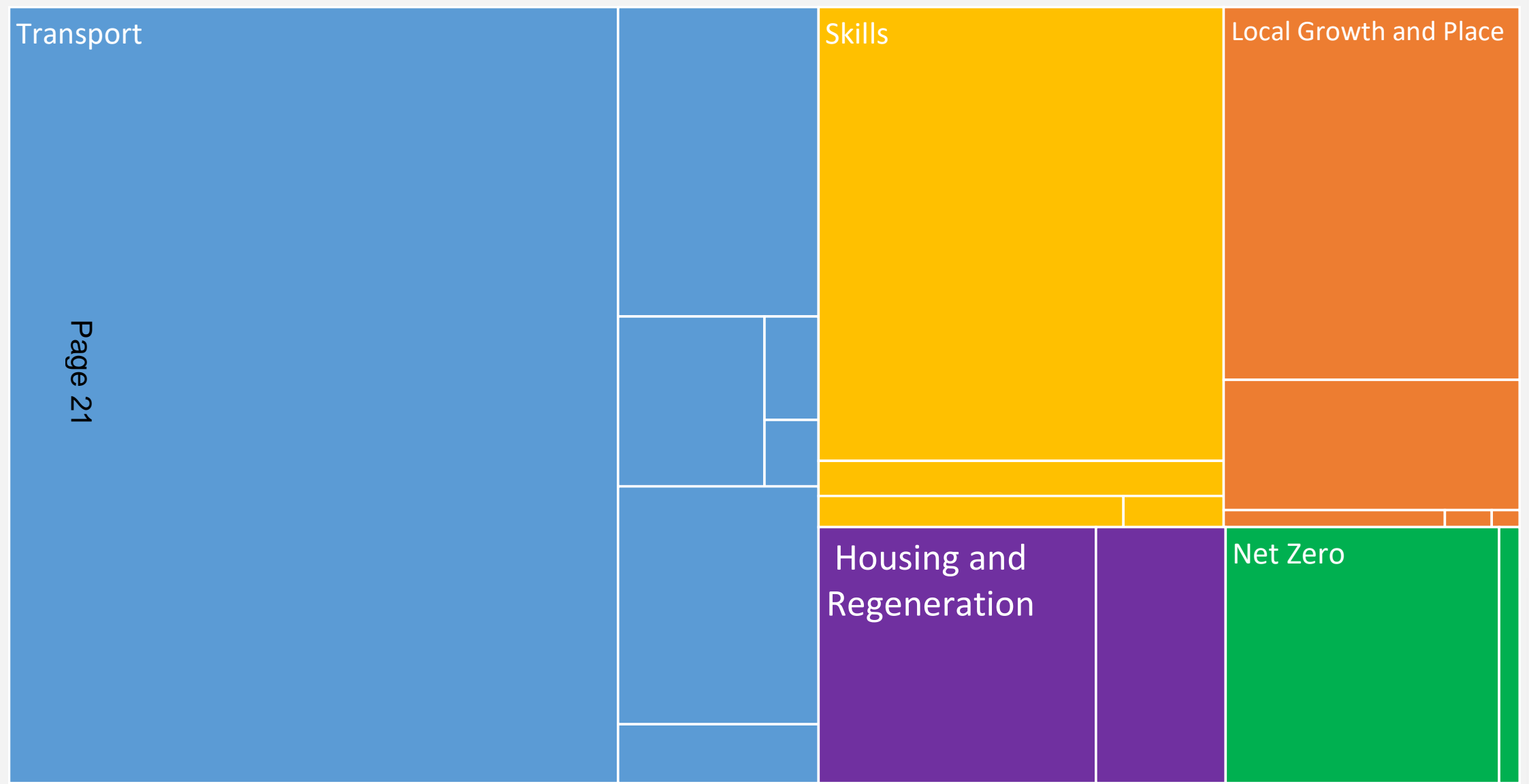


Integrated Settlement – the opportunity: flexibility over time.

- A portion of the funding due to come through the Integrated Settlement in April 2025 has already been committed as of April 2024 - including CRSTS and Brownfield - while other funding is subject to statutory requirements which still must be met.
- The ability to spend funding flexibly to meet the Outcomes Framework and Leaders priorities – both within and between pillars - will increase over time over financial years and Spending Review periods. Therefore, the impact of spending decisions can be considered over a multi-year period.



Current funding programmes which would have been included in an Integrated Settlement in this Spending Review (£m)



Scale and Flexibility

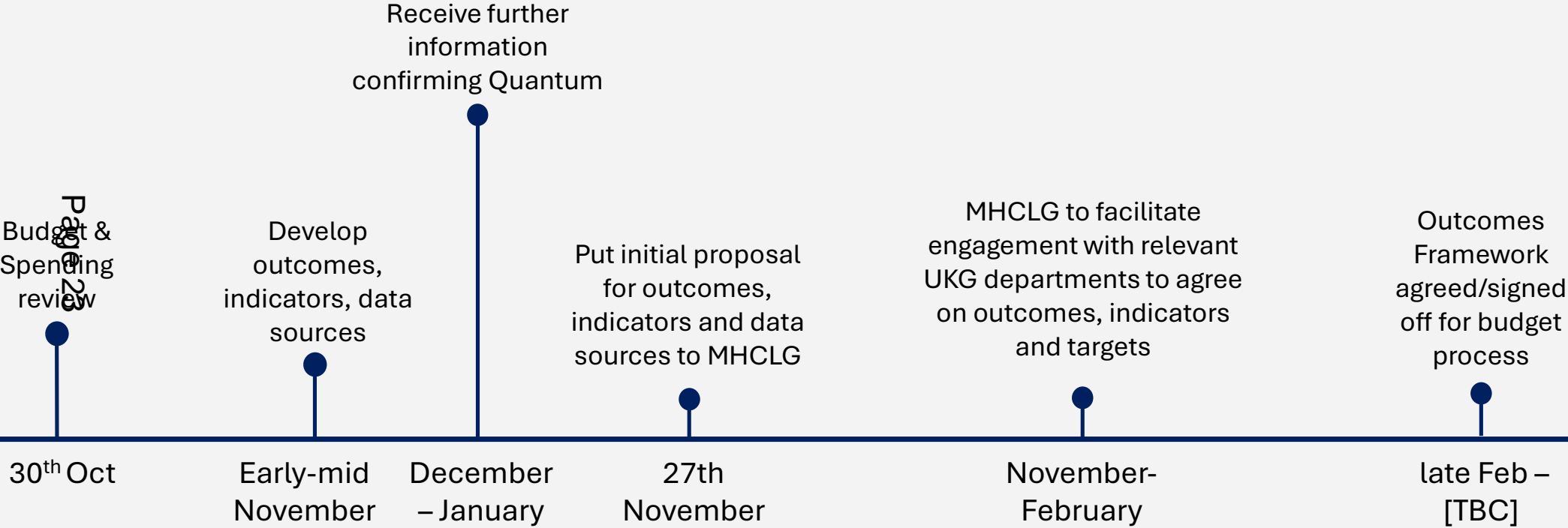
Source of GMCA Funding (£m, FY 23/24)



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■ Borrowing and Reserves ■ Non Single Settlement Grants ■ Police, Crime, and Fire ■ Single Settlement ■ Locally Raised Revenue

Timeline



Funds in scope, formulae and quantum

HMT letter 31/10 set out provisional funds to be included in the settlement (see table 24). Discussions are ongoing to agree the final set of funds in scope, formulae and quantum

Functional Theme	Provisional funds in scope SR 2024	Dept	Existing national formulae or new formulae?
Local Growth and Place	UK Shared Prosperity Fund (UKSPF)	MHCLG	<i>TBC</i>
	Investment Zones	MHCLG	N/A, existing allocation
	Made Smarter	DBT	Existing formula
	Growth Hubs	DBT	Existing formula
	Create Growth	DCMS	New formula
Local Transport	Bus Service Improvement Plan	DfT	<i>TBC</i>
	Bus Service Operator Grant	DfT	<i>TBC</i>
	Active Travel Fund	DfT	Existing formula
	Active Travel Capability Fund	DfT	Existing formula
	Local Electric Vehicle Infrastructure Fund	DfT	Existing formula
	Rail admin grant	DfT	N/A, existing allocation
	Cross Manchester ticketing	DfT	N/A, existing allocation
Adult skills	Adult Education Budget (AEB)	DfE	Existing formula
	Free Courses for Jobs (FCFJ)	DfE	Existing formula
Housing and Regeneration	Brownfield Infrastructure and Land Fund	MHCLG	N/A, existing allocation
	Brownfield Housing Fund	MHCLG	Existing formula
	Brownfield Land Release Fund	MHCLG	New formula
Pilot of buildings retrofit	Warm Homes: Social Housing Fund (previously SHDF)	DESNZ	New formula
	Public Sector Decarbonisation Fund	DESNZ	New formula
	Warm Homes: Local Grant (previously LAD 4 / LARS).	DESNZ	New formula
Employment Support	Connect to Work (previously 'Universal Support')	DWP	Existing formula

Impact on GMCA

GMCA current position

- Our current organisational arrangements have been **appropriate for the current funding and accountability structure** defined by:
 - Bilateral accountability relationships with individual government departments
 - Grant funding with limited flexibility.
- There are individual and inconsistent approaches between thematic reflecting siloed approaches at a national level.
- Current model can be managed largely within individual directorates
- There is effective delivery within thematic areas, but can be more challenging to manage cross-cutting programmes as they are the exception not the norm

Future position: Towards Integration

- GMCA will need to work more as a networked group that retains the expertise and focus within thematic areas but is better able to realise the benefits of integration and a place approach to issues.
- The Integrated Settlement transforms the funding and accountability structures that shaped the current operating model. GMCA & TfGM need to adapt accordingly.
- Greater flexibility means more opportunity to innovate, join up, take place-based approaches, and deliver better outcomes for residents. But it also means more challenging decisions on prioritisation
- The integration of funding streams and reporting entails integration of decision-making and oversight arrangements
- This brings an opportunity to break down the siloes handed down from national government

Single Assurance Framework

Implications for GMCA Audit Committee?

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GMCA Audit Committee

Date: 22 January 2025

Subject: GMCA Single Assurance Framework

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

PURPOSE OF REPORT:

The purpose of this report is to present the draft GMCA Group Assurance Framework to Members for their review and comment. It also explains why the Assurance Framework is needed and what Audit Committee's role in relation to the Assurance Framework will be once GMCA is in receipt of the Integrated Settlement from 2025/26 onwards.

RECOMMENDATIONS:

Audit Committee is requested to review the draft Assurance framework and note the Committee's role from 2025/26 onwards in relation to the Framework.

CONTACT OFFICERS:

Sarah Horseman, Deputy Director, Audit and Assurance
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: 1 - GMCA Group Assurance Framework - Draft

BACKGROUND PAPERS:

English Devolution Accountability Framework

TRACKING/PROCESS	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	No
EXEMPTION FROM CALL IN	
Are there any aspects in this report which means it should be 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 BACKGROUND

- 1.1 A requirement of the Integrated Settlement is that GMCA must have in place a Local Assurance Framework that will be approved by MHCLG in advance of receipt of the Integrated Settlement, and that this assurance framework is maintained and updated by GMCA.
- 1.2 The English Devolution Accountability Framework (EDAF), March 2023, further describes Local Assurance Frameworks and states that the local assurance framework must demonstrate robust assurance, project appraisal and value for money processes are in place. Only once this is approved will the monies be paid via a Section 31 Grant Determination. It also sets the expectation that Local Assurance Frameworks are “live documents”, reviewed and refreshed at least annually (more frequently if required).
- 1.3 The more recently published English Devolution White Paper (December 2024) further reiterates the requirement for a Local Assurance Framework.

2 DEVELOPMENT

- 2.1 GMCA has previously had in place an assurance framework, which was a previous requirement of the “single pot” approach to funding, so the concept is not new to us.
- 2.2 This original assurance framework has been refreshed and updated in the context of the Integrated Settlement and will be effective from 1 April 2025/26.
- 2.3 An Integrated Settlement Readiness Check has been commissioned by MHCLG and is currently in progress. Any recommendations from that readiness check will be reflected in the Assurance Framework as required. For that reason, the framework is still currently in draft form. A further, finalised version will be brought to the Audit Committee in March 2025.

3 STRUCTURE

3.1 The assurance framework is structured to describe the layers of assurance for different stakeholders. The core of the document describes how oversight, scrutiny and assurance will operate locally and within the GMCA group organisations. Additional sections then describe how further assurance and accountability will be provided to the public, and to central government, including Parliament.

4 ROLES AND RESPONSIBILITIES

4.1 In relation to the Assurance Framework, the key roles and responsibilities are:

- MHCLG – MHCLG are responsible for signing off GMCA’s Local Assurance Framework before the allocation of the Integrated Settlement. The Memorandum of Understanding for the Integrated Settlement also stated that DLUHC (now MHCLG) will establish a streamlined, overarching, single assurance framework, coordinated by MHCLG rather than multiple frameworks administered by different government departments. This will be incorporated into future editions of the EDAF.
- GMCA Group Chief Executive (Group CEO) – Overall responsibility for the Assurance Framework lies with the Group CEO as Accountable Officer for GMCA.
- Audit Committee – Review and approve the Assurance Framework annually and seek assurance that the framework is operating as designed. This is confirmed annually as part of the year-end process which informs the Annual Governance Statement, which is signed off by the Mayor and the Group CEO
- Senior Management – “First and second line” assurance - ensuring appropriate, proportionate assurance is obtained over key activities and programmes in line with the assurance framework
- Internal Audit – “Third line” assurance through the delivery of risk-based internal audit plan in line with Global Internal Audit Standards (GIAS) culminating in an

annual conclusion on the effectiveness of arrangements for governance, risk management and internal control.

- External Audit – “Third line” assurance over the Group’s financial statements and an assessment of value for money

5 RECOMMENDATIONS

5.1 Members are requested to

- Review the draft GMCA Group Assurance Framework and provide feedback for inclusion or consideration in the final version
- Note the Audit Committee’s role in the ongoing approval and maintenance of the GMCA Group Assurance Framework, in advance of the next financial year when the Integrated Settlement will be in place.

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GMCA Group

Assurance Framework

Draft - December 2024

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1. About This Document

1.1. Purpose

This Assurance Framework sets out how Greater Manchester Combined Authority (GMCA) will use public money responsibly, with openness and transparency, in a way that achieves the best value for money and contributes to achieving the outcomes defined in the Greater Manchester Strategy (GMS) and Integrated Settlement (IS).

The purpose is to:

- set out the means by which leaders and decision makers can have confidence that the GMCA's governance and control arrangements have been implemented, are operating as intended and remain fit for purpose.
- ensure that the information on which decisions is made is robust.
- provide clarity over roles and responsibilities for decision making, risk management, accountability and assurance.
- enable the public and the government to obtain assurance around the probity, transparency and value for money of the decisions we make.

Local Assurance Frameworks are designed to demonstrate to government that combined authorities have robust assurance, project appraisal and value for money processes in place. There are requirements within the English Devolution Accountability Framework that should be incorporated into such frameworks. Those factors have been designed into this assurance framework.

Notwithstanding specific devolution agreements, establishing an effective assurance framework is part of good governance and enables accountability and transparency to our stakeholders and is therefore applied to everything we do at GMCA, not only the activities funded by the IS.

1.2. Structure

This document is structured to describe the layers of assurance for different stakeholders. The core of the document describes how oversight, scrutiny and assurance will operate **locally** and within the GMCA group organisations. Additional sections then describe how further assurance and accountability will be provided to the **public**, and to central **government**, including Parliament. Each of these sections interact with and reinforce the others to provide a comprehensive framework.

1.3. Scope

This framework covers all spend under GMCA control. It is applicable to all funding regimes available to the GMCA and aims to provide consistency of approach, standards, assurance and decision-making across all funding pots. Some specific governance requirements related to the integrated settlement (IS) are referred to later within this

document, but our principle is to ensure all our activity, decision making and accountability follows the same route, albeit with some proportionality applied based on complexity, flexibility and risk.

1.4. Ownership

Overall responsibility for the Assurance Framework lies with the Group Chief Executive Officer of the GMCA, as Accountable Officer of the organisation. This document is maintained by the Group Assurance Team. It is the responsibility of the Group Chief Executive and their senior team to ensure appropriate sources of assurance are obtained, in line with this framework, proportionate to the risks facing the GMCA Group of organisations as it seeks to execute its strategies.

While various officers and meetings across the GMCA may enact or receive particular assurances referred to within this framework, it is the GMCA Audit Committee that seeks assurance that the entire framework is operating as designed. This is confirmed annually as part of the year-end annual reporting cycle, which informs the Annual Governance Statement, jointly signed off by the Mayor and Group Chief Executive.

1.5. Review

This document is subject to annual review to reflect updated guidance, new funding agreements and changes in governance. The framework is presented to the GMCA Audit Committee on an annual basis, who review and approve the document as part of their terms of reference. It will also be shared annually with MHCLG as part of governance around the Integrated Settlement, specifically to provide assurance to the 'Systems Accountable Officer' within this department as part of devolution governance.

1.6. Development

To ensure the framework remains fit for purpose, it includes a development plan. This sets out specific pieces of work designed to align assurance to the current context and embed continuous improvement. Execution of these actions will lead to periodic updates to the Assurance Framework document.

2. Strategic Context

The Greater Manchester Strategy (GMS) sets out a 10-year vision for Greater Manchester, creating a thriving city region where everyone can live a good life.

The GMS states how we work as a GM system across stakeholders and sectors, through collaboration and partnership to deliver the ambitions of the GMS. The GMS frames the system missions:

- Good homes in safe and strong communities
- A thriving economy built by everyone and benefitting everyone
- A green city region
- Connected people, places and opportunities
- Support to live well

The underpinning Delivery Plan focuses on economic growth and prevention of costs and social harm through public service reform. The actions captured within the Delivery Plan will be delivered cross sector and stakeholders, responsive to the specific opportunities and constraints identified to deliver the shared GMS vision.

As part of the Government's Growth Mission all parts of England are required to develop a 10-year Local Growth Plan. The GM Delivery Plan underpinning the GMS, is wider in scope than the requirements of the Local Growth Plan, the most relevant elements will therefore be distilled for Government rather than risking creation of duplicative plans and causing confusion in their delivery.

Programmes of work are framed and measured against the outcomes set in the GMS and associated performance framework to ensure they are making demonstratable contributions to the outcomes that have been agreed.

This assurance framework is designed to ensure assurance over the activity contained within these strategies and programmes. Each portfolio of programmes has mechanisms for assurance built into its respective governance and oversight arrangements. The assurance requirements of each differs due to the nature of the programmes being delivered.

3. Structure and Governance arrangements

3.1. GMCA Group Structure

In October 2024, the Group Chief Executive presented a paper to the GMCA Resources Committee outlining the concept of the GMCA Group. This Group incorporates Greater Manchester Combined Authority (GMCA), Greater Manchester Fire & Rescue Service (GMFRS) and Transport for Greater Manchester (TfGM). There are no changes to any legal structures but changes have been made to the senior management structure to reflect these changes.

Collectively the GMCA Group of organisations has the following functions:

- Transport
- Economic Development, Housing and Regeneration
- Education, Skills, Training and Culture
- Fire and Rescue Services
- Safer and Stronger Communities
- Waste

In terms of its relationship with local authorities, the GMCA Group of organisations forms “one of the eleven” and is an integral part of the GM system where all parties work together to achieve the city region outcomes as defined in the Greater Manchester Strategy. The group helps develop policy and strategy, administers funding on behalf of GM, delivers programmes and convenes the GM system to deliver, monitor and evaluate progress against our shared ambitions and outcomes.

3.2. GMCA Governance arrangements

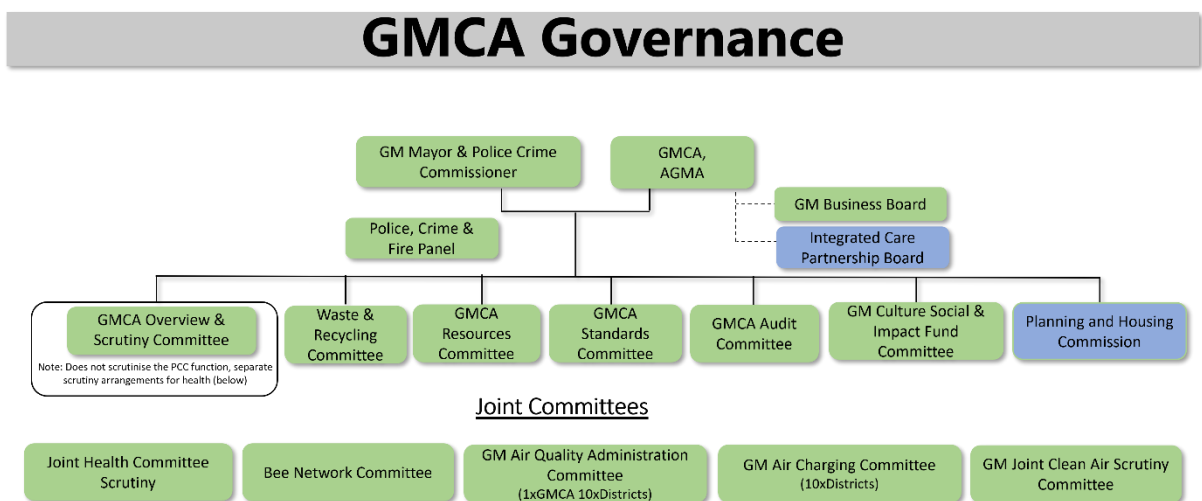


Figure: Summary Current GMCA Governance Structure

3.2.1. The Mayor of Greater Manchester

The Mayor chairs the GMCA which is the Combined Authority's primary decision-making body.

The GM Mayor is directly elected by the electorate across Greater Manchester and is the statutory appointed chair of the GMCA. The GM Mayor is a decision maker in his own right and the functions of the Mayor are detailed in the GMCA Constitution.

3.2.2. Combined Authority

The GMCA provides the political direction, governance and oversight of activities undertaken across Greater Manchester for those areas of responsibility which are jointly owned at GM level or those issues where voluntary pan-GM collaboration has been agreed.

GMCA is made up of the ten Greater Manchester local authorities (Bolton, Bury, Oldham, Manchester, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) represented by their Leaders and the GM Mayor who is the Chair and the eleventh member. Collectively, GMCA works with other local services, businesses, communities and partners to improve the city region. The GMCA officers translate policy into action.

The GMCA and the Mayor of Greater Manchester are together responsible for the core decision making and a range of functions across the city region as set out in the GMCA Constitution.

The GMCA exercises all its powers and duties in accordance with the law and its Constitution, agreeing policies and delegating responsibilities to conduct its business.

The three statutory officers (Head of Paid Service / Group Chief Executive, Section 73 Officer / Group Chief Finance Officer, and Group Solicitor and Monitoring Officer) of the GMCA ensure that GMCA business and decisions are managed in line with local government legislation concerning finance, conduct and legal matters. They ensure:

- that the decisions and activities of the GMCA conform with all legal requirements, including those with regard to equalities, environmental, subsidy control and procurement.
- that GMCA funds are used appropriately (through the Section 73 Officer).
- that the provisions of the GMCA Group Assurance Framework (this document) are being adhered to.
- that all Access to Information and other transparency requirements are complied with including maintaining a Forward Plan of Key Decisions, minutes of GMCA meetings and records of Key Decisions taken. Decision Records and relevant documents relating to those decisions are held by the GMCA Governance and Scrutiny Team.
- that the expenditure or investment of GMCA funding is subject to appropriate internal and external audit requirements.

3.2.3. Local Authorities

The city-region incorporates the 10 metropolitan district councils in Greater Manchester which are referred to as its constituent councils / local authorities: Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan. The leaders of each of these councils sit on the GMCA alongside the GM Mayor.

Each leader holds a portfolio linked to an element of the GMS and is supported in this role by a Chief Executive from another borough. The approach of having dual portfolio leads drawn from senior politicians and officers is a key part of the combined authorities decision-making approach and these pairings frequently take joint responsibility for authoring briefings and proposals for decisions.

In addition, elected members of the Local Authorities are nominated to be Members of the AGMA Executive Board, GMCA Audit Committee, Overview and Scrutiny Committee, Resources Committee, Standards Committee, Waste and Recycling Committee and Bee Network Committee. They will also sit on non-decision making bodies that are in place to enable the GM local authorities to work collaboratively to advise, guide and support the achievement of the outcomes in the Greater Manchester Strategy. See Section 4 for more information on local scrutiny.

3.2.4. Greater Manchester Business Board

The Greater Manchester Business Board (GMBB) fulfils the role of Local Enterprise Partnership, providing a strong, independent and diverse business voice in the delivery of the GMS. The GMBB consists of a maximum of 15 representatives from the private sector (including any co-opted members as agreed by GMCA) plus the Mayor along with three further GMCA members. One member shall be appointed by the Board as Chair of the GMBB.

The GMBB proposes an annual workplan based on GMS priorities for approval by GMCA. This includes both short term issues and longer-term responsibilities to support Greater Manchester's sustainable economic growth and the resources available to do this.

GMCA is responsible for all functions and monitoring arrangements previously overseen by the GM Local Enterprise Partnership such as Enterprise Zones, Local Growth Fund and Get Building Fund. GMCA will invite the Business Board to endorse any significant funding proposals relating to these functions.

3.3. Other key partners

3.3.1. Greater Manchester Police

The GM Mayor exercises the functions of the Police & Crime Commissioner for GM and has appointed a Deputy Mayor to whom he has delegated those functions¹. Greater Manchester Police (GMP) is led by the Chief Constable, who is a Corporation Sole and has operational responsibility for GMP.

There are specific governance and scrutiny arrangements are in place for GMP which are described in the GMCA Constitution.

3.3.2. NHS Greater Manchester

Commissioning of NHS services is not part of the statutory remit of the GMCA. However, arrangements exist to enable some joint oversight of decision-making and performance through a Joint Health Scrutiny Committee. The GM Mayor is also co-chair of the GM Integrated Care Partnership Board, which develops the Integrated Care Strategy.

Reflecting linkages between health and transport, plus the responsibilities for public health which rest with local authorities, the GMCA also convenes committees on Air Quality Administration Committee and Clean Air Scrutiny Committee. The Mayor's Housing First strategy also seeks to address health issues related to housing quality, such as damp and mould and chronic homelessness.

¹ With the exception of a small number of functions that he is legally unable to delegate.

4. Guiding Principles & Documents

4.1. Principles

This assurance framework is underpinned by the Seven Standards of Public Life, also known as the Nolan Principles.

The GMCA, its Members and Officers seek to uphold the highest standards of conduct and operation according to these principles and ensure robust stewardship of resources and are held to account by the GMCA Standards Committee. The Principles are:

- **Selflessness:** Holders of public office should act solely in terms of the public interest.
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** Holders of public office should be truthful.
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

This framework adds to these principles by providing clarity over the following:

- **Accountability:** specifically, for the GMCA and committees and Group Chief Executive (and direct reports), with accountability links up to the Systems Accountable Officer (AO) at MHCLG in relation to the integrated settlement.
- **Control & Assurance:** appropriate systems and processes to retain control over public funds, demonstrating this for purposes of internal and external assurance.
- **Transparency & Probity:** assurance that decision-making meets the highest standards, demonstrable to scrutiny, the public and to Parliament.
- **Value for Money:** application of consistent methodologies for assessing the VfM of proposed spending and investment decisions, combined with routine evaluation.
- **Proportionality:** efficient deployment of assurance resources to avoid excessive effort in proportion to levels of spend and/or risk and complexity.

4.2. Key Documents

Various documents guide the content of this Assurance Framework. These are referred to as relevant throughout, particularly to avoid duplicating information, or where they take precedence over this document. These are:

- National Local Growth Assurance Framework (2021)
- English Devolution Accountability Framework (2023) or ‘EDAF’
- Local Government Accountability Framework (2024) or ‘LGAF’
- Scrutiny Protocol (2023)
- Memorandum of Understanding – SD-SS v2 (2023)
- Integrated Settlement for Greater Manchester (**once available as final**)

Where these documents are updated, or other Government documents are issued, these will be reflected in updated versions of this Assurance Framework.

This framework document also sits alongside a number of other GMCA documents which provide detailed guidance on specific internal processes and strategies:

- the GMCA Constitution (which includes its Code of Governance);
- the current GMS, the Growth and Prevention Plan and associated delivery plans; plus
- where relevant, documents associated with devolution agreements and particularly the Integrated Settlement which takes effect from 2025.

5. Local Scrutiny, Checks & Balances

5.1. Accountable Body

GMCA is the legal and Accountable Body for all funding devolved to the GMCA, TfGM and the GMFRS. This includes, but is not limited to, all funding devolved under the Integrated Settlement.

The GMCA is responsible for a range of functions detailed in The Greater Manchester Combined Authority Order 2011, as amended, plus subsequent Orders which have conveyed further functions. These are all set out within the GMCA Constitution.

5.2. Annual budgeting and financial reporting cycle

The annual budget is aligned to the GMS and sets the spending envelope for the GMCA with budgets confirmed ahead of the start of each year, linked to funding confirmations and agreements around the treatment of under- and over-spends. The budget is approved by the GMCA.

The annual financial reporting cycle incorporates delivery of the annual report and accounts, incorporating the annual governance statement and head of internal audit opinion. These outputs are subject to external audit as the primary form of external assurance. All related outputs are presented to the Audit Committee.

Final outputs from both the budget and annual financial reporting cycles are presented to the GMCA for approval each year.

5.3. Decision Making

Overarching strategies for the GMCA are agreed on a multi-year basis, linked to wider Government spending reviews and funding agreements. Within the context of these strategic cycles, decision-making takes place annually and in-year.

Detailed guidance on Decision Making is included in **GMCA Decision Making Guidance**, January 2024.

All decisions should be made in accordance with the following principles:

- (a) Proportionality (meaning action must be proportionate to the results to be achieved);
- (b) Due consultation (including the taking of relevant professional advice);
- (c) Respect for human rights;
- (d) Presumption in favour of openness;

- (e) Clarity of aims and desired outcomes;
- (f) Due consideration to be given to alternative options.

5.4. Delegated Authority

The GMCA and the Mayor issue and keep up to date a record (set out in Part 3, and Part 9 for the Mayor’s PCC Functions, of the Constitution) of what part of the GMCA or which individual has responsibility for particular types of decisions or decisions relating to particular functions. This includes a Scheme of Delegations (there is a separate Scheme of Delegations for the Mayor’s PCC Functions). Delegation is primarily defined in terms of financial value.

Primarily, responsibility for the delivery of delegated functions and specific programmes rests with the senior officers of the GMCA. For the purposes of this framework, the senior officers are the Group Chief Executive, Deputy Group Chief Executive and Managing Director of GMCA, Group Chief Finance Officer, Group Solicitor and Monitoring Officer and the Chief Fire Officer.

As Head of Paid Service, the Group Chief Executive is the Accountable Officer of the GMCA and responsible for line managing the other senior officers.



Figure: GMCA Senior Officers

The GMCA and TfGM must both also appoint or designate specific officers responsible for Scrutiny, Data Protection, Internal Audit, and to act as Secretary.

Refer to Annex E for detailed responsibilities of the statutory officers, the Mayor and Deputy Mayors.

TfGM also has in place a Constitution that sets out its delegated authorities.

5.5. Overview & Scrutiny

An effective scrutiny function is a key part of the decision-making and assurance process. The GMCA has established an Overview and Scrutiny Committee (O&SC) to coordinate this process.

Greater Manchester recognises that its ways of working and formal governance need to support transparent and publicly accountable decision making. Effective scrutiny is even more important in the light of the new powers that devolution brings.

The remit of the Overview and Scrutiny Committee is:

- To review and evaluate the performance of the Mayor and GMCA, and the way it works with its partners to deliver for local people;
- To contribute to policy development in respect of high profile, complex issues affecting the whole of Greater Manchester;
- To investigate complex cross-cutting issues with a particular focus on the delivery of the Greater Manchester Strategy.

All funding streams are subject to the GMCA's scrutiny and overview processes which includes internal and external audit processes.

The O&SC is comprised of twenty members and twenty substitute members. They are representative of the ten local authority areas in GM and take responsibility for sustained engagement around specific areas of activity, informed by local knowledge and an understanding of GM-wide strategy and activity. Their work is supported by a dedicated scrutiny function within the GMCA and adheres to the government's Scrutiny Protocol for devolved bodies (see Annex D).

The GM Scrutiny Model provided the template for the Scrutiny Protocol, offering a guideline for other Combined Authority areas seeking further devolution deals. There remains the ambition to continue to seek ways of improving our model, such as the establishment of our first cross-committee task and finish review, inviting collaboration from members of the Police, Fire & Crime Panel and GM Joint Health Scrutiny on a subject which spans their remits.

The role of scrutiny is further strengthened by the seat provided for the Chair of the Committee at the GMCA meeting, where this individual is able to report on the recommendations of the pre-policy scrutiny activity ahead of decisions being taken.

5.6. Audit Arrangements

GMCA's Audit Committee provides high level public accountability and challenge with a remit that covers financial reporting; governance, risk and internal control; and internal and external audit.

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

The GMCA Audit Committee oversees all aspects of GMCA including Mayoral functions. In relation to other GMCA Group organisations:

- The Mayor has established a Joint Audit Panel (Police and Crime) which oversees the control environment of the Police and Crime Commissioner and the Chief Constable. The GMCA Audit Committee receives the annual report of the Joint Audit Panel.
- TfGM has an Audit, Risk and Assurance Committee (ARAC) formed of members of its Executive Board

5.6.1. Internal Audit

Internal audit is delivered by internal functions within GMCA and TfGM, under the direction of a Group Deputy Director for Audit, Risk & Assurance (acting as Head of Internal Audit for both organisations). This role reports to the Group Chief Finance Officer but with direct access, as needed, to the Group Chief Executive and to the Chairs of the respective Audit Committees.

Each Internal audit function undertakes a programme of work each year to provide assurance over the arrangements in place for governance, risk management and internal control, in conformance with Global Internal Audit Standards, the Code of Practice on Governance of Internal Audit in Local Government and the Application Note: GIAS in the UK Public Sector.

The results of this work are reported to the Audit Committee at GMCA and the Audit, Risk and Assurance Committee (ARAC) at TfGM and are summarised in the Head of Internal Audit's conclusions to those respective Committees. Quality assurance over the functions is obtained through annual internal and periodic external quality assessments, in line with internal audit standards.

5.6.2. External Audit

External audit services are commissioned via the Audit Committees to provide assurance over the financial statements and value for money. This work takes into consideration the contents of the annual report, including the annual governance statement which describes the processes of governance and assurance in operation over the preceding twelve months. Progress and results of this work are reported regularly to the Audit Committee.

5.7. Counter Fraud Arrangements

Organisational counter fraud strategies exist across the Group to identify, prevent and address fraud risks.

Both GMCA and TfGM have an Anti-Fraud and Corruption Strategies which set out their approach to managing the risk of fraud and corruption. This is underpinned by other related anti-fraud and behaviour policies including the associated Whistleblowing Policy, Anti-Bribery and Corruption Policy, Anti-Money Laundering Policy and employee and Member Codes of Conduct.

Officer responsibilities for ensuring appropriate anti-fraud measures is set out in the policy documents including the role of the Senior Leadership Team, Section 73 Officer and Head of Internal Audit. This is overseen by respective Audit Committees who receive regular reports on the outcome of whistleblowing cases and anti-fraud activity.

5.8. Whistleblowing

The GMCA and TfGM Whistleblowing policies are in place and are a vital element of our governance arrangements. They are designed to allow those employed by the Group organisations to come forward and raise both disclosures and serious allegations of wrongdoing involving the actions of GMCA, GMFRS or TfGM employees, its Members, contractors or any aspect of the group's activities. Officers and elected members are also required to follow our Codes of Conduct.

5.9. Equalities

The GMCA, the Mayor and GMCA officers must comply with the prohibitions on direct and indirect discrimination, harassment and victimisation set out in the Equality Act 2010. In addition, they are subject to the Public Sector Equality Duty set

out in section 149 of that Act. This duty requires public authorities to have due regard to the following equality considerations when exercising their functions:

1. The need to eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act
2. The need to advance equality of opportunity between people who share a protected characteristic and people who do not
3. The need to foster good relationships between people who share a protected characteristic and people who do not.

Within project initiation documents and business cases, project sponsors are required to provide evidence to this end. This will be assessed through an evaluation of the business cases submitted by applicants.

The Equalities, Inclusion and Cohesion portfolio is also led by a nominated council leader and chief executive, with specific links into the work of the Deputy Mayor for Safer and Stronger Communities.

6. Business Case Lifecycle

6.1. Business Case Development

The GMCA aspires to a consistent business case lifecycle to guide the development of projects from initiation, through options appraisal, analysis, approval, delivery/monitoring and evaluation. The aim is to provide clarity to officers preparing cases and members responsible for decision-making, approval and scrutiny. Historically a variety of methods have been used, depending on sources of funding, scale of project and timing. Greater consistency will be enabled by the Integrated Settlement and closer group-wide working.

It will remain appropriate to apply proportionality in the development of cases and based on the size of spend involved, the degree of flexibility in the funding supporting the case and the risk associated with the programme.

Where total spend is expected to exceed the relevant threshold, business case components should align with HMT Green Book guidance on appraising policies, programmes and projects. In addition, where relevant, project steps should reflect further HMT guidance such as:

- Managing Public Money – guidance on the responsible use of public resources
- Aqua Book – standards for analytical modelling and assurance
- Magenta Book – detailed guidance on evaluation methods.

Procurement thresholds may also apply, driving requirements for specific controls and safeguards. Where the GMCA's **key decision threshold** is met, a specific process guides approvals and information requirements.

6.2. Use of evidence

A distinctive feature of GM's approach has been its long-standing commitment to developing a robust evidence base to inform its policy interventions and decision making. Key aspects of GM's strategic approach to evidence include:

- The 2019 [Greater Manchester Independent Prosperity Review](#), which underpinned the [Greater Manchester Local Industrial Strategy](#). The Review was led by a panel of economic experts, who undertook a detailed and rigorous assessment of the current state and future potential of GM's economy. The work built on the nationally ground-breaking 2009 [Manchester Independent Economic Review](#) (MIER); it was revisited in 2020 with a '[One Year On](#)' return to the key recommendations, and in a [2022 update](#) to refresh the evidence in light of COVID, inflation and the energy crisis.

- Development of the supporting evidence for [Places for Everyone](#), the long-term statutory development plan for nine GM local authority districts.
- Production of the evidence base to support the [Greater Manchester Transport Strategy 2040](#) and [Right Mix target](#).
- The 2021 [Greater Manchester Independent Inequalities Commission report](#), which examined inequalities across the city-region, considered how they should be tackled and outlined specific, ambitious recommendations.
- Developing a nationally-leading [Greater Manchester cost benefit analysis \(CBA\) model](#) that was incorporated as [supplementary guidance to the HM Treasury Green Book](#) in April 2014. The CBA model is supported by a [unit cost database](#) that is recognised internationally as best-in-class.
- Development of [MappingGM](#), which provides open-access maps to explore GM housing, planning, infrastructure, socio-economic and demographic data.
- Production of the [Digital Exclusion Risk Index \(DERI\)](#) tool, providing open-access national data to support identification of areas at risk of digital exclusion.
- Development of the [ESPRESSO tax and expenditure tool](#) (currently being updated), which provides national-level data on public sector expenditure and tax generation at the local level, to support an understanding of whether areas are net contributors to the national exchequer or not.
- An ongoing commitment to understanding progress against our priorities, most particularly through regular [GMS progress reporting](#), and development of a suite of dashboards that track performance against the metrics included in the GMS Performance Framework. Perceptions of GM residents are tracked through the [GM Residents' Survey](#), undertaken at two-monthly intervals, alongside other local surveys such as the GM Policing and Community Safety Survey and Victims' Survey. We also produce a range of thematic tools including the [GM Economy Factbook](#), [Housing Market Monitor](#) and [Labour Market and Skills Review](#).

This evidence base underpins the principles of GM decision making by ensuring that investment is targeted towards key outcomes as set out in the GMS and accompanying strategies and plans.

6.3. Business Case assessment

Business case assessment may be commissioned externally for higher-profile, large scale and riskier intervention or undertaken by the appropriate GMCA officers.

The following factors are key considerations for this assessment:

- Strategic fit (with the GMS, Growth Plan and relevant GM thematic strategies)
- Inputs and activities
- Outputs, outcomes and wider impact
- Equality perspectives, by place and population group (identifying the spatial and demographic variations common across the city region)

- Value for money (including investment leverage)
- Deliverability, viability and timeline.

GMCA uses national guidance to inform business case assessment. GMCA may also use local methodologies for this purpose and will present these alongside national approaches for decision-makers to consider when making investment decisions. The approach to value for money assessment draws on the CBA methodology developed by the GMCA and informed by the HM Treasury Green Book, alongside the ‘three Es’ methodology set out below.

Analysis takes into account standard approaches to assessing additionality (including deadweight, displacement, leakage and substitution), whilst recognising that non-additionality can be challenging to evidence.

6.4. Value for money assessments

For the purposes of value for money, the GMCA is covered by the Code of Audit Practice 2010. This outlines our responsibilities to put in place proper arrangements to:

- secure economy, efficiency and effectiveness in use of resources (**the ‘three Es’**)
 - economy – minimising the cost of inputs used, and the relation between inputs and the activities they ‘buy’
 - efficiency – the ratio of inputs to outputs delivered, expressed in terms of cost per output
 - effectiveness – the extent to which outputs lead to desired outcomes, and relationship of outcomes to stated objectives and rationale for intervention
- ensure proper stewardship and governance
- regularly review the adequacy and effectiveness of these arrangements.

As required by the Code, GMCA will always take into account value for money when considering whether or not to approve an intervention. The GMCA’s assessment process includes consideration of CBA outputs, most notably the Benefit to Cost Ratio (BCR), and an assessment of any non-monetised impacts that should be brought in to an overall assessment of value for money.

GM will usually fund projects with high value for money. However, interventions that deliver lower value for money may still be funded in exceptional circumstances, if there is a compelling strategic case. For instance, the broader strategic value of potential investments should be considered, particularly with regard to their potential to deliver equality objectives and/or social benefits that are challenging to monetise (e.g. improved social mobility), or to contribute to GM environmental priorities. These decisions are set out clearly and transparently, and fully evidenced across the business case as a whole.

6.5. Monitoring and evaluation

All GMCA business cases must set out clear monitoring arrangements to ensure that resources are deployed in line with investment profiles set out in the business case, that activities are delivered as agreed, and that associated output achievement is as planned.

Monitoring and evaluation is undertaken throughout (and potentially beyond) the lifetime of projects, with a robust audit trail developed. An assessment of the counterfactual should be made, to understand attribution to the intervention as fully as possible, not withstanding that this can be methodologically challenging.

GMCA is committed to the dissemination of learning, both within the organisation and amongst GM partners, to inform future policy and investment decisions; furthermore, there is considerable value in wider dissemination to external partners, including to other mayoral combined authorities that may be developing similar devolution propositions.

6.6. Performance Framework

An integrated performance framework has been established, which provides oversight through higher-level GMS outcome measures and the ability to monitor the impact of Delivery Plan activities. This will be expanded to cover IS outcomes once agreed.

The performance framework includes higher-level, contextual GMS ‘state of the city region’ outcome measures, achievable in the longer-term, and to which cross-cutting activity from across the system will contribute (whilst acknowledging that wider factors that are not necessarily within our control will also influence performance). These measures are underpinned by key performance indicators relating to the principal building blocks within the Delivery Plan, which will enable progress to be tracked over the shorter term, and which effectively act as proxies to demonstrate progress towards the state of the city region outcomes. The GMS and Delivery Plan measures also align to the Integrated Settlement outcomes metrics that are reported to Government.

Outcome delivery associated with the range of supporting strategies and plans that sit alongside the GMS and Delivery Plan will continue to be captured and interrogated through specific thematic reporting approaches, tools and governance processes.

6.7. Assurance

The assurance requirements for programmes are determined based on risk and complexity and applied proportionately.

For larger, more complex programmes, for example transport infrastructure programmes, sequential gateway reviews by senior management and relevant panels and/or

committees provide periodic opportunities to obtain assurance around the need for projects, the appropriateness of options selected, and the delivery and impact of projects as they are delivered.

For less complex schemes and programmes, assurance may be provided at a programme level. Similarly, non-capital programmes may require bespoke assurance mechanisms.

Some projects may be required to adhere to additional guidance relevant to the type of project or funding. For example Transport projects and programmes may need to conform to Transport Business Case guidance, TAG (transport analysis guidance) and the DfT Value for Money Framework. Adult Skills and Housing projects may also need to follow specific assurance requirements linked to eligibility of spend, particularly where grants and recycling loan funds are deployed.

7. Risk Management

There are established Risk Management practices within the GMCA Group of organisations. These provide the overarching framework for the management of risk, in accordance with best practice from the HM Treasury Orange Book.

This assurance framework supports the consistent identification, assessment, management and escalation of risks at all levels: Strategic, Organisational, Programme and Project. Work to align risk management practice and ensure consistency and combined reporting will continue to improve oversight and grip.

7.1. Enterprise Risk Management

The Group risk management frameworks are aligned with mechanisms in place to escalate risks from GMFRS, TfGM and GMCA directorates and projects to the GMCA Group Corporate risk register. This generates a consolidated view of our risk landscape, which helps us focus on how we can mitigate the more significant risks we face, no matter where they are within the Group

Our strategic risks are aligned with our Corporate Objectives, which helps to bring the risk register to life by showing how these risks may have a direct impact on what we want to achieve. We also regularly review our “organisational risks” which are those that we collectively need to address as GMCA.

Strategic risks are monitored by the Group Leadership Team and by the Leadership Teams within each organisation. A corporate risk register is maintained which comprises strategic risks and any high rated risks from within the organisational risk registers that meet the defined escalation rules within the framework. These can be organisational, functional or programme/project related risks.

The Corporate Risk Register is presented to the GMCA Audit Committee on a quarterly basis and drives agendas and assurance work commissioned by the committee.

7.2. Programme and Project Risk Management

All business cases include relevant risk considerations / analysis in the respective sections. A risk register should be developed from the beginning of the project (included in the Management Case), updated and reviewed on a regular basis. The risk register is used as the source for:

- Identifying the key risks in the Strategic case section;
- Quantifying and appraising risks in the Economic case section; and
- Explaining allocation in the Commercial case section alongside steps to mitigate and manage risks over the entire lifecycle of the scheme.

All Projects / activities are expected to demonstrate effective risk management arrangements are in place, including appropriate review and reporting.

Where systems risks are identified, these are linked to the GMS and actions identified to mitigate them based on partnership working and collective action.

8. Accountability to the public

In addition to providing assurance through the governance arrangements outlined above in Local Scrutiny, Checks and Balances above, additional measures are in place to provide transparency and maintain accountability to the public.

8.1. Communication Routes

The GMCA and GM Mayor are committed to regular and transparent communication around strategies, delivery and decision-making. Comprehensive information is available on the GMCA website, alongside regular news items which are also transmitted on multiple channels of social media. The Communication function within the GMCA works to ensure messaging is consistent and accurate.

8.2. Question Time

Directly elected Mayors provide greater democratic accountability by having a single leader directly accountable to the public at the ballot box for their performance and the decisions they make. One specific requirement of the government's Scrutiny Protocol is that the Mayors of Combined Authorities make themselves available to take questions from the public, chaired by an independent person (examples can include a local journalist or businessperson). These should be held at least every three months.

The GM Mayor currently satisfies this requirement by holding regular Question Time events, moderated by various regional journalists, open to the public via free ticketing. All events are livestreamed with recordings available on the GMCA website.

In addition, the Mayor attends regular radio phone-ins with BBC Manchester. In line with devolution legislation, constituent councils may request the GM Mayor to attend full council meetings at least once a year.

8.3. Equality Panels

The GM Mayor has also established a range of Equality Panels and networks to engage with our diverse communities. These comprise nominated representatives of each community of interest, drawn from the public. The panels are invited to set priorities to improve equality and inclusion, and involved and engaged during the process of setting strategies and scoping projects and programmes of work.

8.4. Website publications:

In line with the principle of transparency in government and compliance with legal requirements, records of key meetings and foundational documents are available on the GMCA website. Specific examples of documents available include:

- Meeting Agendas & Papers
- Financial Statements & Annual Reports
- Annual Assurance / Governance Statement & Assurance Framework
- Application Guidelines for specific Funds
- Registers of Interest, Gifts & Hospitality
- Remuneration of officers and members
- Policies, including those relating to Complaints, Whistleblowing, Confidentiality and Freedom of Information
- Code of Conduct

8.5. Information Requests

Requests for Information are dealt with in line with the Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR). There are processes in place to enable requests to be made for information and to respond to them ([Freedom of Information \(FOI\)](#)). There are also processes in place to respond to Subject Access Requests in line with General Data Protection Regulation (GDPR).

8.6. Complaints

Complaints from stakeholders and members of the public are dealt with and resolved in line with the GMCA complaints process ([GMCA Complaints](#), [TfGM Complaints](#)).

9. Accountability to government

Under the various Orders and legislative instruments that guide the status, functions and operation of the GMCA, accountability is provided to government through a variety of routes. The primary relationship is with MHCLG with specific assurances also provided to other departments of state, and to the Treasury. Parliamentary oversight is exerted both centrally and through liaison with local MPs.

9.1. Accountability for the Integrated Settlement

In 2025 the GMCA will receive additional devolved flexibility around its use of funds covered by the Integrated Settlement. Integrated Settlement funding arises from successive Devolution Deals form part of the totality of the funding received by GMCA. The GMCA will monitor and evaluate decisions made as to how to use that funding, through continual monitoring and evaluation against the defined IS outcomes framework.

Expectations around assurance over the IS are set out within a Memorandum of Understanding (MoU) agreed in 2024. This document sets out the principles under which the integrated settlement with GMCA will be agreed and implemented at the next Spending Review. It also outlines the process for agreeing and monitoring outcomes associated with the IS, plus accountability arrangements.

The integrated settlement will include HMG funding falling under five thematic policy areas. These are: local growth and place; local transport; housing and regeneration; adult skills; and buildings' retrofit. The GMCA will have specific functional responsibilities in each of these thematic policy areas. Where HMG funds are in scope of the MCAs' functional responsibilities, they will be included in the IS.

The MoU sets out a framework for delivering the following elements of the settlement:

- System accountability, including the role of MHCLG as 'System Accountable Officer';
- Funding quantum for each thematic area;
- Flexibilities for transfers between themes;
- Spending controls between years, including treatment of over- and under-spends;
- Outcomes and targets agreed as part of the IS for each theme;
- Monitoring and evaluation arrangements.

9.2. Investment Funds

Many of the funds available to the GMCA originate in grants and loans made available by Government, and historically the EU. Each of these carries specific conditions, some of which have evolved over time. The GMCA finance function operates

a range of processes and controls to ensure these funds are spent in accordance with relevant conditions.

Where funds are distributed to external parties, including through open competition, decision-making criteria are published in advance. Decisions about running funds in-house or via external fund managers are based upon criteria set out in the funding agreements and an assessment of internal capability. In some circumstances GMCA has made the decision to use funding received to deliver investment funds with the intention that the funding is recycled. In doing this the funds adhere to investment strategies which evolve over time, but are always focused at least on achieving the conditions within govt funding agreements. Expenditure may be subject to regular audit, both internally and through the work of funding departments.

Annex A) Assurance Framework Development Plan

The environment in which the GMCA operates is dynamic, and its assurance framework requires continuous improvement. In the coming year, the following are priorities for improvement which will be incorporated into the current framework when it is presented for review and approval prior to the start of the next year:

- **Structure:** Reflecting any changes emerging from the embedding of the new GMCA Group Structure, including senior roles, governance routes and directorate structures.
- **Business Cases:** Alignment of business case guidance, with particular reference to consistency across the thematic areas within the Integrated Settlement and formal thresholds for proportionate levels of detail within these cases.
- **Risk Management:** Evolution of the Risk Management Framework to become the “GMCA Group Risk Management Framework” to demonstrate how “system” risks to the achievement of GMS outcomes are identified, managed, mitigated and assured.
- **Assurance:** Baselining and streamlining Assurance activities to provide clear and consistent routeways for assurance based on risk and complexity criteria.
- **Transparency:** Increased transparency around governance mechanisms below committee level and above the delegated thresholds of statutory officers. This will include thematic groups for specific portfolios linked to the IS themes.

Annex B) Outcomes Framework

To be added once agreed with MHCLG, set out by thematic area

Local Growth & Place
<i>Add details of specific outcomes once confirmed/agreed</i>
Local Transport
Adult Skills
Housing & Regeneration
Buildings Retrofit

Annex C) Governance Structure

Current Structure

The governance structure of the GMCA and its associated bodies has evolved since inception in 2011 to reflect changing guidance and responsibilities. Currently it operates as follows:

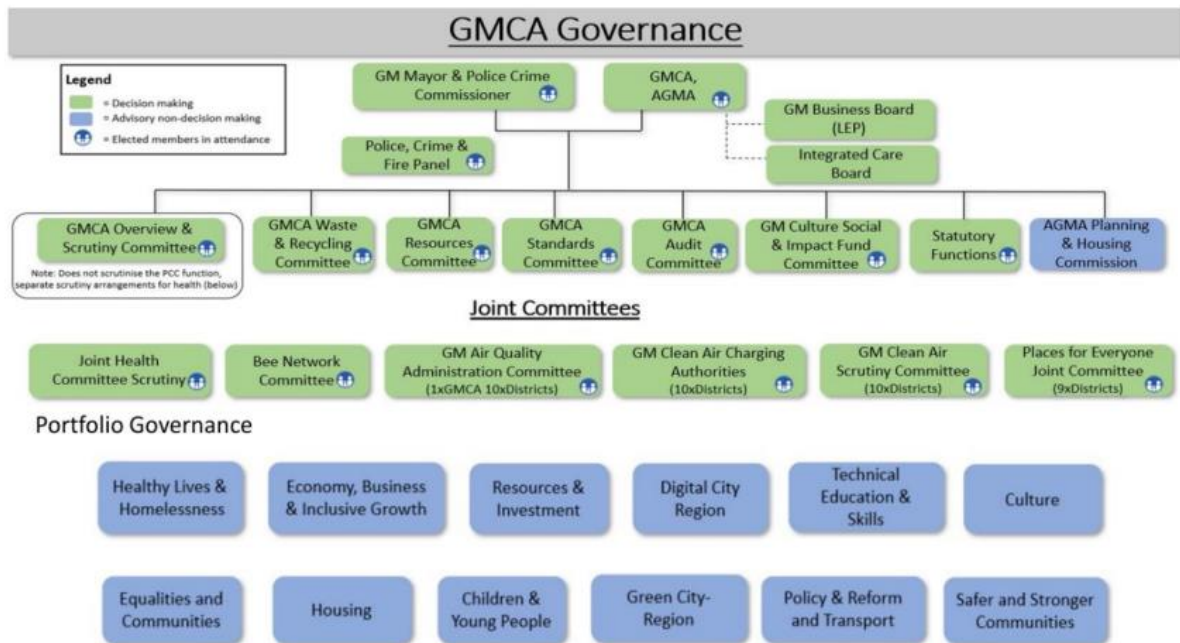


Figure: Comprehensive GMCA Governance Structure

To be replaced with a more comprehensive diagram of latest governance structure, reflecting group arrangements and showing flows up to government (via MHCLG then across to DfE, DESNZ etc), across to NHS and business and into 10 constituent councils (plus wider Northern bodies, e.g. Northern Powerhouse transport etc) once Integrated Settlement governance confirmed.

Annex D) Scrutiny Protocol

Devolution relies on local leaders and institutions that are transparent and accountable, seek the best value for taxpayer’s money and maintain strong ethical standards. The EDAF sets out how the institutions with devolved powers are accountable to local people and the UK government, and how their decisions will be scrutinised and made transparent for local politicians, business leaders and local communities of their area.

The government has also produced a Scrutiny Protocol as a key part of making sure that institutions’ overview and scrutiny arrangements are of the highest possible standards for holding them to account for delivery as well as for playing a critical role in policy and strategic development. This sets out a series of principles to guide the work of institutions and their scrutiny functions. GMCA’s adherence to the Scrutiny Protocol is set out below:

Principle	Evidence of Adherence
Pool of members	Forty members (20 core, 20 substitutes)
Politically balanced membership	Membership reflects political balance of Greater Manchester
Geographically balanced membership	Members nominated from all ten constituent councils and appointed by the GMCA, ensuring every local authority is represented
Appointment of chair	Chair is appointed by the Committee and must be an ‘appropriate person’ i.e. not of the same political party as the Mayor
Sustained appointments made on interest and skills	Local Authorities are asked to nominate the same members for at least two years, as far as possible
Well-resourced training	Members are provided with a full induction programme, regular information briefings and access to specific scrutiny training from a number of partner organisations
Inviting technical expertise	Portfolio Leads, lead officers and ‘expert witnesses’ are invited to attend alongside reports to the Committee and also to contribute to task and finish activities
Remuneration and status	Since June 2023, the GMCA has remunerated its GMCA Overview & Scrutiny members, however The Combined Authorities (Mayoral Elections) Order 2017 (Amendment) Regulations 2024 made the provision for the GMCA to directly remunerate
Holding the mayor or	The GM Mayor attends the Committee as often as required and in line with his portfolio responsibilities, as do other members of the GMCA

directly elected leader and the institution to account	
Participation in pre-policy and pre-decision scrutiny	Our scrutiny model ensures that the Committee are engaged in all policy development at an early stage so they can actively undertake pre-policy scrutiny
Provision to call in	The provision to call-in decisions of the GMCA, Mayor or Officers remains within our scrutiny model
Regular performance monitoring including agreed outcomes	Performance monitoring against the ambitions of the Greater Manchester Strategy is undertaken regularly and the Committee are also involved in developing the outcomes framework for the Integrated Settlement which will form a future basis for this activity
Robust work programming	Annual work plan established at the start of the municipal year and reviewed at each meeting
Focused task and finish exercises	Regular task and finish opportunities for the Committee, who have recently determined their next topic
Strong relationships with stakeholders	Many partner organisations, such as the Good Landlord Charter and Housing Associations actively support the work of the Committee. There are also strong connections to the work of local authority scrutiny committees through elected members and officers
Regular self-evaluation and reflection	In 2022 an independent review of our scrutiny model was undertaken and a further evaluation as to how the recommendations had been taken forward was completed in 2023. Regular performance monitoring is undertaken through our annual reporting process
Access to data, research, and analysis	Members have complete access to all data, research and analysis that they require to undertake their function, this is often included in reports to Committee, or requested for task and finish activities
Strong relationship with audit committees	Work Programmes for both committees are aligned to ensure sharing of key issues within their respective terms of reference. We are also progressing joint training & joint briefings for the Chairs

Annex E) Statutory Officer Responsibilities

Mayor

The Mayor chairs the GMCA which is the Combined Authority's decision-making body. The GM Mayor is directly elected by the electorate across Greater Manchester and is the statutory appointed chair of the GMCA. The GM Mayor is a decision maker in their own right and the functions of the Mayor are detailed in the GMCA Constitution.

The elected Mayor is also responsible for the GM Fire and Rescue service and the functions of the GM Police and Crime Commissioner and holds the Chief Constable and Chief Fire Officer to account for the effective and efficient delivery of services.

Deputy Mayor

The Deputy Mayor for Safer and Stronger Communities is appointed by the Mayor in respect of their PCC functions, pursuant to Section 18 of the Police Reform and Social Responsibility Act 2011, as modified by the PCC Order. The Deputy Mayor is authorised by the Mayor to exercise any (with the exception of a limited number of functions that cannot be delegated) of the PCC functions.

Statutory Officers - GMCA appoints three Statutory Officers with a formal role of discharging the duties and obligations on their behalf. The roles are fully defined in the constitution but briefly comprise:

Head of Paid Service

The Group Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989.

Treasurer / Section 73 Officer

The Group Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority.

Monitoring Officer

The Group Solicitor & Monitoring Officer fulfils the role of Monitoring Officer and discharges the functions as set out in section 5 Local Government and Housing Act 1989.

Glossary

AEB	Adult Education Budget
AGS	Annual Governance Statement
AO	Accountable Officer
FBC	Full Business Case
IS	Integrated Settlement (formally known as the Single Settlement)
GMFRS	Greater Manchester Fire & Rescue Service
GMP	Greater Manchester Police
HMT	His Majesty's Treasury
MHCLG	Ministry for Housing, Communities and Local Government
OBC	Outline Business Case
SOC	Strategic Outline Case
TfGM	Transport for Greater Manchester

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gmcaconstitution2023finaldocx.pdf](#)

[Home | Greater Manchester Business Board](#)

[How we deal with complaints - Greater Manchester Combined Authority](#)

[GMCA Whistleblowing Policy](#)

[Freedom of Information \(FOI\) - Greater Manchester Combined Authority](#)

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Ministry of Housing,
Communities &
Local Government



Department for Levelling Up,
Housing & Communities

Guidance

English Devolution Accountability Framework

Published 16 March 2023

Applies to England

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Foreword

Stronger, more empowered, and more accountable local leadership is core to our levelling up mission. It can help to grow our local economies and to improve public services. But it requires local leaders and institutions that are transparent and accountable, work closely with local businesses, seek the best value for taxpayer's money and maintain strong ethical standards.

Over 40% of the population of England currently lives in an area covered by a devolution deal that sees them elect a mayor every 4 years. And, thanks to 6 new devolution deals agreed since the Levelling Up White Paper was published in February 2022, over half of England will be represented by a directly elected mayor or leader following the May 2024 elections.

It is through those elections that residents will ultimately be able to hold those responsible for local decisions accountable, but an election every 4 years is not sufficient on its own. This first edition of the English Devolution Accountability Framework sets out how those who lead and work for English institutions with devolved powers such as Mayoral Combined Authorities can be scrutinised and held to account by local politicians and businesses, by the UK government and parliament and – most crucially – by the residents whom they serve.

The accountability system described in this framework acts as a safeguard against unethical behaviour, inadequate performance and poor value for money for the local taxpayer by placing a focus on transparency and scrutiny. It will ensure that local councillors are empowered to provide effective scrutiny through a new Scrutiny Protocol. And that local media and residents are able to hold leaders and institutions to account with accessible information about their role and performance of the leaders through plain English guidance and published outcomes showing the progress areas have made. It will improve the decision-making process and allow greater progress in delivering levelling up to all areas that have agreed devolution deals.

As the new deals and new devolved arrangements are implemented – including to single local authorities in county areas – the framework will be updated to consider their particular needs.

All of these institutions are part of the local government family, supported by the same broader Local Government Accountability Framework, and will benefit from the work being done to make all local authorities, including combined and combined county authorities, more accountable and transparent, such as the establishment of the Office for Local Government.

For devolution to succeed it is important not just that UK government relinquishes powers and funding so that areas can forge their own path to prosperity. Effective local government and devolution requires local leaders

to take on responsibility for delivery in the eyes of the public. This requires residents to understand the role of local institutions and make informed assessments of the performance of their local leaders through clear metrics and robust scrutiny.

That will not happen overnight, but it is a vital part of allowing devolution, and through it levelling up the country, to succeed. It is a process to which I know that both the government and local leaders are committed, and that this framework can help begin.

Dehenna Davison
Parliamentary Under-Secretary of State for Levelling Up

Executive summary

Introduction

This first edition of the English Devolution Accountability Framework sets out how the mayoral combined authorities and the Greater London Authority (GLA) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.

It will also apply to other new English institutions with devolved powers including mayoral combined county authorities and, with regard to their devolved powers, county councils and unitary authorities that have agreed and implemented devolution deals.

The English Devolution Accountability Framework is an element of the broader Local Government Accountability Framework which applies to all local authorities, including combined authorities. The Local Government Accountability Framework is continuing to evolve and 2023 will see the introduction of the Office for Local Government (Oflog).

The English Devolution Accountability Framework is structured around the 3 key forms of accountability:

- local scrutiny and checks and balances
- accountability to the public
- accountability to the UK government

Local scrutiny and checks and balances

- As with all public bodies, English institutions with devolved powers must maintain standards in public life. And like all other local authorities they must ensure value for money.
- To increase oversight of value for money, all combined authorities and combined county authorities are legally required to have an audit committee and this is also expected of county councils or unitary authorities that agree a devolution deal.
- All institutions with devolved powers must also have a strong, independent, and diverse local business voice.
- All local authorities, including combined authorities and combined county authorities, are required to have overview and scrutiny committees. But in recognition of the unique circumstances for directly elected leaders, government will work with local areas to develop a protocol for all institutions with devolved functions on the relationship between the mayor/directly elected leader, the institution and its scrutiny/audit functions.
- The Scrutiny Protocol will focus on ensuring that each institution has a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members should be able to devote time to the role. And the committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary.
- The Scrutiny Protocol will also look at how mayors can best engage with residents (e.g. through Mayors Question Times), MPs and other key stakeholders including an independent business voice. Government recognises that this will take significant change and the development of the Scrutiny Protocol is an opportunity to explore innovative ideas.
- Separately, we will be engaging with the Liaison Committee on Parliamentary Select Committees' role in scrutinising an institution's delivery of projects funded by central government.

Accountability to the public

- To improve awareness of roles and performances, institutions and their leaders are expected to communicate with their residents clearly about what their role entails. The government will encourage areas to include information on these roles in council tax bills and will explore whether Level 3 areas should include it in the booklets of election addresses.
- Further to [existing literature](https://www.gov.uk/government/publications/devolution-and-mayors-what-does-it-mean) (<https://www.gov.uk/government/publications/devolution-and-mayors-what-does-it-mean>), government will commit to publishing new plain English guidance

covering all the roles and funds of current institutions with devolved powers (including the GLA) before the next mayoral elections in 2024.

- In 2023, the government will set out a series of outcomes and metrics which will help local people to assess how institutions with devolved functions are performing with funding provided by UK taxpayers. These metrics will build on the Levelling Up Missions and the Net Zero Strategy and be published by the new Office for Local Government.

Accountability to government

- Government must ensure centrally provided funds support UK government priorities and deliver value for money.
- Government will coordinate the reporting against specific assurance processes and set up an annual conversation with each area to allow a clearer understanding of the interconnections between projects in different funding streams and the local priorities.
- Each area already in receipt of 30-year Investment Funds must agree to an independent evaluation of this funding every five years to assess progress and inform the release of future funding.
- Individual departments have specific intervention processes linked to individual devolved funds. Government has the ability and capacity to intervene when an authority is failing to meet their duty of best value. The Levelling up Secretary powers include ultimately sending in commissioners, where an institution is failing to meet its Best Value duty.

Further iterations of the English Devolution Accountability Framework

The English Devolution Accountability Framework will be republished annually alongside the Annual Devolution Report and updated as appropriate. Anticipated changes to future editions include planned improvements to the broader Local Government Accountability Framework, development of accountability for Single Department Style Settlements for Trailblazer devolution deals and any other relevant change in government policy.

1. Introduction

1.1. The Levelling Up White Paper sets out a mission that:

By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

1.2. To deliver this, the UK government has developed a new devolution framework for England designed to create a clear and consistent set of devolution pathways for areas, enabling them to widen and deepen their devolved powers.

1.3. The devolution framework is underpinned by 4 principles to guide future devolution deals: effective leadership, sensible geography, flexibility, and appropriate accountability.

1.4. In providing areas with more powers and funding flexibility, these powers need to be used appropriately to support local and national priorities. This means having local leaders and institutions that are transparent and accountable, work closely with local businesses, seek the best value for taxpayer's money and maintain strong ethical standards. In order to achieve this, mechanisms are needed to ensure strong local accountability.

Scope of the accountability framework

1.5. The English Devolution Accountability Framework should be seen as part of the broader Local Government Accountability Framework. Much of the English Devolution Accountability Framework highlights existing policies, processes, and mechanisms within the Local Government Accountability Framework and confirms how these should be understood and adopted in the context of implementing devolution deals. Where it proposes to go further, for example in the creation of the Scrutiny Protocol, these additional policies, processes and mechanisms should be understood to be especially applicable in the case of devolution deal implementation but may be adopted more widely where local authorities consider this appropriate.

1.6. All of the processes and mechanisms detailed in this document apply to all existing and future English institutions with devolved functions, unless stated otherwise. These are:

- Combined Authorities, which if they have a directly elected mayor are referred to as mayoral combined authorities
- Combined county authorities, which if they have a directly elected mayor are referred to as mayoral combined county authorities [\[footnote 1\]](#)

- County councils in areas with two-tier local government that have agreed a devolution deal, including one introducing a directly elected leader
- Unitary local authorities that have agreed a devolution deal, including one introducing a directly elected leader
- The Greater London Authority (GLA)

1.7. All these institutions, with the partial exception of the GLA, are a form of local authority and are subject to the Local Government Accountability Framework. This framework refers to the legal requirements and processes that form local accountability. The Accounting Officer for Local Government (the Permanent Secretary of the DLUHC) sets out their role and the assurance they receive in the [Accounting Officer System Statement \(https://www.gov.uk/government/publications/mhclg-accounting-officer-system-statement-2020\)](https://www.gov.uk/government/publications/mhclg-accounting-officer-system-statement-2020) (pages 34 to 54), which is published each year with the Department's Annual Report and Accounts. The English Devolution Accountability Framework should be understood as part of the broader Local Government Accountability Framework.

1.8. The GLA has its own unique structure and some specific funds (see Box 2.1) but is also a Best Value Authority (see 2.5). Where the GLA's position is different, this is detailed in the text. In the majority of cases however, particularly when it comes to accountability to government, the system for English institutions with devolved powers is the same as that which applies to other local authorities.

1.9. It does not apply to principal local authorities which have the mayor and cabinet executive model but have not agreed a devolution deal leading to new powers or functions. Government will keep under review whether certain mechanisms, for example the Scrutiny Protocol, could be applied to these authorities but has no intention to do so at the moment.

1.10. For county councils and unitary authorities that have agreed to a devolution deal, the additional accountability policies, processes and mechanisms that are especially applicable in the case of devolution deal implementation (e.g. the Scrutiny Protocol and the specific published outcomes and metrics) should be understood to be applicable only to the exercise of devolved functions and to other activities connected with deal implementation and not to existing local authority activities, unless the local authority considers this appropriate.

1.11. The government is also developing appropriate accountability processes for institutions that secure single funding settlements at the next Spending Review. They will give those areas more flexibility and accountability over key economic growth funds, enabling local leaders to make place-based decisions and so will need additional measures on scrutiny and assessing delivery against outcomes.

1.12. With the exception of the Greater London Authority, where these institutions have a directly elected leaders they are referred to in this document as Level 3 areas. Where they have an indirectly elected leader or chair, they are Level 2. This uses the terminology defined in the Devolution Framework in the Levelling Up White Paper.

1.13. This document does not look at accountability for the devolved administrations of Scotland, Wales and Northern Ireland nor for their local authorities.

Interdependencies

1.14. The Local Government Accountability Framework continues to evolve. Planned changes include establishing the Office for Local Government (Oflog). Using data as its cornerstone, Oflog will improve transparency and foster accountability, increasing the understanding of local government performance for its three main user groups of the citizen, local government, and central government. Through doing this, Oflog will form a part of the Local Government Accountability Framework and play a role in helping to improve the performance of all local authorities. More information on its future direction of travel will be set out in the coming months.

1.15. Oflog's remit includes all institutions with devolved powers. It will publish key data for institutions with devolved powers. Its broader role in accountability for those institutions will be developed and clarified in later editions.

1.16. Some mayors also exercise Police (Fire) and Crime Commissioner functions (P(F)CC) for their area, where those functions have been transferred through a local devolution deal^[footnote 2]. The accountability processes for that role are set out in the [Police, fire and crime panels guidance](https://www.gov.uk/government/publications/police-and-crime-panels-guidance) (<https://www.gov.uk/government/publications/police-and-crime-panels-guidance>). Some institutions with devolved power are also responsible for the Fire and Rescue Authority. View the [National Framework that Fire and Rescue Authorities](https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england--2) (<https://www.gov.uk/government/publications/fire-and-rescue-national-framework-for-england--2>) must adhere to.

1.17. The processes for Local Enterprise Partnerships which have not integrated into institutions with devolved powers are set out in the [National Local Growth Assurance Framework](https://www.gov.uk/government/publications/national-local-growth-assurance-framework) (<https://www.gov.uk/government/publications/national-local-growth-assurance-framework>) which will be updated in due course. Business boards in institutions with devolved powers (see 2.11) are not subject to the separate national LEP assurance, performance, and government intervention arrangements but are a part of their institution and so subject to the English Devolution Accountability Framework.

Structure of the accountability framework

1.18. This document is divided into 3 sections:

- **Local scrutiny and checks and balances** – focused on the processes by which local stakeholders (inside and outside of the organisation) ensure that there is good governance and value for money
- **Accountability to the public** – how government and local areas ensure that the public understand what the institutions do and how they are performing to inform their decision at the ballot box
- **Accountability to government** – the monitoring and intervention done by individual departments for specific funding streams and by DLUHC as ultimate owner of the system

1.19. In each section, some elements cover all Level 2 and Level 3 devolution deals and some only cover Level 3 deals i.e., those with a directly elected leader. Where appropriate individual arrangements for London will be included.

1.20. The annexes provide more detail on specific assurance processes. Annex A covers the Single Assurance Framework which applies to all institutions with devolved deals. Annex B then explains which of the current institutions with devolved powers have specific funds before Annexes C to E detail assurance processes for different funds available for Level 2, Level 3 and uniquely for London respectively.

Refreshing the English devolution accountability framework

1.21. Future iterations of the Annual Devolution Report will have the English Devolution Accountability Framework as an annex and the framework will be updated annually as appropriate. We anticipate changes to future editions to incorporate planned improvements to the broader Local Government Accountability Framework, development of accountability for Single Settlements for Trailblazer Devolution Deals, reflect the governments progress on the English devolution mission and any other relevant change in government policy.

2. Local scrutiny and checks and balances

2.1. This section looks at the key checks and balances that all institutions with devolved powers have. The majority are set out in legislation and are part of the Local Government Accountability Framework so apply to all of the local government sector including institutions with devolved powers.

2.2. The checks and balance in place are to ensure that standards in public life are maintained, value for money is delivered, the voice of business is fully involved in decision making, and that there is a strong culture of local scrutiny with decisions and services being refined and improved through challenge.

Maintaining standards in public life

2.3. As with all public sector bodies, elected officials and officers of English institutions with devolved powers are expected to uphold the [Seven Principles of Public Life \(the Nolan Principles\)](https://www.gov.uk/government/publications/the-7-principles-of-public-life) (<https://www.gov.uk/government/publications/the-7-principles-of-public-life>). This is promoted by the Committee on Standards in Public Life which advises the Prime Minister on ethical standards across all public life including all institutions with devolved powers. As set out in the [Pickles Review](https://www.gov.uk/government/publications/a-democracy-that-works-for-everyone-a-clear-and-secure-democracy) (<https://www.gov.uk/government/publications/a-democracy-that-works-for-everyone-a-clear-and-secure-democracy>), governance must include robust and effective processes that openly and transparently hold those exercising executive responsibilities to account, and which prevent, discourage, and expose municipal corruption.

2.4. All institutions with devolved powers, in common with all other local authorities, are legally required to maintain standards set out in Chapter 7 of the Localism Act 2011, including to:

- promote and maintain high standards of conduct
- adopt their own code of conduct – which as a minimum must be consistent with the Nolan principles (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- have in place arrangements to investigate and decide on alleged breaches of the code
- maintain a register of both pecuniary and non-pecuniary interests
- draft and subsequently abide by a constitution to guide decision making
- employ [3 statutory officers](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914651/Annex_2_-_Statutory_officers.pdf) ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914651/Annex 2 - Statutory officers.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/914651/Annex_2_-_Statutory_officers.pdf)) (PDF, 138KB):
 - Head of Paid Service/Chief Executive – who must ensure that all the authority’s functions are properly co-ordinated, as well as organising staff and appointing appropriate management
 - Section 151 Officer or equivalent – who must make arrangements for the proper administration of the authority’s financial affairs, including ensuring is the council sets a balanced budget
 - Monitoring Officer – who must report on matters they believe to be illegal or amount to maladministration, be responsible for matters

relating to the conduct of councillors and officers and for the operation of the council's constitution

2.5. Underpinning good governance, and so local democracy, is the best value duty. The duty requires authorities 'to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness'. Government can intervene where authorities have failed to do so. See the Inspection and Intervention section in Part 4.

Ensuring value for money

2.6. Ensuring value for money is a key duty for all institutions with devolved powers. All institutions with devolved powers are required to independently verify their statutory accounts through external audit as set out in the [Local Audit and Accountability Act 2014](https://www.legislation.gov.uk/ukpga/2014/2/contents) (<https://www.legislation.gov.uk/ukpga/2014/2/contents>).

2.7. To help support this, each combined authority, combined county authority or local authority with a devolution deal must have an audit committee. We also expect that constituent councils of combined authorities and combined county authorities should move towards setting up audit committees where they do not have them (or an equivalent structure), in line with the government's planned commitment to make an audit committee compulsory for all local authorities when parliamentary time allows.

2.8. The audit committee's role is to review and scrutinise the institution's financial affairs (including consideration of any devolved funds), ensure appropriate corporate governance and risk management and assess whether it is delivering value for money. They are expected to have an independent person among their membership. Further detail can be found in [Audit Committees: Practical Guidance for Local Authorities and Police](https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition) (<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>).

Ensuring a business voice

2.9. All institutions with devolved powers should embed a strong, independent, and diverse local business voice into their decision-making processes. Any newly integrated business voice function should play an active role in partnerships such as Town Deal Boards, where those partnerships currently have Local Enterprise Partnership (LEP) participation at the request of local partners.

2.10. This business board should build on the success of existing LEP boards wherever possible. Local leaders will also have the flexibility to adjust the membership of the newly integrated business board, including by inviting the participation of local economic partners outside of the business community, and can re-brand as necessary. Any new business board members must be appointed through an open process. That process should ensure appointees are politically independent and able to provide a constructive check and challenge on local decision-making using their private sector perspective.

Providing appropriate scrutiny

2.11. Local scrutiny is critical for increasing knowledge and analysis of the performance and governance of local areas. All combined authorities, combined county authorities and local authorities are required to have at least one overview and scrutiny committee, and, where the mayor exercises Police (Fire) and Crime Commissioner functions, a Police (Fire) and Crime Panel is responsible for scrutinising the actions and decisions of Mayors who exercise the functions. See [Police, fire and crime panels guidance \(https://www.gov.uk/government/publications/police-and-crime-panels\)](https://www.gov.uk/government/publications/police-and-crime-panels). In combined authorities and combined county authorities, the members of those committees are predominantly made up of members from the constituent councils. Quoracy for these committees is two-thirds as opposed to the one-third in other local authorities.

2.12. An Overview and Scrutiny Committee's role is to review and scrutinise the institution's decisions (whether planned, underway or implemented) and to make reports and recommendations to the authority on the discharge of its functions and on matters that affect the authority's area or residents. This includes scrutinising accounts and local audit reports.

2.13. Full details of the requirements for these committees are set out in the following:

- [Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017 \(https://www.legislation.gov.uk/uksi/2017/68/contents/made\)](https://www.legislation.gov.uk/uksi/2017/68/contents/made)
- [Overview and Scrutiny: statutory guidance for councils and combined authorities \(https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities\)](https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-and-combined-authorities)
- [Schedule 1 of the Levelling Up and Regeneration Bill \(https://bills.parliament.uk/bills/3155\)](https://bills.parliament.uk/bills/3155)

2.14. In the case of London, [the Greater London Authority Act 1999 \(https://www.legislation.gov.uk/ukpga/1999/23/contents\)](https://www.legislation.gov.uk/ukpga/1999/23/contents) (as amended) sets out

the arrangements for the Greater London Assembly which are summarised in Box 2.1.

Box 2.1: London scrutiny and audit arrangements

The London Assembly scrutinises the exercise of the Mayor’s functions and conducts investigations into London issues through a series of themed committees.

The London Assembly is formed of 25 elected members, of which 14 members represent individual constituencies with the remaining 11 members acting as London-wide member and elected from a ‘top-up’ list.

The Mayor is required to attend 10 question times each year to allow Assembly members to enquire into the Mayor’s actions and policies, alongside holding an annual, public, State of London debate. In addition, the Mayor and Assembly are required to hold twice-yearly public meetings known as “People’s Question Time”.

The Assembly has a formal role in considering the budget for the GLA and its 5 functional bodies, and has the power to overrule either all or part of the Mayor’s proposals by a two-thirds majority

Similarly, the Assembly must be consulted by the Mayor during the preparation of GLA strategies, and has the power to make amendments, subject to a two-thirds majority being reached.

The Assembly has the power to require attendance at Assembly meetings from certain individuals, such senior members of GLA staff or board members, to give evidence at its meetings and to produce documents on request.

2.15. The role of overview and scrutiny committees is different in combined authorities and combined county authorities. Most scrutiny in principal local authorities focuses on the critical day to day services that the local authority provides. For combined authorities and combined county authorities, the great majority of their decisions are about long-term investments and strategic plans. In addition, when joining these committees, councillors need to think on a broader strategic geography rather than just about their own council area.

2.16. This makes it crucial that committees can recruit committed, motivated members and, crucially and retain them in post for more than one year to allow appropriate training, build knowledge and maintain focus on key policy and performance issues.

2.17. Government is already taking steps to support this through the Levelling Up and Regeneration Bill which will ensure combined authorities and combined county authorities are able to compensate constituent authority councillors for their roles on overview and scrutiny and audit committees.

2.18. But more needs to be done. It is crucial that local scrutiny of institutions with devolved powers sets new standards for holding their institutions to account for delivery, as well as playing a critical role in policy and strategy development.

2.19. To that end, the government will develop a new Scrutiny Protocol for all institutions with devolved functions on the relationship between the mayor/elected leader^[footnote 3], the institution and its scrutiny/audit functions. It will do this working with the currently established mayoral combined authorities, the GLA and those areas which have agreed devolution deals for their areas, as well as organisations such as the Centre for Governance and Scrutiny.

2.20. The Scrutiny Protocol will focus on ensuring that each institution has a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members should be able to devote the time to the role. And the committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary.

2.21. Committees should have easy access to relevant data to support their role. They should be supported by a well-resourced team of clerks, regular training opportunities and access to research and analysis capability.

2.22. Government recognises that this will take significant change and the development of the Scrutiny Protocol is an opportunity to explore innovative ideas. Government and ministers will also look to demonstrate to local media, residents and politicians the importance that it places on the role of local scrutiny.

2.23. The Scrutiny Protocol will also look at how mayors can best engage with residents (e.g. through Mayors Question Times), MPs and other key stakeholders including the independent business voice (see 2.9).

2.24. The Protocol will be developed during 2023 with a view to publishing later in year, and will be incorporated into the next iteration of this framework. Successfully implementing the Protocol will be a key factor when determining eligibility for single funding settlements and deeper devolution deals.

2.25. Separately, we will be engaging with the Liaison Committee on Parliamentary Select Committees' role in scrutinising how an institution with devolved powers deliver projects funded by central government.

3. Accountability to the public

3.1. The most important form of accountability in devolved institution is to the residents who elect its leaders.

3.2. In Level 2 areas (without directly elected leaders), elected councillors are responsible for appointing the leader of their council and, where relevant, representatives to the combined authority or combined county authority. Councillors should hold leaders to account for the decisions they make on devolved matters, as well as other local government functions, and ensure they are delivering for their residents. Residents should consider this role when making their choice at the ballot box.

3.3. To allow democratic accountability to be effective, it is crucial that the public can easily understand what functions institutions are responsible for and how they are performing. Local and national news publishers, including the hyper-local press and citizen journalism, must be able to play a key role in facilitating public accountability.

Improving awareness of roles and performances

3.4. Institutions and their leaders are expected to communicate with their residents clearly about what their role entails. The government will encourage areas to include information on these roles in council tax bills and will explore whether Level 3 areas could include it in election address booklets.

3.5. Government has previously published [explainers on what each of the devolution deals means](https://www.gov.uk/government/publications/devolution-and-mayors-what-does-it-mean). (<https://www.gov.uk/government/publications/devolution-and-mayors-what-does-it-mean>) To improve understanding, Government will commit to publishing new Plain English Guidance covering all the roles and funds of current institutions with devolved powers (including the Greater London Authority) before the next mayoral elections in 2024. It will engage with the current mayoral combined authorities, the Greater London Authority and new devolution deal areas to develop it.

3.6. This guidance will summarise the powers that have been devolved and the respective roles of the institution, its elected officials and other key stakeholders. It will do so in a way which is straightforward to follow.

3.7. In 2023, the government will set out the outcomes and metrics which should be used to assess how institutions with devolved functions are performing with funding provided by UK taxpayers. These metrics will build on the Levelling Up Missions and the Net Zero Strategy and be published by the new Office for Local Government.

3.8. The government will engage with a broad range of stakeholders including the current mayoral combined authorities, Greater London Authority and new devolution deal areas in developing these outcomes and metrics. It will consider whether to capture the comparative performance of areas with devolved powers against these outcomes in the annual report on the delivery of Levelling Up Missions or separately. The co-design process with mayoral combined authorities and the Greater London Authority commenced in February 2023, with an initial focus on Adult Skills. Engagement around Transport outcomes and metrics is expected to begin in late-Spring 2023 followed by Housing in early 2024.

3.9. Together the plain English guidance and Office for Local Government data will provide a central resource of information on the roles and performance of mayors and institutions with devolved powers for media, stakeholders and the public to use.

Raising the profile of mayors and other directly elected leaders

3.10. Level 3 devolution deals provide greater democratic accountability by having a single visible leader directly accountable to the public at the ballot box for their performance and the decisions they make.

3.11. Government has improved this accountability by changing the voting system to “First Past the Post” for directly elected mayors and leaders of institutions with devolved powers (as well as for Police and Crime Commissioners and other mayors of local authorities). The government believes that the First Past the Post system is a more straightforward way of electing representatives, which is well-understood by voters. Moving to First Past the Post will make it easier for the public to express a clear preference: the person chosen to represent a local area will be the one who directly receives the most votes. It will reduce complexity for the voter and administrator.

3.12. To date, turnout at every MCA election has increased on the previous election. Areas which have devolved functions should be ambitious in expecting engagement with institutions and their new role to grow year on year.

3.13. As set out in 2.23, the new Scrutiny Protocol will also set out how government expects mayors to engage regularly with the public through ‘Mayor’s Questions Times’ or similar forums whereby residents are able to ask mayors/leaders questions directly about their concerns.

3.14. Two decades on from the establishment of the Mayor of London and the London Assembly, the government intends to review how current scrutiny and accountability arrangements in London are operating in practice, exploring the strengths and challenges of the capital's devolution settlement, and how the Greater London Authority works and liaises with the London boroughs. This will be aimed at sharing best practice, learning lessons for other mayoral authorities and considering how current scrutiny arrangements may need to evolve over time.

4. Accountability to government

4.1. Areas with devolution deals should consider their primary accountability to be to their local residents. Government must, however, ensure that devolved funds support UK government priorities and deliver value for money. Government is also responsible for the overall integrity of the local government system, including combined authorities, combined county authorities and local authorities with a devolution deal.

An overall framework for assuring central funds

4.2. Government has provided – and will continue to provide – a number of funding streams to be delivered through areas, including the main funds set out in the devolution framework, as well as other temporary or place specific funds.

4.3. For devolved funds, it is important that there are clear and practical accountability and assurance processes to the relevant department.

4.4. Devolution deals signed with government provide places with greater local control, flexibility and responsibility over funding streams and their outcomes. The deals are the beginning of a process whereby local partners will have increasing control over budget lines, as well as further responsibility for delivery and outcomes.

4.5. A significant fiscal agreement in many of the original devolution deals was a 'single pot' approach to funding, which attempted to consolidate some funding lines and reduce ring-fences. It typically brought together the Transport Grant, Local Growth Funds, Adult Education Budgets and the Investment Fund although some of those funds have been superseded. The full commencement of the 'single pot' was contingent on the ratification of the devolution deal in all relevant constituent authorities, the establishment of the agreed governance structures, and an agreement with central

government to both an implementation plan and a Local Assurance Framework. Mayoral combined authorities must then submit their Local Assurance Framework to the department. More detail on the Local Assurance Framework, which all devolution deal areas must develop, can be found in [Annex A](#).

4.6. The government recognises that the ‘single pot’ process did not reduce the inefficiencies, decision-making complexity and reporting burdens which result from the number of local funding pots and the strings attached to them. Over the next 2 years, the government will apply the lessons from the ‘single pot’ process to streamline devolved funding, reducing inefficiency and bureaucracy, and giving institutions with devolved powers the flexibility they need to deliver for their local economies.

4.7. The Levelling Up White Paper announced that the government will set out a plan for streamlining the funding landscape; this will set out our ambition for reforming the current funding landscape to deliver a simpler, more transparent and accountable funding system for local authorities across the UK. DLUHC will publish more details and a wider package of reforms in due course.

4.8. Looking ahead to the next Spending Review and opportunities for simplification, our intention is also to deliver a single funding settlement for Greater Manchester and West Midlands Combined Authorities. More detail on the accountability mechanisms to accompany these settlements will be included in future editions of this accountability framework.

Assurance for individual funding streams

4.9. While the funding simplification work is in progress, each department has developed processes appropriate for their fund detailed in the Annexes. [Annex B](#) sets out the devolved funds received by each MCA. Fuller details of each are set out in the Annual Report on Devolution. Details of the accountability processes for Level 2 government funding streams (Adult Education Budget, Local Enterprise Partnership funding and UK Shared Prosperity Funds) and Level 3 funding streams (locally led Brownfield funding, integrated transport settlements and, in the case of some major city regions, the City Region Sustainable Transport Settlements) are recorded in [Annex C](#) and [Annex D](#) respectively. London specific funds are captured in [Annex E](#).

4.10. While data on outcomes should be made publicly available (see 3.7) there will also be a need to share more detailed data with government and to ensure that there is consistent data collection and reporting processes to improve data monitoring and allow comparative analysis.

4.11. Government will coordinate the reporting against specific assurances processes and set up an annual conversation with the area to allow a clearer understanding of the interconnections between projects in different funding streams and the local priorities. These will be supplemented in many cases by department specific conversations and regular engagement on a policy-by-policy basis.

Investment funds

4.12. In addition to these devolved funds, Level 3 deals receive area specific funding. UK government has agreed long-term (typically 30 year) Investment Funds (sometimes known as 'Gainshare' or 'Earnback') with each MCA to date and is likely to agree further ones with more areas that agree a Level 3 devolution deal. These are delivered as a joint programme with HMT and DLUHC.

4.13. An integral part of each published devolution deal is that an area had to agree to an independent evaluation leading up to a Gateway Review every 5 years, which assesses progress and impact of the Investment Funds. As well as the impact of the investment, the Gateway Review looks at how an area has met the requirements as set out in the National Evaluation Framework and HMG Performance Indicators. On the conclusion of the Gateway Review, ministers in DLUHC and HMT decide whether to release the next 5 year's funding in full.

4.14. Where the Gateway Review identifies an issue, minister's may decide to reduce or pause an area's payments until the issues affecting their performance are resolved.

4.15. For current and future rounds of Gateway Reviews, DLUHC will procure an Independent Evaluator, ensuring a clear split between the evaluation undertaken by the areas and the assessment of their progress by the Independent Evaluator. At the end of the 5-year period, a final assessment will be submitted to DLUHC to enable recommendations to be made to ministers.

Monitoring of governance and finances

4.16. For local government, which includes institutions with devolved powers, the department collects and analyses information from a wide range of sources to provide assurance that the core Local Government Accountability Framework is working and to assess levels of financial risk across the sector. This includes key sources of financial data and other soft

intelligence primarily gained from our interaction with authorities and other government departments. This data and intelligence is considered and analysed in the department to provide indications of which local authorities or groups of authorities are at highest risk of financial distress, service failure or other inability to meet statutory duties.

Inspection and intervention

4.17. The purpose of the measures set out in this accountability framework is to ensure good governance and value for money and reduce the need for government intervention. However, government must have the ability and capacity to intervene where there are very serious concerns of bad governance, poor value for money or inadequate services for residents.

4.18. It is for this reason that the DLUHC Secretary of State has the power to inspect an authority to determine if they are meeting the Best Value duty (see 2.5) and can intervene if they judge that an authority is failing to meet this duty. Intervention can be in the form of directing the authority to take specified actions and appointing Commissioners to take on functions of the authority. Full details are set out in [Statutory intervention and inspection: a guide for local authorities \(https://www.gov.uk/government/publications/statutory-intervention-and-inspection-a-guide-for-local-authorities\)](https://www.gov.uk/government/publications/statutory-intervention-and-inspection-a-guide-for-local-authorities).

4.19. Where the government judges it necessary to seek additional assurance this can be achieved in a number of ways set out below:

- increase regularity of contact to ensure progress is being maintained
- work with Local Government Association and peer organisations to provide sector level support
- engage with the external auditor
- non-statutory independent reviews
- provide additional conditions on the release of funding
- non-statutory intervention
- statutory Best Value inspection
- statutory Best Value intervention

4.20. DLUHC maintains stewardship responsibilities and will work with other departments who manage policy with devolved funding to agree next steps on additional assurance where needed, consistent with assurance processes set out in Annexes C to E.

Annex A: Local Assurance Frameworks

Due to the anticipated lifetime, value, and significance of certain elements within devolution deal agreements, Local Assurance Frameworks will need to be formally signed off by DLUHC before the Level 3 institution's first allocation of investment fund.

The Local Assurance Frameworks must demonstrate robust assurance, project appraisal and value for money processes before they are signed off by the department. Once approved, resources are paid where possible via a Section 31 Grant Determination to the Level 3 institution.

The single pot policy which led to the creation of Local Assurance Frameworks has evolved over time and will be superseded by single funding settlements where those are agreed. Should further funding be incorporated, or if wider changes affect local authority responsibilities, the Local Assurance Framework will be updated. In such instances, Local Assurance Frameworks will need to be updated accordingly. More detail on what is required for Single Local Growth Settlements will be included in future editions of the English Devolution Accountability Framework.

Where Level 3 institutions make changes that result in significant divergence from approved Local Assurance Frameworks, places should inform DLUHC officials who will provide further advice. Adjustments may need to be agreed by the Accounting Officer for the department, in consultation with relevant Accounting Officers across government. Recognising the fluidity and lifetime of the programme of investments, we expect Local Assurance Frameworks to be live documents, reviewed and refreshed annually (or more frequently if required) by the place. They should notify DLUHC if they are considering any significant changes and submit any new drafting in order to engage in a review process, including obtaining DLUHC approval before re-publishing.

Accountability and transparent decision making

This section sets out the accountability and decision-making process for all Level 3 institutions. Government's expectation is that mayoral combined authorities will build upon these requirements through their own Local Assurance Framework. It is important that, within their Local Assurance Framework, mayoral combined authorities outline their decision-making processes and demonstrate their commitment to transparent and accountable decision making. To demonstrate this commitment, we expect all Local Assurance Frameworks to:

- Confirm Accountable Body arrangements for funding received from government through devolution deals
- Confirm that the use of resources is subject to the usual local authority checks and balances – including the financial duties and rules which require authorities to act prudently in spending, which are overseen and checked by the responsible Chief Finance Officer (the Section 73 Officer) and to ensure that annual accounts are published. This should include reference to the MCA's overview and scrutiny and audit committee functions
- Confirm, where applicable, that investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local objectives (e.g. transport objectives) and through formal LEP involvement
- Describe the arrangements for enabling effective and meaningful engagement of local partners and the public to inform key decisions and future strategy development

The Local Assurance Framework should set out the key roles and responsibilities in decision making. In particular, it should set out which body (or bodies) has the authority to set strategy, budgets, and individual investment decisions, including any delegated authority. It should set out, for example, the distinct responsibilities of the Mayor and other Combined Authority members.

Where LEP integration has not taken place, mayoral combined authorities must agree and publish a joint statement with their LEP(s) in their Local Assurance Framework(s) which sets out their respective roles and responsibilities in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

In line with the Local Government Accountability Framework, we expect the Level 3 institution to ensure appropriate arrangements are in place so that decision-making and recording is transparent, and that requests for information, conflicts and complaints are dealt with appropriately. We would also expect to see arrangements in place to enable effective engagement with local partners and the public.

Local Assurance Frameworks should set out the means by which directly elected leaders will be involved in funding allocation and decision making. No spending commitments beyond the initial 5-year allocation should be made until elected leaders are in place and have agreed to the investment strategy. This is consistent with the ambition and agreement to hold a single democratically elected leader accountable, and for their democratically invested power to influence the allocation of funding.

Annex B: List of funds each current institution with devolved powers receives

Place	UK Shared Prosperity Fund	Growth Hubs	Career Hubs	Adult Education Budget	Brownfie Funding
Cambridgeshire & Peterborough	Yes	Yes	Yes	Yes	No
Greater Manchester	Yes	Yes	Yes	Yes	Yes
Greater London Authority	Yes	Yes	Yes	Yes	No
Liverpool City Region	Yes	Yes	Yes	Yes	Yes
North of Tyne	Yes	Yes	Yes	Yes	Yes
South Yorkshire	Yes	Yes	Yes	Yes	Yes
Tees Valley	Yes	Yes	Yes	Yes	Yes
West Midlands	Yes	Yes	Yes	Yes	Yes
West of England	Yes	Yes	Yes	Yes	No
West Yorkshire	Yes	Yes	Yes	Yes	Yes

Annex C: Funds for Level 2 and Level 3 areas

United Kingdom Shared Prosperity Fund (UKSPF)

The UKSPF runs until end of Financial Year 24/25, and any future funding cycle is subject to Spending Review decisions. However, as set out in the UKSPF Prospectus, we expect delivery responsibility for any future rounds of the Fund to align with new devolution deals in due course. In that case existing mayoral combined authorities, and all new combined authorities, combined county authorities or local authorities with a devolution deal, as lead authority for the strategic geography, would be expected to have overall accountability for the funding and how the Fund operates, although this does not preclude working with constituent authorities to deliver discrete elements of the fund more locally.

In that case the area, as lead authority for the strategic geography, would be expected to have overall accountability for the funding and how the Fund operates, although this does not preclude working with constituent authorities to deliver discrete elements of the fund more locally.

Based on current delivery arrangements (which may be subject to change), the milestones, expectations and timescales for UKSPF projects are expected to be set out in a Memorandum of Understanding with each area. This would set out formal reporting requirements, including quantitative and qualitative reporting. Areas must report this data to DLUHC to ensure that allocations are being spent to agreed timescales and milestones, including achievement of outputs and outcomes at the project level.

Areas are currently advised to carry out process evaluation/s of each project they fund to demonstrate the effectiveness of delivery of the interventions pursued. This can help contribute towards local accountability and provide learning on what worked in terms of delivery. Areas are also strongly encouraged to conduct their own causal quantitative impact evaluations for certain projects, where feasible. This should be proportionate to their allocations and investment plans.

Areas will also be expected to take part in the national level evaluation of process and causal impact where required.

Growth Hubs

Where the Department for Business and Trade provides grant funding to mayoral combined authorities and the GLA for a Growth Hub that will provide advice and guidance and simplify access to support for businesses. The MCA, GLA and the Growth Hub are required to comply with the terms of the Grant Offer Letter and Memorandum of Understanding, including

using robust monitoring and evaluation systems and ensure excellence in quality delivery.

Career Hubs

Where DfE provides grant funding, via The Careers & Enterprise Company, to support the delivery of activity within their local Careers Hubs, the MCA, GLA and the associated Careers Hub are required to comply with the terms of the Grant Offer letter and Memorandum of Understanding, including meeting relevant targets and Key Performance Indicators (KPIs).

Accountability for devolved skills funding

This section sets out the relationship between all institutions with devolved powers for adult skills functions and the DfE in more detail. This relationship ensures clear accountability and transparency as part of a strengthened strategic partnership that will help ensure the best possible skills outcomes for learners, local employers and value for money for the taxpayer.

All current mayoral combined authorities and areas with a devolution deal that have agreed to take responsibility for devolved skills budgets for their area (subject to readiness tests) will be expected to confirm that investment decisions made in relation to this funding are undertaken having given full consideration to (a) statutory duties relating to adult education and training which have been transferred to the mayoral combined authorities under Statutory Instruments (b) statutory entitlements to education and training of adults living in devolved areas, and policy entitlements where relevant (c) statutory and non-statutory guidance.

Institutions with devolved powers should consider how their devolved skills funding will align to local skills plans (including strategic skills plans set out by the institution with devolved powers, as well as the Local Skills Improvement Plan) while also addressing national priorities (such as those that will be set out in DfE's Accountability Agreements with providers).

Monitoring and evaluation

DfE expects institutions with devolved skills powers to produce an Annual Assurance Report on the delivery of adult education functions in line with wider monitoring and evaluation requirements. Institutions will report on the previous academic year findings to date by the end of every January using a standard template, referencing the most up to date publicly available data at that point in time. The report should include:

- Strategy and priorities for adult skills (subject to any further powers devolved in future)
- Spend – including the amount spent on skills programmes vs allocation, and the amount spent on related administrative costs
- Analysis of their delivery in their areas. This can draw on published data from DfE and use other data where necessary
- Impact – areas should consider the impact devolved skills funding has had upon skills in their localities (including alignment with Local Skills Improvement Plan), as well as against national priorities

To support local transparency, we ask that these reports are published on the institutions with devolved power's website. This report should be provided in addition to the policy specific assurance arrangements over the use of funds allocated to providers (e.g. the Adult Education Budget assurance statement).

To improve data transparency DfE will publish area-level information on key delivery outcomes and metrics, following engagement with existing and planned institutions with devolved skills powers. Timely data from devolved institutions will be required to support this.

To support DfE's strategic relationship with devolved institutions an annual skills stocktake will be held with each area to understand the strengths, challenges and opportunities in that area to improve skills outcomes. This will be informed by the information provided via the Annual Assurance Report and the outcomes data and metrics.

Intervention

When there is evidence of serious concerns DfE will use the menu of interventions set out in the Inspection and Intervention section of the framework. For institutions with devolved skills specifically, DfE will also offer support for escalating concerns via a non-statutory Diagnostic Review to help facilitate improvement. In extremis, where there are very serious unresolved concerns, DfE reserves the right to withhold funding.

Annex D: Level 3 only funds

Brownfield funding

The Brownfield Housing Fund is a £550 million fund, profiled over 5 years, with the aim of creating more homes by bringing more brownfield land into

development. The fund will contribute to the levelling up agenda targeting funding at places with an affordability ratio below national average to help ease the viability issues that brownfield projects in these places face, alongside supporting wider interventions aimed at economic development.

Areas are required to provide a quarterly report (covering spend and general delivery update) and an annual statement (covering both more detail on projects but also detail including analysis of market failures addressed and progress on Local Plans). Payments are dependent on the annual statement showing that DLUHC is satisfied that there has been sufficient progress.

Following the conclusion of the 5-year programme in 2024/25, areas must provide an evaluation report to DLUHC.

DLUHC may conduct its own monitoring and evaluation of the programme and may request to interview senior programme officers across a number of years.

Consolidated Transport Settlement

The consolidated integrated local transport budget consists of the local highways maintenance funding (pothole and highways maintenance block funding) and integrated transport block (transport capital improvement schemes worth less than £5 million). The Department for Transport (DfT) allocates capital funding to the devolved authority as they can most effectively decide how to spend this funding on maintaining and improving their respective network, based upon their local knowledge, circumstances, and priorities.

It is up to the devolved authority how best to spend this funding to fulfil their statutory duty under Section 41 of the Highways Act 1980. The Department strongly advocates a risk-based whole-lifecycle asset management approach to local authority highways maintenance programmes to ensure this funding is used as effectively as possible.

City Region Sustainable Transport Settlement

Seven mayoral combined authorities have agreed City Region Sustainable Transport Settlements (CRSTS) with government consolidating transport funding streams into a single settlement on a 5-year basis which could be the first of a series of 5 year transport settlements. Following the recent devolution deal the new North East Mayoral Combined Authority will

become eligible for a CRSTS, which will be determined in line with plans put forward by the Mayor.

This provides the long-term funding certainty for areas to design and deliver ambitious investments in their local transport network, which the mayoral combined authority takes responsibility for managing. Any cost overruns must be met locally and no additional government funding from this settlement will be provided to support the City Region Sustainable Transport Settlement programmes.

Delivery against those outcomes and local network performance will be monitored and regularly published in the same place, giving government and local electorates the opportunity to judge each mayor and combined authority's performance. Funding may be reduced if agreed schemes are not delivered, modified, delayed significantly or removed.

To ensure lessons are learnt from the City Region Sustainable Transport Settlement interventions, monitoring and evaluation of projects supported through settlements is a condition of funding. As outlined in the guidance, mayoral combined authorities are required to set aside a proportion of their allocated funding to undertake their own monitoring and evaluation. They should develop an Evaluation Plan to a timetable to be agreed with the department and make findings and reports available to the department. This plan should include proposals for carrying out monitoring and evaluation of the overall programme of work and the individual projects within it.

The department has procured evaluators to lead on the national-level evaluation of the city region sustainable transport settlements. This will include impact, process and value-for-money evaluation. As well as undertaking their own evaluations of schemes, mayoral combined authorities are required to collaborate fully with the national evaluator. This will include submitting the required data in a consistent format, which will be agreed between the contractor, the Department for Transport and the mayoral combined authorities as part of the development of the national monitoring and evaluation framework

Work and Health Programme

Devolution deals are in place to deliver the Work and Health Programme in 4 sub-regional groups of boroughs in London and in Greater Manchester, known as our Local Government Partners. The Work and Health Programme is commissioned by the local authorities, who have full control of the contracts, are responsible for performance management and are free to prioritise specific customer groups in their areas with grant funding from the Department for Work and Pensions.

Annex E: Greater London Authority (GLA) only funds

Affordable Homes Programme

The Affordable Homes Programme is the Department for Levelling Up, Housing and Communities flagship programme for delivering affordable housing in England. It provides grant funding towards the new supply of social and affordable housing, which would not otherwise be financially viable. Two programmes run concurrently – the Affordable Homes Programme 16-23 and the Affordable Homes Programme 21-26.

The department delegates Affordable Homes Programme delivery to our delivery partners the Greater London Authority (GLA) in London, and to Homes England for the rest of the country. Providers (mostly housing association and local authorities) bid for grant funding from Homes England and the GLA to partially cover the cost of new supply. Housing providers bring forward funding through their own borrowing; cash from their own reserves; and cross subsidy from selling homes on the open market. Ultimately, central government grant funding is required to make up the rest of the shortfall.

Spend and allocation

The Affordable Homes Programme 16-23 has an overall budget of £9.1 billion, of which £4.8 billion was allocated to the GLA and the remainder allocated to Homes England for the rest of England.

The Affordable Homes Programme 21-26 has an overall budget of £11.5 billion, of which £4 billion is allocated to the GLA and the remainder allocated to Homes England for delivery in the rest of England.

London Land funds

The Department contributes £486 million towards the GLA's Land programme. This sum is an aggregation of 20% of the national pot for Accelerated Construction, Small Sites and Land Assembly funds. The GLA provides quarterly management information responding to data requirements set out in the initial memorandum of understanding (MOU) in 2018. Departmental policy and Finance lead to meet with the authority on the back of this management information and payment stages are triggered where the authority has demonstrated progress as per the MOU. Payments

are triggered on the provision of delivery evidence and an indicative pipeline (as stipulated in the MOU).

The initiating business case recognised that the GLA, as a devolved body should enjoy a degree of control over the management of the funds. Generally, the GLA invest more in recoverable loans as a mechanism compared to Homes England. This has led to greater outputs than demanded through the MOU. The MOU seeks 8,000 units by 2030 and the GLA is forecasting to exceed this by several thousand units.

Transport for London funding settlement

Transport for London's (TfL) income comes from a range of sources including c. £1 billion per annum through Business Rates income which is agreed through the Spending Review process. Since 2020, TfL has also received direct grant funding to mitigate revenue loss due to the pandemic, this funding ends in March 2024.

-
1. Subject to the current combined county authority provisions in the Levelling Up and Regeneration Bill receiving Royal Assent.
 2. The Mayor of Greater Manchester is the Police, Fire and Crime Commissioner for their area, and the Mayor of West Yorkshire is the Police and Crime Commissioner for their area. From 2024, the Mayor of York and North Yorkshire will also be the Police, Fire and Crime Commissioner for their area. The Mayor of London also has responsibility for police and fire services (see Box 1)
 3. The Levelling Up and Regeneration Bill will enable directly elected mayors of local authorities, mayoral combined authorities and mayoral combined county authorities to be known by alternative titles – such as governor or elected leader – where there is a local wish for this.

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Audit Strategy and Completion Report

Greater Manchester Combined Authority– Year ended 31 March 2024

January 2025

Members of the Audit Committee
Greater Manchester Combined Authority
Churchgate House
56 Oxford Street
Manchester
M1 6EU
22 January 2025

Dear Audit Committee Members,

Audit Strategy and Completion Report – Year ended 31 March 2024

We are pleased to present our Audit Strategy and Completion Report for the Greater Manchester Combined Authority for the year ended 31 March 2024. The purpose of this document is to summarise our audit and to explain how the statutory backstop arrangements introduced by the Accounts and Audit (Amendment) Regulations 2024, have affected the completion of our work and the reporting consequences. We consider two-way communication with you to be key to a successful audit and particularly important in the context of the backstop arrangements as it facilitates:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- sharing information to assist each of us to fulfil our respective responsibilities; and
- providing you with constructive observations arising from the audit process even though this has been curtailed by the backstopped arrangements.

We would usually report the results of our planning work, including the significant risks identified and our planned procedures, in our Audit Strategy Memorandum. The results of our audit, including significant matters identified would usually be reported to you in our Audit Completion Report. As a result of the backstop arrangements, we have determined that the most appropriate way to communicate each of the matters required under auditing standards, in this single Audit Strategy and Completion Report.

As it is a fundamental requirement that an auditor is, and is seen to be, independent of audited bodies, section 8 of this document summarises our considerations and conclusions on our independence as auditors.

We will continue to work closely with you and management to take the necessary steps to rebuild assurance over future accounting periods. We will report further details to you on the rebuilding process in the coming months. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, we hope to return to a standard audit cycle where we are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

Yours faithfully

Karen Murray

Forvis Mazars LLP

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- 05 Significant findings
- 06 Value for Money arrangements
- 07 Audit fees and other services
- 08 Confirmation of our independence

Appendices

- A Draft management representation letter
- B Draft audit report
- C Key communication points

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.



01

Our audit and the implications of the statutory backstop

Our audit and the implications of the statutory backstop

We are appointed to perform the external audit of the Greater Manchester Combined Authority for the year to 31 March 2024. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <https://www.psa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/>.

Our audit of the financial statements

The detailed scope of our work as your appointed auditor for 2023/24 is set out in the National Audit Office's (NAO) Code of Audit Practice ('the Code'). Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 ('the 2014 Act').

We are appointed to audit the financial statements in accordance with International Standards on Auditing (UK). Under normal circumstances, our objectives would be to form and express an opinion on whether the financial statements present a true and fair view of the Authority's financial affairs for the year, and whether they have been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

Government has recently introduced measures intended to resolve the local government financial reporting backstop. Amendments to the Accounts and Audit Regulations require the Authority to publish its audited 2023/24 financial statements and accompanying information on or before 28 February 2025. In accordance with the Code, we are required to provide our audit report on those financial statements in sufficient time to enable the Authority to meet these responsibilities, whether the audit is completed or not.

As a result of the backstop arrangements, we have determined there is insufficient time to complete our audit procedures so as to obtain sufficient appropriate evidence. In our view, the effect of the resulting lack of evidence is material and pervasive to the financial statements as a whole. As a result, we intend to issue a disclaimer of opinion on the Authority's financial statements. We have included our draft audit report in Appendix B. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements. Members will note form and content of this report differs substantially from the report they will have seen in previous the years. We provide more details on this in section 5.

Further information on the procedures we have undertaken in order to issue a disclaimer of opinion in advance of the backstop date is provided in section 3.

Responsibilities in respect of fraud and internal control

The responsibility for safeguarding assets, and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both Those Charged With Governance and management. This includes establishing and maintaining internal controls over compliance with relevant laws and regulations, and the reliability of financial reporting. As part of our audit procedures in relation to fraud we are required to inquire of Those Charged with Governance and including key management include Internal audit, other key individuals where relevant as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks.

Management is also responsible for such internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. Section 5 sets out any internal control recommendations we have made and any misstatements identified in the draft financial statements and how these have been addressed by management.

Wider reporting and electors' rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Authority and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers under the 2014 Act. No such correspondence from electors has been received.

Value for Money arrangements

The amendments to the Accounts and Audit Regulations do not affect our responsibilities in relation to the Authority's Value for Money arrangements. We are responsible for forming a view on the arrangements the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work and our findings further in section 6 of this report.

Whole of Government Accounts

As a result of our intention to issue a disclaimer of opinion on the Authority's financial statements, we anticipate reporting to the NAO that we are unable to complete the mandatory audit procedures specified in their Group Audit Instructions. We are awaiting confirmation of when and how this should be reported to the NAO.

02

Your audit team

Your audit team



Karen Murray

Audit Partner

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Joe Broom

Audit Manager

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An Engagement Quality Reviewer (EQR) has been appointed for this engagement.

03

Our audit approach

Our audit approach

Audit scope

Our audit is designed to comply with all professional requirements. Our audit of the financial statements has been conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. We have also had regard to the Local Audit Reset and Recovery Implementation Guidance ('LARRIG') issued by the National Audit Office, and endorsed by the Financial Reporting Council, in delivering our audit in the context of the backstop arrangements introduced by the 2024 amendments to the Accounts and Audit Regulations.

Our approach to the audit of the financial statements

In the absence of the backstop arrangements, our audit would be risk-based, primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. After completing our detailed risk assessment work and developing our audit strategy, we would design and complete audit procedures in response to the risks identified.

The conditions created by the imposition of the backstop arrangements mean we have not carried out all of the work necessary to issue a detailed audit plan and to complete all the required audit procedures to provide an opinion on the financial statements. The approach we have taken to carrying out the Authority's audit has been designed so we can comply with International Standards on Auditing (UK) and issue our audit report to allow the Authority to meet the backstop date of 28 February 2025 for the publication of audited financial statements and other relevant information.

We summarise below, the work we have undertaken to inform our audit strategy and to determine it is necessary to issue a disclaimer of opinion on the Authority's financial statements. As we have not completed all our planning procedures, including all risk assessment work, we do not include a summary of significant and enhanced risks as part of this report.

Area of the audit	Summary of our procedures
Acceptance and continuance	We have carried out all acceptance and continuance procedures including consideration of: <ul style="list-style-type: none">• The financial reporting framework adopted by the Authority and the existence of any unusual or controversial accounting policies• The form, timing and expected content of our communication with Those Charged with Governance• Any actual or potential threats to our independence• The existence of any other factors that indicate we should not continue as the Authority's auditor
Understanding the entity	We have carried out audit procedures to understand and document our understanding of the Authority across a range of areas, including but not limited to: <ul style="list-style-type: none">• The Authority's structure, including its wider group• Key accounting policies• Accounting estimates• The use of experts
Control environment assessment	We have documented our consideration of the Authority's control environment. We carry out this work to inform both our work on the financial statements and as an element of our Value for Money arrangements risk assessment work.

Our audit approach

Area of the audit	Summary of our procedures
Fraud	We have carried out work on identifying potential fraud risks and made specific inquiries of management and Those Charged with Governance in respect of actual, potential or suspected fraud.
Materiality	We have considered the application of materiality for the audit of the Authority's financial statements. Further details on the materiality thresholds determined, is included later in this section of our report.
Laws and regulations	We have obtained an understanding of the legal and regulatory framework applicable to the Authority. We have made specific inquiries with management and Those Charged with Governance in respect of any instances of noncompliance with laws and regulations.
Written representations	We have requested certain written representations from management in accordance with ISA (UK) 580. The draft management letter of representation is provided in Appendix A.
Completion, review and reporting	<p>We have undertaken sufficient review procedures to ensure our audit complies with the requirements of ISA (UK) 230. This includes specific work to document our consideration of the implications of the backstop arrangements on our audit and the reporting implications.</p> <p>We have also considered whether any matters have come to our attention that we consider should be reported to Those Charged with Governance or that may be relevant to our auditor's report. Such matters may include misstatements identified in the draft financial statements or internal control recommendations.</p> <p>As we intend to issue a disclaimer of opinion, additional quality and risk management processes have also been followed.</p>

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Our audit approach

Group audit approach

- The Authority prepares Group accounts and consolidates the following bodies:
 - Chief Constable of Greater Manchester Police (GMP) – under public sector accounting treatment consolidated into the GMCA Group
 - Transport for Greater Manchester (TfGM) – consolidated into the GMCA Group as the Authority’s executive body for delivery of transport services
 - NW Evergreen Holdings Limited Partnership (NWEH)
 - Greater Manchester Fund of Funds (FoF) Limited Partnership
 - Greater Manchester Evergreen 2 Limited Partnership (GME2LP)
- Forvis Mazars UK are the appointed auditor for the Chief Constable and Transport for Greater Manchester. As such we are the appointed auditor for 99% of the Group’s total expenditure.

Entity	Classification	Auditor	Procedures undertaken
Chief Constable of Greater Manchester Police (GMP)	Significant	Forvis Mazars LLP	We have identified GMP as a significant component and calculated component materiality.
Transport for Greater Manchester (TFGM)	Significant	Forvis Mazars LLP	We have identified TFGM as a significant component and calculated component materiality.
NW Evergreen Holdings Limited Partnership (NWEH)	Non- significant	TC Group	We have identified NWEH as a non-significant component and calculated component materiality.
Greater Manchester Fund of Funds Limited partnership FoF)	Non- significant	TC Group	We have identified FoF as a non-significant component and calculated component materiality.
Greater Manchester Evergreen 2 Limited partnership (GME2LP)	Non- significant	TC Group	We have identified GME2LP as a non-significant component and calculated component materiality.

04

Materiality

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Materiality

Definitions

Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

Misstatements in the financial statements are considered to be material if they could, individually or in aggregate, reasonably be expected to influence the economic decisions of users based on the financial statements.

Our approach to determining materiality

Although we intend to issue a disclaimer of opinion on the financial statements, we are required to determine materiality and communicate this to the Audit Committee.

We determine materiality for the financial statements as a whole (overall materiality) using a benchmark that, in our professional judgement, is most appropriate to entity. We also determine an amount less than materiality (performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to the Audit Committee.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on a consideration of the common financial information needs of users as a group and not on specific individual users.

An assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities, and accounts;
- Have a willingness to study the information in the financial statements with reasonable diligence;
- Understand that financial statements are prepared, presented, and audited to levels of materiality;
- Recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement, and consideration of future events; and
- Will make reasonable economic decisions based on the information in the financial statements.

We consider overall materiality and performance materiality while planning and performing our audit based on quantitative and qualitative factors. When planning our audit, we make judgements about the size of misstatements we consider to be material.

The overall materiality and performance materiality we determine does not necessarily mean that uncorrected misstatements are below materiality, individually or in aggregate, will be considered immaterial.

We revise materiality as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of it at the planning stage.

Materiality

Our approach to determining materiality (continued)

For the group and single-entity financial statements, we consider that gross revenue expenditure at the surplus / deficit on the provision of services is the key focus of users of the financial statements. As such, we base our materiality levels around this benchmark.

We have set a materiality threshold of 1.8% of gross revenue expenditure for the group financial statements, and a materiality threshold of 1.8% of gross revenue expenditure for the Authority’s single entity statements. Based on the 2023/24 draft financial statements, overall materiality for the year ended 31 March 2024 is as follows:

Group financial statements	2023/24 £'000s	2022/23 £'000s
Overall materiality	£46,900	£44,000
Performance materiality	£25,795	£24,200
Clearly trivial	£1,407	£1,320

Single entity financial statements	2023/24 £'000s	2022/23 £'000s
Overall materiality	£42,000	£37,000
Performance materiality	£23,100	£20,350
Clearly trivial	£1,260	£1,110

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05

Significant findings

Significant findings

Background and modification of the audit opinion

As a result of the backstop arrangements, we have not been able to complete sufficient audit procedures to enable us to provide an unmodified opinion on the Authority's financial statements. As we have determined the effects, or potential effects on the financial statements of the lack of sufficient appropriate evidence are material and pervasive, we will be issuing a disclaimer of opinion. This means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report. This explains the basis for our disclaimer of opinion being the introduction of the backstop arrangements which require the Authority to publish its audited 2023/24 financial statements by 28 February 2025.

Members will note the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2023/24 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- Implications of the backstop arrangements

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Authority's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance the financial statements are free from material error .

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties. We have had the full co-operation of management.

Our observations on internal control

As part of our planning procedures, we obtained an understanding of Authority's internal control environment and control activities relevant to the preparation of the financial statements, sufficient to inform our audit strategy. Although our audit was not designed to express an opinion on the effectiveness of Authority's internal controls, we are required to evaluate any deficiencies in internal control that come to our attention, even though we intend to issue a disclaimer of opinion.

A deficiency in internal control exists if:

- a control is designed, implemented, or operated in such a way that it is unable to prevent, detect, and/or correct potential misstatements in the financial statements; or
- a necessary control to prevent, detect, and/or correct misstatements in the financial statements on a timely basis is missing.

The matters reported in this section of our report are limited to those deficiencies and other control recommendations identified through the audit procedures we were able to complete. If we had performed more extensive procedures on internal control, we may have identified more matters to report. Our comments in this section should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Significant deficiencies in internal control

A significant deficiency in internal control is one which, in our professional judgement, has the potential for financial loss, damage to reputation, or a loss of information which may have implications on the achievement of business strategic objectives. In our view, observations categorised as a significant deficiency are of sufficient importance to merit the attention of the Audit Committee.

We have not identified any significant deficiencies in the Authority's internal controls as at the date of this report.

Other observations on internal control

We also report to you, our observations on the Authority's internal controls where, in our professional judgement, there is a need to strengthen internal control or enhance business efficiency that do not constitute significant deficiencies in internal control but which we view as being important for consideration by management.

We do not have any other internal control observations to bring to your attention as at the date of this report.

Whether internal control observations merit attention by the Audit Committee and/or management is a matter of professional judgment, taking into account the risk of misstatement that may arise in the financial statements as a result of those observations.

Summary of amendments to the financial statements

The Authority's S151 Officer authorised the Authority's draft financial statements for issue on 12/08/2024.

Although we intend to issue a disclaimer of opinion, we still report any amendments management have made to the draft financial statements, identified either through the audit procedures we have undertaken, or separately by management.

This information is provided to the audit committee for information and to support it to discharge its responsibilities. It is important to note that because we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments made to the draft financial statements.

We have not identified any changes to the financial statements above our reporting threshold.

Unadjusted misstatements

When we issue a disclaimer of opinion, auditing standards require us to consider whether we are aware of any matter otherwise requiring a modification to our opinion. Such matters may include, for example, material misstatements that have been identified but not been amended by management.

We confirm no such matters have come to our attention.

06

Value for Money arrangements

Value for money arrangements

The framework for Value for Money arrangements work

We are required to form a view as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out to form our view and sets out the overall criterion and sub-criteria we are required to consider.

2023/24 is the fourth audit year where we are undertaking our value for money (VFM) work under the 2020 Code of Audit Practice (the Code). Our responsibility remains to be satisfied the Authority has proper arrangements in place and to report in the audit report and/or the audit completion certificate where we identify significant weaknesses in arrangements. Separately we provide a commentary on the Authority's arrangements in the Auditor's Annual Report. The introduction of the backstop arrangements does not alter our responsibilities in relation to Value for Money arrangements work.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

1. **Financial sustainability** – how the Authority plans and manages its resources to ensure it can continue to deliver its services;
2. **Governance** – how the Authority ensures that it makes informed decisions and properly manages its risks; and
3. **Improving economy, efficiency and effectiveness** – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services

Our approach

Our work falls into three primary phases as outlined opposite. We need to gather sufficient evidence to support our commentary on the Authority's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Authority and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.

Planning and risk assessment	Obtaining an understanding of the Authority's arrangements for each specified reporting criteria. Relevant information sources include: <ul style="list-style-type: none">• NAO guidance and supporting information;• information from internal and external sources including regulators;• knowledge from previous audits and other audit work undertaken in the year; and• interviews and discussions with officers and Members.
Additional risk-based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements. This will form part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none">• significant weaknesses identified and our recommendations for improvement; and• emerging issues or other matters that do not represent significant weaknesses but still require attention from the Authority.

Value for money arrangements

Status of our work

As at the date of this report, our planning and risk assessment work is not complete. We will complete our work before we issue the audit report on the financial statements.

As permitted by the Code of Practice, we will report the commentary on our work as part of the Auditor's Annual Report. We anticipate providing this report on or before 28 February 2025

07

Audit fees and other services

Audit fees and other services

Fees for work as the Authority’s appointed auditor

PSAA’s scale of fees for the Authority for 2023/24 was set at £238,450.

PSAA have not yet prescribed the fees payable for undertaking procedures to issue a disclaimed audit report. We will confirm the final fee is due course.

Fees for other services

We have not provided any other services to the Authority.

08

Confirmation of our independence

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Confirmation of our independence

We are committed to independence.

We confirm we comply with the FRC's Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that, in our professional judgement, there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place designed to ensure we carry out our work with integrity, objectivity, and independence. These policies include:

- All partners and staff are required to complete an annual independence declaration.
- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

Prior to the provision of any non-audit services, Karen Murray will undertake appropriate procedures to consider and fully assess the impact providing the service may have on our independence as auditor.

We confirm, as at the date of this report, the engagement team and others in the firm as appropriate and, when applicable, Forvis Mazars' member firms, are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with Authority in the first instance.

Appendices

A: Draft management representation letter

B: Draft audit report

C: Key Communication points

Appendix A: Draft management representation letter

Dear Karen,

Greater Manchester Combined Authority- Audit for Year Ended 31 March 2024

This representation letter is provided in connection with your audit of the financial statements of Greater Manchester Combined Authority (the Authority and Group) for the year ended 31 March 2024. I note that you intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code Update and applicable law.

My responsibility to provide and disclose relevant information

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Treasurer that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all GMCA and committee meetings, have been made available to you.

Appendix A: Draft management representation letter

Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority and Group’s financial position, financial performance and cash flows.

Accounting estimates, including those measured at fair value

I confirm that the methods, significant assumptions and the data used by the Authority and Group in making the accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code Update and applicable law.

Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

Appendix A: Draft management representation letter

Fraud and error

I acknowledge my responsibility as Treasurer for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities.

I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority and Group involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; and
 - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority and Group's financial statements communicated by employees, former employees, analysts, regulators or others.

Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code Update and applicable law.

I have disclosed to you the identity of the Authority and Group's related parties and all related party relationships and transactions of which I am aware.

Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

Charges on assets

All the Authority and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

Future commitments

The Authority and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

Appendix A: Draft management representation letter

Service Concession Arrangements

I am not aware of any material contract variations, payment deductions or additional service charges in 2023/24 in relation to the Authority and Group's service concession arrangements that you have not been made aware of.

Subsequent events

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code Update and applicable law, require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

Reinforced Autoclaved Aerated Concrete (RAAC)

I can confirm we have carried out an assessment of the potential impact of Reinforced Autoclaved Aerated Concrete (RAAC) on GMCA and Group. Based on this there is no indication of a need for a material impairment of GMCA's and Group's property, plant and equipment or investment property balances.

Going concern

To the best of my knowledge there is nothing to indicate that the Authority and Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority and Group's risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

Narrative Report

The disclosures within the Narrative Report fairly reflect my understanding of the Authority and Group's financial and operating performance over the period covered by the financial statements.

Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

[Signature]

Steve Wilson

Treasurer

Appendix B: Draft audit report

Independent auditor's report to the members of Greater Manchester Combined Authority

Report on the audit of the financial statements

Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of Greater Manchester Combined Authority ("the Authority") and its subsidiaries ('the Group') for the year ended 31 March 2024, which comprise the Authority and Group Comprehensive Income and Expenditure Statement, the Authority and Group Movement in Reserves Statement, the Authority and Group Balance Sheet, the Authority and Group Cash Flow Statement, the Firefighter's Pension Fund, the Police Pension Fund, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Authority to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2024, by 28 February 2025 ('the backstop date').

The backstop date introduced by the Amendment Regulations has impeded our ability to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements as there has been insufficient time to perform all necessary audit procedures.

Responsibilities of the Treasurer for the financial statements

As explained more fully in the Statement of the Treasurer's Responsibilities, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and for being satisfied that they give a true and fair view. The Treasurer is also responsible for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Treasurer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Treasurer is responsible for assessing each year whether or not it is appropriate for the Authority and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Appendix B: Draft audit report

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the Authority's and Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Authority and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024.

We have nothing to report in this respect.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Appendix B: Draft audit report

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

Use of the audit report

This report is made solely to the members of Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until the National Audit Office has communicated the work we are required to undertake as component auditors for the Whole of Government Accounts.

[Signature]

Karen Murray,

Key Audit Partner

For and on behalf of Forvis Mazars LLP

Appendix C: Key communication points

We value communication with the Audit Committee as a two way feedback process at the heart of our client service commitment. ISA (UK) 260 *Communication with Those Charged with Governance* and ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Audit Strategy and Completion Report; and
- Our Auditor's Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate. We have taken the decision to report to you all of the matters which we would usually report in our Audit Strategy Memorandum and Audit Completion Report, within this single Audit Strategy and Completion Report given the nature of the backstop arrangements and the impact upon our audit.

Key communication points at the planning and completion stage of our audit communicated our Audit Strategy and Completion Report

- Our responsibilities in relation to the audit of the financial statements;
- The planned scope and timing of the audit and the effects of the backstop arrangements;
- Our commitment to independence;
- Responsibilities for preventing and detecting errors;
- Materiality and misstatements;
- Fees for audit and other services.
- Significant deficiencies in internal control;

- Significant findings from the audit including any significant matters discussed with management and significant difficulties, if any, encountered during the audit;
- Summary of misstatements and other corrections made to the draft financial statements;
- Management representation letter; and
- Our proposed draft audit report.

Contact

Forvis Mazars

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Engagement Partner

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GMCA AUDIT COMMITTEE

Date: 22 January 2025

Subject: GMCA Audit Committee Work Programme 2024-2025

Report of: Steve Wilson, GMCA Treasurer

PURPOSE OF REPORT

To ask the Audit Committee members to consider and comment on the work programme of items that will provide a focus for the work of the Committee for the 2024/25 municipal year, noting that the Committee will look to programme the deep-dive topics identified at the previous meeting in to a longer-term work programme at the meeting of the Committee in March 2025.

RECOMMENDATIONS:

The Audit Committee is requested to:

To consider, comment and propose items on the Audit Committee Work Programme for 2024/25.

CONTACT OFFICERS:

Steve Wilson, GMCA Treasurer

Steve.wilson@greatermanchester-ca.gov.uk

Paul Harris, Senior Governance Officer, GMCA

Paul.harris@greatermanchester-ca.gov.uk

Equalities Implications: N/A

Climate Change Impact Assessment and Mitigation Measures: N/A

Risk Management – Risk management is included in the work programme.

Legal Considerations – none

Financial Consequences – Revenue – There are no specific revenue considerations contained within the report.

Financial Consequences – Capital – There are no specific capital considerations contained within the report.

Number of attachments included in the report: One (Audit Committee Work Programme).

BACKGROUND PAPERS:

None

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be 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	

GMCA Audit Committee – Work Programme 2024-2025

Agenda Item	July 2024	October 2024	22 January 2025	19 March 2025		Lead	Audit Committee role
Annual Meeting Business							
Appointment of Chair	✓					Governance	Approve
Confirmation of Membership	✓					Governance	-
Audit Committee Terms of Reference	✓					Governance	Consider and comment
Annual report of Audit Committee		✓				Audit Committee Chair	Consider and comment
Review and update of Annual Work Programme	✓					Chair / Governance team	Consider and comment
Annual Report of the Joint Audit Panel (Police and Crime)		✓				Chair of the Joint Audit Panel	Receive
Annual review of the effectiveness of the Audit Committee				✓		Chair / Internal Audit	Consider and comment
Ordinary Meeting Business							
Declarations of Interest	✓	✓	✓	✓		Governance	-
Chairs Announcements and Urgent Business	✓	✓	✓	✓		Chair	-
Minutes of previous meeting	✓	✓	✓	✓		Governance	Approve
Audit Committee Action tracker	✓	✓	✓	✓		Governance	Consider and comment
Minutes of Joint Audit Panel	✓	✓	✓	✓		Governance	Receive
Private meeting with Internal Auditors				✓		Chair / Internal Audit	-
Private meeting with External Auditors		✓				Chair / External Audit	-

Agenda Item	July 2024	October 2024	22 January 2025	19 March 2025		Lead	Audit Committee role
Risk Management							
Risk Management Update	✓	✓		✓		Treasurer and Internal Audit	Consider
Risk deep-dives*		✓	✓	✓		Treasurer and Internal Audit	Consider
Corporate Risk Register and Assurance Framework full review* (annual)			✓			Treasurer and Internal Audit	Consider
Internal Audit							
Internal Audit Plan				✓		Internal Audit	Approve
Internal Audit Charter	✓			✓		Internal Audit	Approve
Head of Internal Audit Opinion	✓					Internal Audit	Consider
Review of Effectiveness of Internal Audit	✓					Treasurer	Consider and comment
Internal Audit Progress Report	✓	✓	✓	✓		Internal Audit	Consider
Audit Action Tracking	✓	✓	✓	✓		Internal Audit	Consider
Financial Reporting							
Annual Governance Statement (Draft)	✓					Treasurer	Review
Annual Governance Statement (Final)		✓				Treasurer	Approve
Assessment of Going Concern	✓					Treasurer	Consider
Accounting policies and critical judgements						Treasurer	Consider
Statement of Accounts 22-23	✓					Treasurer	Approve
Unaudited Draft Statement of Accounts 23-24	✓					Treasurer	Review

Agenda Item	July 2024	October 2024	22 January 2025	19 March 2025		Lead	Audit Committee role
Final Audited Statement of Accounts 23-24						Treasurer	Consider
Letter of Representation		✓				Treasurer	Consider
External Audit							
External Audit Progress Report	✓					External Audit	Consider
Value for Money Report	✓					External Audit	Consider
Audit Strategy Memorandum						External Audit	Consider and comment
Annual Audit Letter						External Audit	Consider
Final Statement of Accounts – Report of the External Auditor		✓				External Audit	Consider
Treasury Management							
Treasury Management Annual Report	✓					Treasurer	Consider
Treasury Management Update		✓	✓	✓		Treasurer	Consider
Counter Fraud and Whistleblowing							
Counter Fraud Strategy and Plan				✓		Treasurer and Internal Audit	Monitor
Annual Whistleblowing Report*	✓					Internal Audit	Receive
Information Governance							
Annual report of the SIRO	✓					SIRO	Consider
Forward Planning							
Audit Committee Work Programme	✓	✓	✓	✓			Approve
Date and Time of Next Meeting	✓	✓	✓	✓			Note

* possible Part B (Private) meeting items

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